

Prepared By:
Gearhiser, Peters, Cavett, Elliott & Cannon, PLLC
320 McCallie Avenue
Chattanooga, TN 37402

Instrument: 2011032400137
Book and Page: GI 9372 99
MISC RECORDING FEE \$140.00
DATA PROCESSING FEE \$2.00
Total Fees: \$142.00
User: KST
Date: 3/24/2011
Time: 1:57:43 PM
Contact: Pam Hurst, Register
Hamilton County, Tennessee

DECLARATION OF
RESTRICTIVE COVENANTS FOR
PROVIDENCE POINT SUBDIVISION
PHASE I

THIS DECLARATION made this 23rd day of March, 2011, by STONE FORT OOLTEWAH, LLC (herein "Developer" or "Declarant").

WITNESSETH:

STONE FORT OOLTEWAH, LLC, hereby declaring it is the lawful owner in fee simple of Lots 1 through 61 and 78-117 of PROVIDENCE POINT SUBDIVISION PHASE I as shown on plat of record in Plat Book 94, Pages 127-128, in the Register's Office of Hamilton County, Tennessee, desiring to promote the development thereof as a residential subdivision, and for the protection of it, its successors in trust or assigns, and the protection of future owners of any one or more of said lots, does hereby impose upon all of said lots, the following Restrictive Covenants which shall run with the land for a period of forty (40) years, unless extended pursuant to the provisions hereof, to-wit:

NOW, THEREFORE, the Declarant does hereby subject the Property (as defined in Article 2.1) to the terms of these RESTRICTIVE COVENANTS FOR PROVIDENCE POINT SUBDIVISION PHASE I (the "Declaration") and declares that the same is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, Assessments (as herein defined), affirmative obligations and liens hereinafter set forth. The terms of this Declaration shall touch and concern and run with the Property.

ARTICLE I
DEFINITIONS

The following words and terms, when used in the Declaration or any amendment thereto (unless the context shall clearly indicate otherwise) shall have the following meanings:

- 1.1 Architectural Review Committee. "Architectural Review Committee" ("ARC") shall mean and refer to Declarant, pursuant to the Bylaws, or to the Special Committee known as the Architectural Review Committee appointed by the Board pursuant to the Bylaws, as the case may be, which shall have the powers and responsibilities set forth herein and in the Bylaws.
- 1.2 Assessment. "Assessment" shall mean and refer to charges levied against Lots to fund Common Expenses and any other expenses of the Association, including Common Assessments and Special Assessments (as defined herein).
- 1.3 Association. "Association" shall mean PROVIDENCE POINT HOMEOWNERS' ASSOCIATION, INC., a Tennessee nonprofit corporation.
- 1.4 Board of Directors or Board. "Board of Directors" or "Board" shall mean the governing body of the Association established and elected pursuant to the Bylaws.

15235-
P. J. Cantley

- 1.5 Bylaws. "Bylaws" shall mean the Bylaws of the Association, the initial form of which is attached hereto as Exhibit B.
- 1.6 Common Expense. "Common Expense" shall mean and include (a) expenses of administration, maintenance, repair or replacement of the Common Properties; (b) expenses agreed upon as Common Expenses by the Association; (c) expenses declared Common Expenses by the provisions of this Declaration; and (d) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration and/or the Bylaws.
- 1.7 Common Properties. "Common Properties" shall mean and refer to those tracts of land and any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated as a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying Residences or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such Lease. The Common Properties may include but not be limited to streets, Community Lots (as shown on the Plat), street lights, sidewalks, entrance and street signs, medians in roadways, maintenance easement areas and landscaping easement areas.
- 1.8 Covenants. "Covenants" or "Restrictive Covenants" shall mean the covenants, restrictions, conditions, easement, charges, Assessments, affirmative obligations and liens set forth in this Declaration.
- 1.9 Declaration. "Declaration" shall mean this DECLARATION OF RESTRICTIVE COVENANTS FOR PROVIDENCE POINT SUBDIVISION and any amendments filed pursuant to the terms hereof.
- 1.10 Declarant. "Declarant" shall mean Developer "Stone Fort Ooltewah, LLC".
- 1.11 Development. "Development" shall mean and refer to PROVIDENCE POINT SUBDIVISION PHASE I, which shall include the Property, as defined herein.
- 1.12 First Mortgage. "First Mortgage" shall mean a recorded Mortgage with priority over other Mortgages.
- 1.13 First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.
- 1.14 Lot or Lots. "Lot" or "Lots" shall mean and refer to any improved or unimproved parcel of land located within the Property, as shown on the Plat of the Property, that is used, or is intended for use, as a site for a single-family detached Residence, as that term is defined herein. Common Properties, including Community Lots (as shown on the Plat, as amended from time to time, and defined herein), are not Lots for purposes of these Covenants.
- 1.15 Manager. "Manager" shall mean a person or firm appointed or employed by Declarant or the Board, pursuant to the Bylaws, to manage the daily affairs of the Association in accordance with instructions and directions of the Declarant or Board.
- 1.16 Member or Members. "Member" or "Members" shall have the meaning stated in the Bylaws.
- 1.17 Mortgage. "Mortgage" shall mean a deed of trust as well as a Mortgage.
- 1.18 Mortgagee. "Mortgagee" shall mean a beneficiary, creditor, or holder of a deed of trust, as well as a holder of a Mortgage.

- 1.19 Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Recorder, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to a Lot, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee or holder of a deed of trust, its successors or assigns, unless and until such Mortgagee or holder of a deed of trust has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the office of the Recorder a long-term contract of sale covering any Lot within the Property, the Owner of such Lot shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract but not extending beyond five (5) years from the date of contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property. The Declarant may be an Owner.
- 1.20 Plat. "Plat" shall mean the plat of Providence Point Subdivision, of record in Plat Book 94, Pages 127-128, in the Register's Office of Hamilton County, Tennessee.
- 1.21 Property. "Property" shall mean and refer to the real property described in Section 2.1 hereof, which is subjected to this Declaration or any amendment under the provisions hereof.
- 1.22 Record or To Record. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.
- 1.23 Recorder. "Recorder" shall mean and refer to the Register of Deeds of Hamilton County, Tennessee.
- 1.24 Residence. "Residence" shall mean any building situated upon the Property designated and intended for use and occupancy by a single family.

ARTICLE II
PROPERTIES, COMMON PROPERTIES AND
IMPROVEMENTS THEREON

- 2.1 Property. The covenants and restrictions set forth in this Declaration, as amended from time to time, are hereby imposed upon the Property located in Hamilton County, Tennessee, and more particularly described on Exhibit "A", attached hereto, which shall hereafter be held, transferred, sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to these Covenants. Additionally, any easements on any real property retained by or granted to the Declarant or the Association for the purpose of erection and maintenance of streets, entrance signs, sidewalks, street lights, or landscaping and maintenance thereof, shall also be considered Property and subject to these Covenants. Every person who is or shall be a record Owner shall be deemed by the taking of such record title to agree to all the terms and provisions of this Declaration.
- 2.2 Association. The Declarant shall cause the Association to be formed and incorporated under the laws of Tennessee for the purpose of carrying on one or more of the functions of a homeowners' association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in the Declaration. Every person who is an Owner is and shall be a Member of the Association, as more particularly set forth in the Bylaws of the Association, which are to serve as the Bylaws of the Association. Owners of Community Lots (as defined herein), if said Community Lots are not owned by the Association, shall be Members of the Association.
- 2.3 Common Properties and Improvements Thereon. The streetlights, sidewalks, ponds, street signs and Community Lots shall be a part of the Common Properties. The Association shall be responsible for the operation, maintenance, repair and replacement of the Common Properties, including, without limitation, sidewalks, streetlights, ponds and street signs. The landscaped subdivision entrance areas

(whether privately or publicly owned) shall be a part of the Common Properties and the Association shall be responsible for maintenance of the landscaped subdivision entrance areas. Declarant and the Association may add additional Common Properties from time to time as each entity sees fit. No building, structure or facility shall be placed, installed, erected, or constructed in or on the Common Properties unless it is purely incidental to one or more of the uses above specified and is specifically approved in writing by Declarant or the Association.

2.4 Community Lots.

2.4.1 The Plat contains at least one tract that is designated as a "Community Lot" which, pursuant to Section 2.3 hereof, is part of the Common Properties. All parking areas, ingress-egress areas, and other elements of all Community Lots, including general maintenance, shall be the responsibility of the Association. All water and electric bills, if any, for services to Community Lots that are owned by the Association shall be paid by the Association. At the time that Declarant transfers control of the Development to the Association, Declarant shall convey the Community Lot(s) then shown on the Plat to the Association, and such Community Lot(s) shall as a result of that transfer become part of the Common Properties, subject to any Rules and Regulations (as defined in the Bylaws) set forth by the Declarant or the Association, as the case may be, and subject to governing authority of the Declarant or Board, as the case may be.

2.4.2 No Community Lot may contain a residence.

2.4.3 No improvements, structures, fences, exterior lighting, walls, swimming pools, children's play areas, decorative appurtenances, or structures of any type on a Community Lot shall be erected, placed, added to, remodeled or altered without the express prior written consent of Declarant or the Association. No trees or shrubs shall be cut on or removed from a Community Lot, and no grading shall be commenced on a Community Lot without the express prior written consent of Declarant or the Association.

ARTICLE III
COVENANTS, USES AND RESTRICTIONS

3.1 Residential Use.

3.1.1 All of the Lots in the Development shall be residential lots, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in this Declaration.

3.1.2. "Residential" is used in its ordinary meaning and refers to a mode of occupancy in contradistinction to "business" or "commercial" or "mercantile" activity.

3.1.3. Neither the Lots nor the Community Lots may be used as a means of service to business establishments or adjacent property, including but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether or not a part of the Property, without the express prior written consent of the Declarant or the Association.

3.1.4. Yard sales, flea markets, craft sales, garage sales, estate sales and the like are prohibited anywhere in the Development.

3.2. Dwelling Size. No single-family detached Residence shall be erected or permitted to remain in the Property unless it has the number of square feet of enclosed finished and heated living area measured from the exterior walls, exclusive of open porches, screened porches, decks, steps, garages or basements, set forth in this section. For the purposes of this section, stated square footage shall mean the minimum Floor Area required, and Floor Area shall mean the finished and heated living area contained within the Residence, exclusive of open porches, screened porches, decks, steps, garages or unfinished basements. In the case of any question as to whether a sufficient Floor Area has been

provided in a Residence as required by these Covenants, the decision of Declarant or the ARC, whichever is applicable, shall be final. The minimum number of square feet of Floor Area required is as follows:

3.2.1. On 50-foot Lots a single-level Residence shall contain not less than 1,200 square feet of Floor Area on the main level and shall also contain a main level two-car garage. For all Lots other than 50-foot Lots a single-level Residence shall contain not less than 1,600 square feet of Floor Area and shall also contain a main-level two-car garage. A Residence that contains only a "bonus room" (and no closets or bathrooms) on a second level shall be deemed a single-level Residence.

3.2.2. On 50-foot Lots a Residence of more than one level shall contain not less than 1,000 square feet of Floor Area on the main level and shall also contain a main-level two-car garage; and the Floor Area of the upper level shall be added to the main level Floor Area, to arrive at a total of no less than 1400 square feet of Floor Area for the entire Residence. For all Lots other than 50 foot Lots a Residence of more than one level shall contain not less than 1,400 square feet of Floor Area on the main level and shall also contain a main-level two-car garage; and the upper level Floor Area square footage shall be added to the main level square footage to arrive at a total of no less than 1750 square feet of Floor Area for the entire Residence.

3.2.3. Declarant or the Association, as applicable, may, at its sole and unfettered discretion, grant variances as to the Floor Area minimum square footage requirements of this section, but only in writing, and it is anticipated that due to varying lot shapes and locations variances will be given. However, no variance that Declarant or the Association grants shall ever operate as a precedent for any other or further variance, and shall in no way alter or amend the minimum square footage requirements of this section.

3.3 Set-backs. No residence on a 50-foot Lot shall be located any nearer to the front lot line than 15 feet from pin (25 feet from curb), nor nearer than 5 feet to any interior Lot line, and not nearer than 25 feet to any side street. No residence on any Lot other than 50-foot lots shall be located nearer to the front lot line than 20 feet from pin (30 feet from curb), nor nearer that 10 feet to any interior lot line, and not nearer than 25 feet to any side street line. If Declarant or the Association grants such a variance, neither the Declarant nor the Association will oppose such Owner's attempt to obtain the same variance from applicable zoning laws and regulations. For the purposes of this section, eaves, steps, open porches, decks and driveway shall not be considered as part of the Residence, provided, however, that no portion of a residence, including eaves, steps, open porches, decks and driveways shall encroach upon another Lot. Declarant has the right to vary the above-stated set-back requirements on certain lots that may not have the depth to utilize a 20-foot set back. **NO PROVISION OF THIS SECTION SHALL BE CONSTRUED TO PERMIT ANY STRUCTURE TO BE ERECTED SO THAT IT DOES NOT CONFORM TO THE APPLICABLE ZONING LAWS AND REGULATIONS.** No fence of any kind or character shall be located except to the rear of the rear line of the Residence; further, as to corner lots, no fence shall be erected nearer than 30 feet from the side street line, and such fence shall not be nearer to the side line than the line of the Residence. Declarant or the Association, as applicable, may, at its sole and unfettered discretion, grant variances as to the set-back requirements of this section, but only in writing, and it is anticipated that due to varying lot shapes and locations variances will be given. However, no variance that Declarant or the Association grants shall ever operate as a precedent for any other or further variance, and shall in no way alter or amend the minimum square footage requirements of this section.

3.4 Rearrangement of Lot Lines. Not more than one Residence shall be erected or maintained on any one Lot. With the express prior written approval of the Declarant or the Association, contiguous Lots may be combined, if the Lots have the same Owner, for the purpose of erecting an approved Residence thereon; however, the Assessments provided for herein will continue to be based upon the number of Lots as originally platted. Lots may not be subdivided so as to create a smaller area than originally decided to a Lot Owner and as shown on the Plat.

- 3.5 No Multi-Family Residences, Business, Trucks. No Residence shall be designed, patterned, constructed or maintained to serve or to be used as a Residence for more than one single family, and no Residence shall be used at any time as a Residence for more than a single family. Except as specifically provided in Section 3.7 hereof, no Residence or Lot shall ever be used in whole or in part for any business or commercial activity or purpose. No trucks or other equipment inconsistent with ordinary residential uses shall ever be parked on a Lot or on any street on the Property. If there is any question concerning the interpretation of this section, the interpretation of the Declarant or the Association, as applicable, shall govern. Nothing contained herein shall prohibit the Declarant or the Association from permitting, maintaining, or operating concessions or vending machines on the Common Properties.
- 3.6 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment or nuisance to the Development.
- 3.7 Vehicle Parking. Vehicles owned by Lot Owners and Lot Owners' family members residing in the Lot Owner's Residence shall not be parked on the street, but shall be parked only in the Lot Owner's garage or driveway. No part of a tractor trailer may be parked anywhere in the Development except for the sole purpose of active, on-going pick-up or delivery of goods or merchandise including, for example, household furnishings. In the case of deliveries, no part of a tractor trailer shall be parked overnight anywhere in the Development. Further, (i) vehicles owned by invitees of Lot Owners, (ii) trucks larger than pick-up trucks (including motor homes and recreational vehicles), (iii) campers, and (iv) boats shall not be parked continuously for more than 24 hours on any street, driveway, or outside on a Lot anywhere in the Development, regardless of whether such item is visible from the street. No inoperable vehicle, machinery or equipment shall be placed or allowed to remain outside on the premises of any Lot, or anywhere in the Development, at any time, even if not visible from the street. Recreational vehicles, vacation trailers, campers and boats must be stored and hidden from view within the garage. Such vehicles may not be stored anywhere else on the Lot without written permission from the Declarant, and the decision of approval will be based upon the location of the Lot and its visibility from the road. When the initial construction of a Residence is taking place upon any Lot parking shall only be permitted upon the street.
- 3.8 Temporary Structures. No structure of a temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction. No house may be moved from another location to any Lot in this Development. Neither the foregoing nor any other section of this Declaration shall prevent the Declarant or any builder, upon express prior written approval writing by the Declarant from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other houses within the Development, nor shall the foregoing or any other section of this Declaration prevent the Declarant from designating a Lot or Lots from time to time for the temporary placement of a trailer or other suitable structure for use as an office and/or sales center by the Declarant and/or builders approved in writing by Declarant in the sole discretion of the Declarant.
- 3.9 Construction Period. No Occupancy Before Completion. Except with the express prior written consent of Declarant or the Association, based on adequate assurance of prompt completion of a Residence, an Owner shall not occupy a Residence until the Residence and seasonal landscaping conforming fully to the provisions of these Restrictive Covenants shall have been erected and fully completed thereon. The intent of this section is to prevent the use thereon of a garage, incomplete structure, trailer, barn, tent, outbuilding or other structure as temporary living quarters before or pending the erection of a permanent building. Once the footings of any Residence or other structure are poured, construction must progress continuously (with allowance for weather conditions, labor conditions and availability of materials) until the building is fully completed. The exterior (including

landscaping) must be completed at the earlier of twelve (12) months after commencement of construction or thirty (30) days after completion of the Residence.

- 3.10 Animals. No poultry, livestock or other animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats, or other traditional household pets is permitted, provided that nothing herein shall permit the keeping of dogs, cats, or other animals for commercial purposes. Pet owners shall not allow pets to roam unattended. The pet owners shall also muzzle any pet that persistently barks. If the barking persists, the pet owner shall have the pet removed from the Development. If the pet owner refuses, the persistent barking shall be deemed an "offensive activity" and the refusal of the Owner to remove the animal from the Development shall be deemed a violation of these Restrictive Covenants. In addition, no dogs or other animals that evidence a propensity to bite or otherwise harm humans or other domestic pets shall be allowed or maintained on any Lot. Owners must obey any and all state and local leash laws. No unleashed dogs or cats are permitted on the Community Lots or the Common Properties.
- 3.11 Construction Waste. During the period of construction of a Residence, or any other improvement, upon a Lot, the Owner shall have on site a container or dumpster to contain any and all applicable construction debris. During the construction of a Residence upon a Lot the Owner shall keep all debris cleared from the street or streets bounding the Lot, and shall not permit debris to come upon any other Lot. A Lot Owner shall not permit dirt, mud or debris to enter the adjoining street or streets, or Lot or Lots. Before any Residence is occupied all debris must be removed from the entire Lot. Lot owners must abide by all storm water regulations during and after construction. Lot Owners must clean up and remove all dirt, mud or debris that, despite these Covenants, has come upon any streets or other Lots. Lot Owners may not use under any circumstance other Lots, or any Common Properties or Community Lots, for any kind of storage, including but not limited to, construction.
- 3.12 Sewage Disposal. Before any residence on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal sewer system requirements and applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any cesspool or septic system without the express prior written approval from Declarant or the Association.
- 3.13 Frontal Appearance. All Residences shall have conventional and acceptable frontal appearance from the main street fronting said Lots, which appearance shall be subject to the approval of Declarant or ARC.
- 3.14 Foundations. No exposed concrete block may be used on the exterior of a Residence. All four sides of corner lot foundations must be covered with brick and/or stone and/or artificial stone. Interior lot foundations must have front and sides covered with brick and/or stone and/or artificial stone, but the rear foundation may be covered with stucco.
- 3.15 Porches and Steps. All front porches must be masonry construction with all elevations of the same covered with brick or stone. The steps of all porches on the front of the Residence must be brick or stone. Concrete steps are not permitted.
- 3.16 Roofs. The roof of the Residence (including the garage) must be a minimum pitch of 12/8 and covered with architectural shingles. This requirement will not apply to porches, the proposed roof covering of which must be approved in advance by Declarant or the ARC. Declarant or the ARC must approve any other roof materials in writing prior to installation.
- 3.17 Propane Tanks. All propane tanks must be placed underground.
- 3.18 Building Requirements. Front elevations of Residences shall be a minimum 50% brick and/or stone and/or artificial stone, with the portions of the front elevations that are not brick and/or stone and/or

artificial stone to be Hardy Board™ or equivalent. Certain country-style Residences will be exempt from the 50% brick/stone/artificial stone requirement, in the sole and unfettered discretion of Declarant or the ARC, but such Residences must contain exteriors that are all Hardy Board™ or equivalent. Declarant or the ARC has the sole and unfettered discretion to grant a variance from the use of Hardy Board™ or the equivalent in the event such materials are not reasonably available. All construction materials for the exterior of the Residence must be specified in detail on the plans submitted to Declarant or to the ARC pursuant to Article IV hereof. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, Declarant or the ARC may make exceptions, in writing, as to the placement of such roof stacks and plumbing vents. Gables may contain Hardy Board™ or vinyl shakes, and soffits may contain Hardy Board™, vinyl or vinyl shakes.

- 3.19 Windows. Materials to be used in windows and glass doors must be approved by Declarant or the ARC. Screens visible from the street are permitted on windows. Vinyl windows are acceptable/permitted.
- 3.20 Air Conditioning and Heating Units. No window air conditioning or heating units, or fans, are allowed.
- 3.21 Garages. Each Residence shall have at least a double-car garage constructed at the same time as the Residence. Detached garages will be allowed only with the written approval of Declarant or the ARC. No carports will be permitted. The inside walls of garages must be finished and painted. Garage doors may not be allowed to stand open. Garage doors must have "Carriage Style" hardware.
- 3.22 Swimming Pools and Out Buildings. Declarant or the ARC must approve any swimming pool prior to the commencement of construction of the swimming pool. Above ground level pools are not permitted. No out buildings/stand alone structures are permitted.
- 3.23 Driveways. All driveways to be constructed of concrete unless otherwise approved by Declarant or the ARC.
- 3.24 Mailboxes and Lights. Each Residence shall have the same mailbox design which will be specified by Declarant. All costs associated with mailboxes shall be paid by Lot Owner.
- 3.25 Chimneys. Chimneys must be constructed of brick or stone, and must have a foundation.
- 3.26 Fences. No fences will be allowed on any Lot without the prior written consent of Declarant or the ARC. Wire or chain link fences are prohibited. All proposed fences must be submitted to Declarant or the ARC showing or describing materials, design, height and location. Declarant or the ARC must give written approval of the materials, design, height and location, which approval may be withheld at Declarant's or ARC's sole discretion. Upon approval, fences may be constructed of wood, vinyl or wrought iron.
- 3.27 Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. The Owner of the adjoining Lot shall replace damaged curbs unless the damage is caused by another, who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.
- 3.28 Sidewalks. By the time the Residence upon a Lot is completed, the Lot owner shall have installed a 42" wide sidewalk, constructed of concrete and a minimum of 4" thick, along all the lines of the Lot that front a road. Each sidewalk shall be constructed beginning 24" from each curb and maintaining

a front-edge distance of 24" from each curb. Sidewalks shall adjoin the sidewalks on adjacent Lots. Sidewalks shall constitute a permanent sidewalk easement for the benefit of the Association and the Owners. Maintenance of all sidewalks shall be by the Association. Lot Owners shall submit to Declarant or ARC, along with submission of proposed Residence construction plans, sidewalk construction plans for approval.

- 3.29 Sodding. Prior to occupancy of a Residence, the front yard and the side yards to the rear of the Residence must be sodded with Bermuda grass only, and the Owner must maintain a Bermuda grass lawn in the front and side yards on an on-going basis. For corner lots, Declarant or the ARC will dictate which areas are to be sodded, on a lot-by-lot basis. Sod is to go to property line on side of house unless Declarant or Association gives written permission to deviate. Declarant or the ARC may approve prior occupancy if weather conditions prohibit sodding. After the initial sodding, the Bermuda lawn may be maintained and repaired by sodding, sprigging or seeding, so long as the lawn is maintained with an appearance that is acceptable to Declarant or to the Association, as applicable. A minimum of 1 2-inch caliber "October Glory" red maple tree (with \$60 minimum) shall be planted in the front area of each Lot. In the event this tree dies or is otherwise removed, it must be replaced by a minimum of 1 2-inch "October Glory" red maple tree.
- 3.30 Rainwater Drainage. Each Lot must be graded so as not to obstruct drainage easements. All drainage should be directed to these easements, and these easements must be graded so water flows to the street or to an adjoining drainage easement. During construction, daily maintenance for cleanliness of Lot is required.
- 3.31 Utility Easement. A perpetual easement is reserved on each Lot, as shown on the Plat, for the construction and maintenance of utilities such as electricity, gas, water, sewerage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easements.
- 3.32 Zoning. Whether expressly stated so or not in any deed conveying any one or more of the Lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.
- 3.33 Maintenance. The Owner must, from the date of purchase of a Lot, keep the Lot in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees, and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot in the Development fails, of the Owner's own violation, to maintain the Owner's Lot in a neat and orderly condition, Declarant, or its duly appointed agent, or the Association, or its duly appointed agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition, billing the Owner two hundred and fifty percent (250%) of the cost of such work. All Owners in the Development shall keep cars, trucks and delivery trucks off the curbs of the streets. Each Lot Owner shall, at all times, maintain all structures located on such Lot, including driveways and permitted fences, in good repair which shall include exterior residence and fence (if approved) painting as needed, and each Lot Owner shall keep all vegetation and landscaping in good and presentable condition.
- 3.34 Signs. No sign shall be displayed or placed upon any part of the Lot or Residence except those advertising the Lot or Residence for sale and those used by a builder to advertise the Residence and Lot during the construction and sales period, with said signs referring only to the Residence and Lot on which displayed. No such sign shall exceed nine (9) square feet in size nor have an overall height exceeding four (4) feet above ground level. No other signs shall be erected or maintained on any Residence or Lot, except in accordance with approved standards for signs as set by Declarant or the ARC.
- 3.35 Tanks, Tree Houses, Recreation Equipment and Swings. No fuel tanks or similar storage receptacles may be exposed to view, and such tanks or receptacles may be installed only within a Residence, within the garage, within a screened area or buried underground. No tree houses may be built or

maintained on the Lot, and swingsets made of either wood or metal will be permitted to be installed in the backyard only of a Lot, the location of which must be approved by Declarant or the ARC. Recreation equipment, including basketball goals, is permitted in backyard only; except that portable basketball goals may be used in the front of the Lot, but only during times of active use of the goal. Basketball goals may be permanent only if the backboard is constructed of glass or other see-through material. Basketball goals may not be attached to exterior of Residence.

- 3.36 Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Declarant or the ARC.
- 3.37 Satellite Dishes. Satellite receivers or dishes, no more than eighteen (18) inches in diameter, are permitted, but they must be located so that they are not visible from the street on which the dwelling fronts and from side streets in the case of a corner lot. Satellite receivers or dishes larger than 18 inches in diameter and antennas of all sizes are prohibited on any Residence or Lot.
- 3.38 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device that is unreasonably loud or annoying, except standard security devices, may be used or placed upon any Residence or Lot. The playing of loud music from any part of any Lot or Residence is prohibited, and shall constitute an offensive, obnoxious activity constituting a nuisance.
- 3.39 Laundry. No Owner, guest, or tenant shall hang laundry from any area within or outside a Residence if such laundry is within the public view. This provision may, however, be temporarily waived by the Declarant or the Association during a period of severe energy shortages or other conditions where enforcement of this of this section would create a hardship.
- 3.40 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economic value of all Lots and Residences, each Owner shall have the affirmative duty to rebuild, replace, repair, clear or re-landscape, as the case may be, within a reasonable period of time, any building, structure, improvement or landscaping that is damaged or destroyed by fire, wind, storm, vandalism, or other casualty. Variations and waivers of this provision may be made only upon Declarant or the Association establishing that the overall purpose of these Restrictive Covenants would be best effected by allowing such a variation. Variations to this section are to be strictly construed and the allowance of a variance by Declarant or the Association shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.
- 3.41 Reservation of Rights by Declarant. Notwithstanding any other provisions herein to the contrary, the Declarant reserves unto itself, its successors and assigns, the following rights, privileges and powers: to subdivide Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part of the Common Properties. Declarant is permitted to make any change or amendment to these Restrictive Covenants, in its sole and unfettered discretion, until Declarant no longer owns a Lot or Declarant transfers governing authority to the Association in accordance with the Bylaws.
- 3.42 Adjoining Lot Damage. Any damage done to any adjacent or adjoining Lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. The Owner or contractor must provide temporary construction support for the curbs and sidewalks during the time of construction. All construction debris shall be removed weekly and the street must be kept clean during construction.
- 3.43 Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of these Restrictive Covenants, Declarant, its successors or assigns; the Association, its successors or assigns; any Owners, including all parties hereinafter becoming Owners of any one or more of the Lots to which provisions of these Restrictive Covenants apply; may bring an action or actions against the Owner or Member in violation, or attempting violation, and the said Owner or Member shall be further liable for such damages as may accrue, including any court costs and

reasonable attorneys fees incident to any such proceeding, which costs and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the Declarant, its successors or assigns, or the Association. Further, Declarant or the Association may grant variances of the restrictions set forth in these Restrictive Covenants if such variances do not, in the sole and unfettered discretion of the Declarant or the Association, adversely affect the purposes sought to be obtained hereby.

By reason of the rights of enforcement of the provisions of this section being given unto Owners of Lots and Members (subject to rights of variances reserved by the Declarant and the Association), it shall not be incumbent upon the Declarant or the Association to enforce the provisions of these Restrictive Covenants or to prosecute any violation of these Restrictive Covenants by any person other than itself.

ARTICLE IV
ARCHITECTURAL CONTROL

- 4.1 Architectural and Design Review Authority. Declarant shall have sole architectural and design reviewing authority for the Development until Declarant has sold all Lots and transferred governance of the Development to the Association. However, prior to calling the meeting of the Association to elect a Board to succeed the Declarant as provided in the Bylaws, the Declarant may execute and record in the office of the Recorder a document stating that the Declarant reserves unto itself, its successors or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Declarant. Thereafter, the Declarant shall continue to exercise the rights thus reserved to it until such time as it shall execute and record in the office of the Recorder a document assigning these rights to the Association. Upon the transfer of authority to the Association, the Board shall establish an ARC as soon as is practicable. When the ARC has been established, Declarant shall transfer architectural and design review authority to it.
- 4.2 Approval Process. No Residence, other building, structure, fence, exterior lighting, wall, swimming pool, children's play area, decorative appurtenance, or structure of any type, shall be erected, placed, added to, remodeled or altered and no trees or shrubs shall be cut or removed and no grading shall be commenced until the proposed building plans and specifications (including height, and composition of roof, siding, or other exterior materials and finish), plot plat (showing the proposed location of such Residence, building or structure, drives and parking areas), drainage plan, landscape plan or construction schedule, as the case may be, shall have been submitted to Declarant or the ARC for its written approval at least thirty (30) days prior to the proposed date of commencement of construction. Two copies of each set of such plans must be submitted. Declarant or the ARC reserves the right to make any changes and/or modifications to any plan or plans prior to giving its written approval. After all changes and modifications have been noted on both copies of the submitted sets of plans, Declarant or the ARC will give its written approval by signing both sets of submitted plans. Declarant or the ARC will retain one set of approved plans, and the other set shall be used by the Owner to construct the Residence and other improvements, install the landscaping, etc. As to the landscape plan, Declarant or ARC reserves the right to require the Owner to add additional landscaping (plants, shrubs, etc.) if, at the time of the completion of the initial installation of the landscaping by the Owner, it is the opinion of Declarant or ARC that the initial landscaping plan was not sufficient. Declarant or the ARC shall retain copies of all of the above plans until all of the work described in the said plans is complete. If any amendments and/or changes to said plans are made during the course of constructions, said amendments and/or changes shall be subject to the same approval process described hereinabove. In addition, any repainting, remodeling, renovation or reconstruction of a substantial portion of the exterior of any structure in a manner not previously approved by Declarant or the ARC shall be subject to prior approval of the Declarant or the ARC as provided in the preceding sentence. Declarant or the ARC shall give written approval or disapproval of the plans within 30 days of submission. Declarant or the ARC, as applicable, shall have the right, in its sole and unfettered discretion, to reject plans, or to require changes to plans, purely on

architectural or aesthetic grounds, and such a determination shall not be subject to review by the courts or any other authority. If written approval or disapproval is not given within 30 days of submission, Owner must notify Declarant or the ARC, as applicable, that 30 or more days have elapsed since submission, and if the plans are not approved or rejected within 15 days of such notice the plans shall be deemed to have been approved. Declarant or the ARC may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Declarant or the ARC.

- 4.3 Architectural Review Fee. Declarant or ARC may charge a fee for each application submitted for review, with the intent being that this fee shall be to reimburse the Declarant or ARC for third-party expenses incurred in the review of an application. For example, Declarant or the ARC may choose to employ an architect, engineer or other consultant to assist in plan review, and the submitting Owner must pay the costs incurred by Declarant or the ARC thereby.
- 4.4 Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under this Article will be withheld unless such plans, location and specifications comply with the applicable Restrictive Covenants and terms of this Declaration. Approval of the plans and specifications by Declarant or the ARC is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each owner shall be individually responsible for the technical aspect of the plans and specifications.
- 4.5 Licensing. All contractors, landscape architects and others performing work on any Lot must be licensed as may be required by the State of Tennessee or any other governmental authority having jurisdiction in order to construct a Residence on a Lot or to perform services for an Owner.

ARTICLE V ASSESSMENTS

- 5.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner by acceptance of a deed conveying a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of this Declaration and pay, to Declarant or the Association as the case may be, Common Assessments for the purposes set forth in this Article, with such Assessments to be fixed, established and collected from time to time as determined by Declarant or the Association, as applicable. The Owner of each Lot (and any Community Lot not owned by the Association) shall be personally liable, such liability to be joint and several if there are two or more Owners, to Declarant or the Association for the payment of all Assessments that may be levied while such party or parties are Owners of a Lot (and any Community Lot not owned by the Association). The Assessments, together with such interest thereon and costs of collection therefore as hereinafter provided, shall be a charge and continuing lien on the Lot (and any Community Lot not owned by the Association) and all of the improvements thereon against which each such Assessment is made. Unpaid Assessments shall bear interest from due date to date of payment at the rate set by Declarant or the Association, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation. In the event that an Owner combines two or more Lots into a single Lot, the Assessments will continue to be based upon the number of original Lots purchased or platted. In the event an Owner combines three or more Lots into two or more Lots, the Assessments will continue to be based upon the number of Lots originally platted, and if any original Lot is subdivided (as may be permitted by some other section of this Declaration, and pursuant to such applicable section) the Assessment on such original Lot shall be prorated between the Owners based upon the square footage owned by each Owner.
- 5.2 Purpose and Payment of Assessments. The Assessments levied by Declarant or the Association shall be used exclusively to provide services to the Owners/Members, to promote the recreation, health,

safety and welfare of the Owners/Members, to improve and maintain the Common Properties, and to manage the affairs of the Development and the Association. Owners shall pay Assessments in such manner and on such dates as may be fixed by Declarant or the Association. There shall be a late fee of 10% of the Assessment for each Assessment that remains unpaid thirty (30) days after the due date. All outstanding Assessments are due upon resale of Lot/Residence. Declarant is exempt from paying Assessments. The initial amount of the Common Assessment, subject to change at any time by action of Declarant or the Association, without amendment to this Declaration being required, shall be \$100.00 per Lot, payable on or before January 31 of each year. Every Lot Owner shall pay, upon purchase of a Lot from Declarant, a pro rata portion of the Common Assessment, based upon the amount of the annual Common Assessment then in effect, calculated on the basis of 1/12 of the annual Common Assessment then in effect for the number of whole months remaining in the calendar year subsequent to the purchase of the Lot. For example, if a person purchases a Lot from Declarant on June 15, and the annual amount of the Common Assessment at the time of such purchase is \$100.00, then the Lot purchaser shall pay to Declarant at closing 1/12 of \$100.00, or \$8.33, for each of the months of July through December, for a total of \$49.98.

- 5.3 Special Assessments for Capital Improvements and Repairs. In addition to the Common Assessment, the Declarant or Association may levy Special Assessments to pay for the cost of any construction or reconstruction of a Common Property; unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; or the cost of any addition to the Common Properties ("Special Assessments"). However, once the Association is created, any such Assessment must have the assent of seventy-five percent (75%) of the vote of the Members who are in attendance or represented at a duly called meeting of the Association, written notice of which shall be sent to all Members at least thirty (30) days in advance setting forth the purpose of the meeting. At any such meeting, Declarant shall have the number of votes as provided in the Bylaws.
- 5.4 Exempt Property. No Owner or Member may be exempted from liability for any Assessment levied against the Owner's Lot or Community Lot (if the Community Lot is not owned by the Association) by waiver of the use or enjoyment of any of the Common Properties or by abandonment of Owner's Lot or Community Lot (if the Community Lot is not owned by the Association) in any other way. However, if Declarant exercises its right to turn over the rights, duties and functions of the Board prior to such time as 100% of the Lots in the Development are owned by persons or entities other than the Declarant, then Declarant shall be exempt from the payment of any and all Assessments of any kind for the remainder of the time period that it owns any Lot.
- 5.5 Lien. Recognizing that the necessity for providing proper operation and management of the Property entails the continuing payment of costs and expenses therefor, Declarant or the Association is hereby granted a lien upon each Lot and Community Lot (if the Community Lot is not owned by the Association) and the improvements thereon as security for the payment of all Assessments against said Lot and Community Lot (if the Community Lot is not owned by the Association), now or hereafter assessed, which lien shall also secure all costs and expenses, and reasonable attorney's fees, which may be incurred by Declarant or the Association in enforcing the lien upon said Lot or Community Lot (if the Community Lot is not owned by the Association). The lien granted to the Declarant or Association may be foreclosed as other liens are foreclosed in the State of Tennessee. **Failure by the Owner or Owners to pay any Assessment on or before the due dates set by the Declarant or Association for such payment shall constitute a default, and this lien may be foreclosed by Declarant or the Association.**

The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot or Community Lot (if the Community Lot is not owned by the Association) if, and only if, all Assessments with respect to such Lot or Community Lot (if the Community Lot is not owned by the Association) having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgage (i.e., one who records a Mortgage on a Lot or Community Lot (if the Community Lot is not owned by the Association) for which all Assessments have been paid prior

to recording) shall acquire title to any Lot or Community Lot (if the Community Lot is not owned by the Association) by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obligated for Assessments, whether annual or special, and the costs of proceedings and attorney's fees as shall accrue and become due and payable for said Lot or Community Lot (if the Community Lot is not owned by the Association) subsequent to date of acquisition of such title. In the event of acquisition of title to a Lot or Community Lot (if the Community Lot is not owned by the Association) by foreclosure, deed in lieu of foreclosure, or judicial sale, any Assessments, whether annual or special, and the costs of proceedings and Attorney's fees as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent Assessments or costs of proceedings and attorney's fees from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

- 5.6 Lease, Sale or Mortgage of Lot. Whenever any Lot or Community Lot (if the Community Lot is not owned by the Association) may be leased, sold or mortgaged by the Owner thereof, which lease, sale or Mortgage shall be concluded only upon compliance with other provisions of this Declaration, Declarant or the Association, upon written request of the Owner of such Lot or Community Lot (if not owned by the Association), shall furnish to the proposed lessee, purchaser, or Mortgagee, a statement verifying the status of payment of any Assessment which shall be due and payable to Declarant or Association by the Owner of such Lot or Community Lot (if the Community Lot is not owned by the Association), and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot or Community Lot (if the Community Lot is not owned by the Association) and Declarant or Association under this Declaration. Such statement shall be executed by Declarant or any officer of the Association, and any lessee, purchaser or Mortgagee may rely upon such statement in concluding the proposed lease, purchase or Mortgage transaction, and Declarant or Association shall be bound by such statement.

In the event that a Lot or Community Lot (if the Community Lot is not owned by the Association) is to be leased, sold or mortgaged at the time when payment of any Assessment against said Lot or Community Lot (if the Community Lot is not owned by the Association) shall be in default, then the rent, proceeds of such purchase or mortgage shall be applied by the lessee, purchaser or Mortgagee first to payment of any then delinquent Assessment or installments thereof due to the Declarant or Association before payment of any rent, proceeds of purchase or Mortgage to the owner of any Lot or Community Lot (if the Community Lot is not owned by the Association) who is responsible for payment of such delinquent Assessment.

In any voluntary conveyance of a Lot or Community Lot (if the Community Lot is not owned by the Association), the grantee(s) shall be jointly and severally liable with the grantor(s) for all unpaid Assessments against the grantor(s) and the Lot or Community Lot (if the Community Lot is not owned by the Association) made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee(s) to recover from the grantor(s) the amounts paid by the grantee(s) therefore.

ARTICLE VI REMEDIES ON DEFAULT

- 6.1 Scope. Each Owner/Member shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist, as they are promulgated, or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, quests, occupants, invitees or agents.
- 6.2 Grounds for and Form of Relief. Failure to comply with any of the Covenants of this Declaration, the Bylaws, or the Rules and Regulations promulgated by Declarant or Association, which may be adopted pursuant thereto shall constitute a default and shall entitle the Declarant or the Association to

seek relief which may include, without limitation, an action to recover any unpaid Assessment, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Declarant or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by an aggrieved Owner.

- 6.3 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Declarant or the Association, if successful, shall, in addition to the relief provided for in Section 6.2 be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court. However, in no event shall the Owner be entitled to such attorneys' fees. Declarant or the Association is hereby granted a lien upon each Lot and the improvements thereon for payment of such costs and fees. The lien shall become effective upon the initiation of any such proceedings and may be foreclosed as other liens are foreclosed in Tennessee. These liens are also formed as fault of non-payment of ground fees or annual Assessments.
- 6.4 Waiver. The failure of the Declarant, the Association or an Owner/Member to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Declarant or Association of any part payment of an Assessment shall not constitute a waiver to enforce such Covenant(s) in the future.
- 6.5 Election of Remedies. All rights, remedies and privileges granted to Declarant, the Association or an Owner/Member or Owners/Members pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise, existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the part thus exercising the same for exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE VII EMINENT DOMAIN

- 7.1 Association's Authority. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by Eminent Domain, Declarant or the Association is authorized and directed to proceed as follows:
- 7.1.1 To obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Board in its discretion deems necessary or advisable, to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.
- 7.1.2 To negotiate with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary or advisable in connection with the same.
- 7.2 Notice to Owners and Mortgagees. Each Owner and First Mortgagee on the records of the Declarant or Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by Declarant or the Association, and the institution of legal proceedings, and they shall be given reasonable opportunity to be heard with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

- 7.3 Reimbursement of Expenses. Declarant and/or the Association shall be reimbursed for all attorneys', engineers', architects', and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, received, such expenses shall be deemed a Common Expense.

ARTICLE VIII
GENERAL PROVISIONS

- 8.1 Duration. The Covenants of this Declaration shall run with and bind the land and shall insure to the benefit of and be enforceable by Declarant, the Association, or any Owner, their respective legal representatives, heirs, successors and assigns, in perpetuity, unless amended or terminated as provided herein.

- 8.2 Amendments. This Declaration may be amended, modified or revoked in any respect from time to time by Declarant prior to the date that the governing authority for the Development is transferred from Declarant to the Association in accordance with the Bylaws. Thereafter, this Declaration may be amended in accordance with the following procedure:

8.2.1. An amendment to this Declaration may be considered at any annual or special meeting of the Association at which a quorum is present; provided, however, that, if considered at any annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in the Bylaws, and if considered at a special meeting, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment that would adversely affect Mortgagees' rights shall also be sent to each Mortgagee listed upon the register of the Association. Whether or not a proposed amendment will have any adverse effect upon a Mortgagee shall be a decision of the Board, and the Board's decision shall be conclusive and final.

8.2.2. At any such meeting of the members of the Association, the amendment must be approved by an affirmative seventy-five percent (75%) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, Declarant shall have the number of votes as provided in the Bylaws. Any amendment that adversely affects the rights of Mortgagees must be approved by an affirmative seventy-five (75%) vote of the Mortgagees of which the Association has been properly notified (based upon one vote for each Lot on which a First Mortgage is held) and who vote within the period of time set by the Board to vote, which shall be at least ten (10) days and no longer than sixty (60) days.

8.2.3. An amendment adopted under Section 8.2.2 shall become effective upon its recording with the Recorder, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this Section; provided, that in the event of the disability or other incapacity of either, the Vice President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including, without limitation, any Mortgagee, prospective purchaser, tenant, or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

8.2.4. The certificate referred to in Paragraph 8.2.3. of this Section shall be in substantially the following form:

CERTIFICATE

I, _____, do hereby certify that I am the Secretary of the Providence Point Homeowners' Association, Inc., and that the within amendment to the Restrictive Covenants

for Providence Point Subdivision Phase 1 was duly adopted by the Members of said Association and the Mortgagees, if applicable, in accordance with the provisions of Section 8.2.2 of said Covenants.

Witness my hand this _____ day of _____, 2____.

Secretary

- 8.3 Notices. Any notice required to be sent to any Owner or Mortgagee under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner or Mortgagee on the records of Declarant or the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify Declarant or Secretary, in writing, of any change of address.
- 8.4 Assignment of Declarant's Rights. Declarant's rights, powers, duties, and obligations contained herein are freely assignable by Declarant.
- 8.5 Severability. Should any Covenant herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of these Covenants be declared void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.
- 8.6 Captions. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of these Covenants nor any provision hereof.
- 8.7 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.
- 8.8 Interpretation. The provisions of these Covenants shall be liberally construed to effectuate their purposes. Declarant or the Association shall have the right to interpret any provision of these Covenants, and such interpretation shall govern and be controlling. However, no Owner or member shall be entitled to require Declarant or the Association to make such an interpretation. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.
- 8.9 Law Governing. These Covenants are made in the State of Tennessee, and any question pertaining to their validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.
- 8.10 Effective Date. This Declaration shall become effective upon its recording in the office of the Register of Deeds for Hamilton County, Tennessee.

IN WITNESS WHEREOF, Stone Fort Ooltewah, LLC, by and through its authorized officer, sets its hand this 23rd day of March, 2011.

STONE FORT OOLTEWAH, LLC

By: James A. Frost
James A. Frost

Its: President

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, the undersigned Notary, personally appeared James A. Frost, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who upon oath acknowledged such person to be the President of Stone Fort Ooltewah, LLC, and that as such President he executed the foregoing instrument for the purposes therein contained by signing the name of Stone Fort Ooltewah, LLC, by himself as such President.

Witness my hand and seal this 23rd day of March, 2011.

Rhonda Boone
Notary Public

My Commission Expires: 5/6/2014

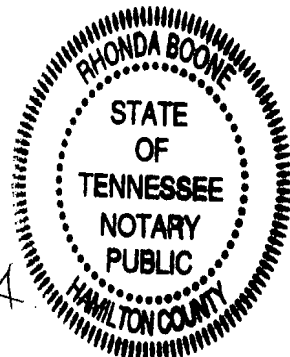


Exhibit A

Legal Description

Lots One (1) through Sixty One (61) and Lots Seventy Eight (78) through One Hundred Seventeen (117), Providence Point Subdivision, a Planned Unit Development, Phase 1, as shown by plat of record in Plat Book 94, Page 127-8, in the Register's Office of Hamilton County, Tennessee.

For Prior title see Deed recorded in Book 9352, Page 901; in the Register's Office of Hamilton County, Tennessee.

EXHIBIT B

**BYLAWS OF THE PROVIDENCE POINT
HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME**

The following provisions shall constitute the Bylaws of the PROVIDENCE POINT HOMEOWNERS' ASSOCIATION, INC., (the "Bylaws"), a nonprofit corporation (the "Association") which shall, along with the provisions of the Charter of the Association (the "Charter"), the DECLARATION OF RESTRICTIVE COVENANTS FOR PROVIDENCE POINT SUBDIVISION, as may be amended from time to time (the "Declaration") and any rules and regulations ("Rules and Regulations") adopted by the Board of Directors of the Association (the "Board"), govern the administration of Providence Point Subdivision, a residential development (the "Development") and the real property rights in the Development owned by the Association ("Common Properties"). The terms in these Bylaws (unless otherwise defined) shall have the same meaning as the terms defined in the Declaration for the Development.

**ARTICLE II
OFFICES**

The principal office of the Association shall be located at:

or at such other place either within or without the State of Tennessee, as shall be lawfully designated by the Association, or as the affairs of the Association may require from time to time.

**ARTICLE III
PURPOSES**

The purposes of this Association shall be to provide for the establishment of an Owners' association for the government of the Development in the manner provided by the Charter, the Declaration and these Bylaws. The aims of this Association are to be carried out through any and all lawful activities, including others not specifically stated in the Charter, the Declaration, or these Bylaws but incidental to the stated aims and purposes; provided that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Charter or which are imposed on real estate.

**ARTICLE IV
ASSOCIATION**

- 4.1. Membership. The Declarant and every person or entity who is a record owner of a fee simple interest or an undivided fee simple interest in any Lot (as defined in Declaration) or Community Lot (as defined in the Declaration), which Community Lot is not owned by the Association, shall be a member of the Association ("Member"), provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Member upon the conveyance of any Lot or Community Lot, if the Community Lot is not owned by the Association, and recording of the deed of conveyance in the Register's Office of Hamilton County, Tennessee. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Community Lot, if the Association does not own the Community Lot, which is subject to

assessment. Initial Assessment is due upon purchase of a Lot from Declarant. Annual Common Assessments are due and payable by January 31st of each year.

- 4.2 Voting Rights. Members shall be entitled to one vote for each Lot or Community Lot, if the Association does not own the Community Lot, in which they hold the interest required for membership by Section 4.1. When more than one person holds such interest or interests in any Lot or Community Lot, if the Association does not own the Community Lot, all such persons shall be Members, and the vote for such Lot or Community Lot, if the Association does not own the Community Lot, shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Community Lot, if the Association does not own the Community Lot. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, each co-owner will be entitled to a fractional vote equal to his fraction of ownership.

ARTICLE V THE BOARD OF DIRECTORS

- 5.1 Board of Directors. Subject to Section 5.2 of this Article herein below, the administration of the Development and Common Properties on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of Five (5) natural persons of legal age, each of whom, at all times during membership on the Board, shall be a Member, a member of the household of a Member, or the nominee of an entity, other than a natural person, which is a Member.

- 5.2 Declarant Performs Functions.

5.2.1 The rights, duties and functions of the Board shall be solely exercised by Declarant until the earlier of (1) such time as 100% of the Lots in the Development are owned by persons or entities other than the Declarant, or (2) at such time as solely determined by Declarant (the "Turnover Date"). The Declarant may, in its sole discretion, designate up to five individuals to serve as the Board on behalf of the Declarant during the period that the Declarant is performing the functions of the Board. Such individuals designated by the Declarant need not be Members, and may be removed and replaced by the Declarant at will. The Declarant may also limit the scope of authority of such individuals. Prior to the Turnover Date, the Declarant shall call a special meeting of Members to elect Directors to succeed to the positions held by individuals designated by the Declarant.

5.2.2 On the Turnover Date, the Declarant shall execute and record in the Register's Office of Hamilton County, Tennessee, a document assigning those rights to the Board.

- 5.3 Election. At each annual meeting, subject to the provisions of Section 5.2 hereof, the Association shall elect those members of the Board as required under Section 5.1, who shall serve the terms set out in Section 5.4; provided, however, the members of the Board elected to succeed the Declarant shall be elected at a special meeting duly and specifically called for that purpose by the Declarant. The Board elected at that special meeting shall serve until the next annual meeting of the Association held thereafter. At least thirty (30) days prior to any annual meeting of the Association, the Board shall elect from the Association a Nominating Committee of not less than two (2) Members which shall recommend to the annual meeting one nominee for each position on the Board to be filled at the particular annual meeting. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by one (1) or more

Members and by the nominee named therein indicating his willingness to serve as a member of the Board, if elected.

5.4 Term. Members of the Board shall serve for a term of two (2) years; provided, however, that three (3) members of the first Board elected by the Association at the annual meeting thereof shall be elected and shall serve for a term of one (1) year and the other two (2) members shall be elected and serve for a term of two (2) years. Thereafter, all Board members elected each year shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.5 Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President or the remaining Board members. Any member of the Board may be removed from membership on the Board by the approval of Two-thirds (2/3) of the votes of those Members of the Association who are in attendance or represented at any annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of the death of a Board member, the disability of a Board member which, in the opinion of a majority of the members of the Board, renders such Board member incapable of performing Board duties, or in the event a Board member shall cease to be a Member. Whenever there shall occur a vacancy on the Board for any reason, the remaining Board members shall elect a successor Member to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

5.6 Compensation. The members of the Board shall receive no compensation for their services unless expressly authorized for by the Members of the Association, but they shall be reimbursed for reasonable expenses incurred by them in the performance of their duties.

5.7 Powers and Authority of the Board. The Board, for the benefit of the Members of the Association, shall enforce the provisions of the Declaration, these Bylaws, and the Rules and Regulations governing the Common Properties. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Associations:

5.6.1 The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Common Properties, whether such personnel are employed directly by the Board or are furnished by the Manager. All persons employed to manage or assist in the management or maintenance of the Common Properties shall be employed at the will of the Board; provided that a manager may be employed for successive periods not exceeding a three (3) year term in each period. The Board may delegate any of its duties, powers or functions relating to the daily administration affairs of the Association to any person or firm designated by the Board to act as Manager.

5.6.2 The services of a person or firm to provide security for the Development to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.

5.7.3 Legal and accounting services necessary or advisable in the operation of the Common Properties and the enforcement of this Declaration, these Bylaws, and any Rules and Regulations made pursuant thereto.

5.7.5 Officer and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity, should the Association choose to acquire such coverage.

- 5.7.6 A fidelity bond naming the Manager, and such other person as may be designated by the Board as principals and the Board, Association and members as obligees, in an amount to be determined from time to time by the Board.
- 5.7.7 Painting, maintenance, repair, replacement and landscaping to the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Member, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.
- 5.7.8 Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules and Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.
- 5.7.9 The Board shall have the exclusive right to contract for all goods, services, including securing personnel, and insurance, payment for which is to be made a Common Expense. The provision shall not be construed to prohibit the Board from delegating such authority to the Manager as it deems proper.
- 5.8 Additional Powers of the Board. The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Property a may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Members and as such shall manage, maintain and improve the Property and also collect, conserve, allocate and expend money received from the Members in a manner consistent with such agent's relationship and in conformity with the Declaration, these Bylaws and Rules and Regulations.
- 5.9 Meetings of the Board. Meeting of the Board shall be held at such places as the Board shall determine. Five (5) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The President of the Association shall chair meetings of the Board, and the Secretary of the Association shall record the minutes, whether said Secretary is a Member of the Board or not. The Board shall annually elect all of the officers set forth in Section 6.1 hereof. The meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be taken at a meeting of the Board of Directors or any action which may be taken at a meeting of the Board of Directors or a committee of directors may be taken at a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors or all of the members of the committee of directors, as the case may be, in accordance with the Bylaws of the Association.
- 5.10 Special Meetings. Special meetings of the Board may be called by the President of the Association or by any two (2) Board members.
- 5.11 Notice of Meetings. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.
- 5.12 Waiver of Notice. Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of

such meeting unless a Board member attends the meeting for the express purposes of objection to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

- 5.13 Notice of Election. After the election of the Board to succeed the first Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided that in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.
- 5.14 Fiscal Year. The Board shall determine the fiscal year of the Association.
- 5.15 Special Committees. The Board, by resolution duly adopted, may designate one or more special committees, with each committee to consist of two (2) or more Members appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. The Declarant shall perform the functions of all Special Committees until such time as provided in Section 5.1 hereof. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Members to fill vacancies on Special Committees. The ARC, a Special Committee, shall be formed according to the terms of the Declaration.
- 5.16 Rules and Regulations. The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Property and setting forth restrictions on, and requirements respecting the use and maintenance of the Property. Copies of the Rules and Regulations shall be furnished to each Member prior to the time the same shall become effective.
- 5.17 Limitations on Capital Additions, Etc. The Board shall authorize no structural alterations, capital additions to, or capital improvements of the Property, any of which require an expenditure in excess of Five Thousand Dollars (\$5,000.00) without approval of a majority of the votes of those members who are present or represented at any annual or special meeting of the Association duly called for such purpose; or in excess of Twenty-five Thousand Dollars (\$25,000.00) without approval of Two-thirds (2/3) of the votes of those Members who are present or represented at any annual or special meeting of the Association duly called for such purpose; provided, however, that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of the Property as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.
- 5.18 Failure to Insist on Strict Performance Not Waiver. The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these Bylaws, or the Rules and Regulations, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.
- 5.19 Telephone Meetings. Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating director can hear and be heard by other participating directors.

ARTICLE VI
THE ASSOCIATION: MEETINGS, OFFICERS, ETC.

- 6.1 Quorum. The presence in person or by proxy at any meeting of the Association of Two-thirds (2/3) of the Members entitled to cast votes, in response to notice to all Members properly given in accordance with Sections 6.02 and 6.03 of these Bylaws, as the case may be, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of Members entitled to cast a majority of the votes which are represented at such meeting.
- 6.2 Annual Meeting. There shall be an annual meeting of the Association on the first Monday of February at 7:30 P.M. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Members not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the Board shall furnish to the Members: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Member, and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Member. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Members who were not present at the annual meeting if not previously provided. The Declarant, or its successors or assigns, shall have the right to approve or disapprove the budget for the coming year for a period of ten (10) years after the date on which the first Board is elected to succeed the Declarant pursuant to Section 5.2 hereof
- 6.3 Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters, which by the terms hereof, require the approval of all or some of the Members, or for any other reasonable purpose. Special meetings may be called by a majority of the Board, or by at least ten percent (10%) of the Members by written notice, delivered to all Members not less than thirty (30) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.
- 6.4 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.
- 6.5 Officers. The officers of the Association shall be a Chairman of the Board, President, Vice-President, Secretary, and Treasurer. The Declarant may, in its sole discretion, designate individuals to fill these positions during the period that the Declarant is performing the functions of the Board pursuant to Section 5.2 hereof. Such officers designated by the Declarant need not be Members, and may be removed and replaced by the Declarant at will. The Declarant shall determine the scope of the authority of each such designated officer.
- 6.5.1 Once the Declarant has turned over authority to a successor Board pursuant to Section 5.3 hereof, the following provisions shall become applicable: Each officer shall be required to be a Member, and the President must be a member of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed and replaced by the Board. In the event an office becomes vacant due to an officer ceasing to be a Member, or due to the death or disability of an office, or for any other reason, the Board shall immediately name a successor to that office to serve out the remainder of the term. The Board may, in its discretion, require that officers be subject to fidelity bond coverage.
- 6.5.2 Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Association and he shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the

appointment of committees. He shall have the authority and power to execute on behalf of the Association contracts, notes, bonds, mortgages, deeds of trust, security deeds, leases, waiver of liens and other documents and instruments arising in the ordinary course of business.

6.5.3 President. The President shall be the chief operating officer of the Association and, in the absence of the Chairman of the Board, the President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees. The President shall have the authority and power to execute on behalf of the Association contracts, notes, bonds, mortgages, deeds of trust, security deeds, leases, waivers of liens and other documents and instruments arising in the ordinary course of business.

6.5.4 Vice-President. In the absence or inability of the President, the Vice-President shall perform the functions of the President.

6.5.5 Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

6.5.6 Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

ARTICLE VII LIABILITY AND INDEMNIFICATION

- 7.1 Liability of Members of the Board and Officers. The members of the Board, the officers and any agents and employees of the Association shall: (i) not be liable to the Members or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (ii) have no personal liability to a Member or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Members in their capacity as such; (iii) have no personal liability in tort to a Member or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (iv) have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.
- 7.2 Indemnification by Association. To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation counsel fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Members or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonable withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association or the Board, or otherwise. The indemnification by the Association set forth in the Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

- 7.3 Costs of Suit in Actions Brought by One or More Member on Behalf of All Members. No suit shall be brought by one or more but less than all Members on behalf of all members without approval of a majority of Members and, if approval is obtained, the plaintiffs' expenses, including reasonable counsel's fees and court costs, shall be a Common Expense, unless such suit is brought by one or more Members against other Members, the Association or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Members as defendants, in which event the plaintiffs' expenses, including counsel's fees and court costs, shall not be charged as a Common Expense.
- 7.4 Notice of Suit and Opportunity to Defend. Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Common Properties as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any affected Mortgagees, and shall be defended by the Board, and the Association and all Members shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all Members, shall be directed to such Members, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots affected, and shall be defended by such Members at their expense.

ARTICLE VIII GENERAL PROVISIONS

- 8.1 Businesses. Nothing contained in these Bylaws shall be construed to give the Board the authority to conduct any business for profit on behalf of the Association or any Member.
- 8.2 Notices. Any notice required to be sent to any member under the provisions of these Bylaws shall be deemed to have been properly sent, and notice thereby given, when personally hand delivered or mailed, postpaid, to the last known address of the Member on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot or Community Lot, if the Association does not own the Community Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, under the provisions of these Bylaws shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the address for the Association that is of record with the Tennessee Secretary of State.
- 8.3 Conflict. In the event of any conflict between these Bylaws and the provisions of the Charter, the Charter shall control and govern. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.
- 8.4 Nonwaiver of Covenants. No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 8.5 Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all members, their heirs, successors and assigns.
- 8.6 Severability. The invalidity of any covenants, restrictions, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

8.7 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Charter and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

To be effective as of this ____ day of _____, 201_.

DECLARANT: _____

BY: _____

NAME: _____

ITS: _____

STATE OF _____

COUNTY OF _____

Before me, the undersigned Notary, personally appeared _____ with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who upon oath acknowledged such person to be the _____ of _____, and that such he/she as such _____ executed the foregoing instrument for the purposes therein contained by signing the name of _____, by himself/herself as such _____.

Witness my hand and seal the ____ day of _____, 201_.

NOTARY PUBLIC

My Commission Expires: _____