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State of Tennessee Hamilton County
Register of Deeds **MARC GRAVITT**

39614

This Instrument Prepared By:
Hon & Kopet, Attorneys
617 Walnut Street
Chattanooga, TN 37402

DECLARATION OF COVENANTS & RESTRICTIONS FOR
FLIPPER BEND

THIS DECLARATION made this 3rd day of March, 2020 by Flipper Bend, LLC, a Tennessee limited liability company (herein "Developer").

WITNESSETH:

WHEREAS, Developer, as owner of certain real property located in Hamilton County, Tennessee, as more particularly described in Exhibit A attached hereto (herein "Property"), desires to create thereon a development known as Flipper Bend (herein "Development"); and

WHEREAS, Developer desires to provide for the preservation of the land values and home values when and as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create an entity to which should be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as herein defined), and administering and enforcing the covenants and restrictions governing the same, and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WHEREAS, Developer may cause, at Developer's sole discretion, to be incorporated under the laws of the State of Tennessee, Flipper Bend Homeowners Association, Inc., a Tennessee nonprofit corporation, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, the Developer subjects the real property described in Article II, and such additions thereto as may hereafter be made, to the terms of this 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, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These

Covenants shall touch and concern and run with the Property and each Lot (as defined herein) thereof.

ARTICLE I
DEFINITIONS

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

1.01 Architectural Review Committee. “Architectural Review Committee” shall mean and refer to Developer or Developer’s appointed agent.

1.02 Architectural Review Process and Design Guidelines. “Design Guidelines” shall mean and refer to the guidelines attached hereto as Exhibit B

1.03 Association. “Association” shall mean Flipper Bend Homeowners Association, Inc., a Tennessee nonprofit corporation.

1.04 Board of Directors or Board. “Board of Directors” or “Board” shall mean the governing body of the Association established and elected pursuant to this Declaration.

1.05 Bylaws. “Bylaws” shall mean the Bylaws of the Association, when the Developer, at its sole discretion, forms the Association. See Exhibit C

1.06 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.

1.07 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 (as defined herein), persons occupying Dwelling Units (as defined herein) 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, street lights, entrance and street signs, and a community lot.

1.08 Covenants. “Covenants” shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.

1.09 Declaration. “Declaration” shall mean this Declaration of Covenants and Restrictions for Flipper Bend and any Supplemental Declaration filed pursuant to the terms hereof.

1.10 Developer. “Developer” shall mean Flipper Bend, LLC, a Tennessee limited liability company, its successors and assigns.

1.11 Dwelling Unit. "Dwelling Unit" shall mean any building situated upon the Properties designated and intended for use and occupancy by a single family or any other means of residence.

1.12 First Mortgage. "First Mortgage" shall mean a recorded Mortgage with priority

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, which is intended for use as a site for a single-family detached Dwelling Unit as shown upon any recorded final subdivision plat of any part of the Property, with the exception of the Common Properties, with said subdivision plats to be recorded in the Register's Office of Hamilton County, Tennessee.

1.15 Manager. "Manager" shall mean a person or firm appointed or employed by the Board to manage the daily affairs of the Association in accordance with instructions and directions of the Board.

1.16 Member or Members. "Member" or "Members" shall mean any or all Owner or Owners.

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 Name. The name Flipper Bend is being used for the purposes of the restrictions contained herein. If the name should change, these restrictions shall not be affected. The restrictions cover the property described in Exhibit A and additions and amendments.

1.20 Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Recorder (as defined herein), whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot, situated upon the Property, 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 Lot for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the Lot until such payments are made, although the purchaser is given the use of said Lot. The Developer may be an Owner. 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.

1.21 Property. The "Property" shall mean and refer to the real property described in Section 2.01 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 Relinquishment Date. The Relinquishment Date is the date the Developer delivers written notice to the Board that it is relinquishing control of the Development and no longer has the power to veto decisions of the Board or votes of the Members of the Association. After the Relinquishment Date, Developer consent will no longer be required to amend the Charter, Bylaws or Declaration. The Relinquishment Date is shall be on such date as determined by the Developer in its sole and absolute discretion.

1.25 Review Architect. Review Architect shall mean the architect retained by the Board and ARC to assist in the duties of architectural review in compliance with Design Guidelines

1.26 Turnover Date. The Turnover Date is the date the Developer turns over the power of the election of the board of Directors to the Members of the Association and shall be such date as determined by the Developer, in its sole and absolute discretion. Developer will still maintain the power to veto decisions by the Board or votes by the Members after the Turnover Date. Developer is in perpetual control of the Declaration, Development, Board of Directors, Committees, and Association after the Turnover Date until such time that Developer delivers written notice to the Board of its intention to relinquish all control (not just power of the election of the board) being the Relinquishment Date, as defined in Section 1.24. After such written notice is delivered by the Developer to the Board, Developer consent will no longer be required to amend the Charter, Bylaws or Declaration.

ARTICLE II
PROPERTIES, ASSOCIATION CREATION, COMMON PROPERTIES AND
IMPROVEMENTS THEREON

2.01 Property. The covenants and restrictions set forth in this Declaration, as amended from time to time, are hereby imposed upon the real property located in Hamilton County, Tennessee and more particularly described on Exhibit A, attached hereto, and additions or amendments thereto, which Property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to the Declaration. All or a portion of the Property will be subdivided into Lots, as defined in Section 1.14, via one or more Plats filed in the Register's Office of Hamilton County, Tennessee. Upon the recording of a Plat creating Lots within the Property, said Plat shall automatically become a part of this Declaration, and each of said Lots shown on said Plat shall be subject to the terms and conditions of this Declaration. As of the date of this Declaration, Lots 5, 6, 13, 15, 57, 66, 67 and 68, as shown on plat of Morrison on Roberts Mill, of record in Plat Book 117, Page 76, in the Register's Office of Hamilton County, Tennessee, being the first Lots platted to date, are a part of the Property and are subject to the terms and conditions of this Declaration. Additionally, any easements on any real property retained by or granted to the Developer or the Association for the purpose of erection and maintenance of streets, entrance signs or street lights, or landscaping and maintenance thereof, shall also be considered Property and subject to these Covenants.

2.02 Association. The Developer may at its sole discretion 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 this Declaration. Every person who is an Owner is and shall be a Member of the Association, if said Association is formed, as more particularly set forth in the Bylaws of the Association, which are to serve as the Bylaws of the Association if Developer forms said Association. All Owners must participate in Association fees and assessments and cannot opt out.

2.03 Common Properties and Improvements Thereon. The Developer will install initially the streets and one or more entrance signs to the Development. The streets and signs shall become part of the Common Properties and the Association shall become responsible for the operation, maintenance, repair and replacement of the streets and signs. The Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have reserved an easement. These areas shall become Common Properties if conveyed to the Association and the Association shall then become responsible for maintenance of the landscaped areas. The Developer may add street lights which will become a common expense of the Association. The Developer and the Association may add additional Common Properties from time to time as it sees fit. The pool and clubhouse will be constructed in a later phase of the development and Developer will charge an assessment to the Association when completed. All Owners must participate in the HOA fees and assessments and cannot opt out. 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. The Developer may reserve to itself or its designees the exclusive use of any other areas as storage areas or construction yards as may be reasonably required, convenient or incidental to the sale of Lots and/or the construction improvements on the Common Properties.

2.04 Architectural Review Process and Design Guidelines. The Developer has established the Flipper Bend Architectural Review Process and Design Guidelines attached hereto and incorporated herein as Exhibit B. In the event of any conflict between this Declaration and Exhibit B thereto, the Architectural Review Process and Design Guidelines attached as Exhibit B shall control.

ARTICLE III
COVENANTS, USES AND RESTRICTIONS

3.01 Application. It is expressly stipulated that the covenants, uses, and restrictions set forth in this Article III apply solely to the Property described in Exhibit A, and additions or amendments thereto, which Property is intended for use as single-family residential Lots only. These Restrictive Covenants and Conditions are not intended to apply to any other lots, tracts or parcels of land in the area or vicinity, owned by the Developer. Specifically, the Developer, its successors or assigns, reserves the right to use or convey such other lots, tracts and parcels with different restrictions. See also Design Guidelines in Exhibit B. Any conflict is resolved in favor of Exhibit B. The Exhibit B Architectural Review Process and Design Guidelines must be adhered to and followed by all residents and builders and are part of this Declaration.

3.02 Residential Use.

A. All of the Lots in the Development shall be, and be known and described as residential lots, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in the Declaration and in supplements hereto, or except as provided for in a deed of conveyance from the Developer.

B. "Residential," refers to a mode of occupancy, as used in contradistinction to "business" or "commercial" or "mercantile" activity.

C. No Lot 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, unless specifically consented to by Developer or the Board in writing.

3.03 No Multi-Family Residences, Business, Trucks. No residence shall be designed, patterned, constructed or maintained to serve, or for the use of more than one single family, and no residence shall be used as a multiple family Dwelling Unit at any time, nor used in whole or in part for any business service or activity, or for any commercial purpose; nor shall any Lot be used for business purposes, or for trucks or other equipment inconsistent with ordinary residential uses. No panel, commercial or tractor trucks shall be habitually parked in driveways or overnight on streets in front of any of the Lots. Nothing contained herein shall prohibit the Developer or the Association from permitting, maintaining, or operating concessions or vending machines on the Common Properties.

3.04 Minimum Square Footage. See Exhibit B Architectural Review Process and Design Guidelines.

3.05 Set-backs. See Exhibit B Architectural Review Process and Design Guidelines.

3.06 Rearrangement of Lot Lines. Not more than one Dwelling Unit shall be erected or maintained on any one Lot. With the written approval of the Developer or the Board, contiguous Lots may be combined if the Lots have the same Owner, for the purpose of erecting an approved Dwelling Unit thereon, however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 3.40, Lots may not be resubdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on a subdivision plat.

3.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provisions of this Declaration, shall have been erected 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 dwelling. No structure of 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 Developer or any builder approved by the Developer 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 Developer 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 Developer and/or approved builders at the sole discretion of the Developer.

3.08 Rainwater Drainage. As defined in the recorded plats of Lots located within the Property, all side and rear property lines are dedicated drainage easements and may be used for drainage. Each Lot must be graded so as not to obstruct these

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.

3.09 Utility Easement. A perpetual easement is reserved on each Lot, as shown on a recorded 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 easement. Owners are prohibited from installing driveways over the location of any "cork stops" in the water main as shown on the recorded plats.

3.10 Frontal Appearance. See Exhibit B Architectural Review Process and Design Guidelines.

3.11 Building Requirements. See Design Guidelines in Exhibit B. Any swimming pool must be approved by the Developer or Architectural Committee prior to the commencement of the construction. Above ground level pools are not permitted.

3.12 Fences. See Design Guidelines in Exhibit B. No fences will be allowed on any Lot without the prior written consent of the Developer or the Architectural Review Committee. Wire or chain link fences are prohibited. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

3.13 Driveways. See Design Guidelines in Exhibit B. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. Owners are prohibited from installing driveways over the location of any "cork stops" in the water main as marked as shown on any recorded plat of lots within the Property. Where a Lot borders on more than one street, the Lot shall be entered as approved by the Developer.

3.14 Driveway Access. See Exhibit B. Driveways shall be added so as to form a smooth transitional surface with the street at locations where the approved driveway locations meet the street. Damaged streets shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected.

3.15 Signs. One sign offering the Lot and/or Dwelling Unit for sale and one sign reflecting the name of the builder may be placed upon a Lot. Such sign must be in form approved by the Developer or Architectural Review Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Developer or the Architectural Review Committee.

3.16 Service Area. See Exhibit B. Each Dwelling Unit shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from view by an enclosure that is an integral part of the site development plan, using materials, colors or landscaping that are harmonious with the home it serves.

3.17 Garages. See Design Guidelines in Exhibit B. The inside walls of garages must be finished and painted. Garage doors may not be allowed to stand open.

3.18 Landscaping. See Design Guidelines in Exhibit B. No vegetable gardens are permitted without Developer permission.

3.19 Windows. See Design Guidelines in Exhibit B.

3.20 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats, or other household pets is permitted, providing 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 which consistently barks. If the barking persists, the pet owner shall have the pet removed from the Development. If the pet owner refuses, it shall be deemed an "offensive activity." In addition, no dogs or other animals which evidence a propensity to bite or otherwise harm humans or other domestic pets, which constitute a nuisance to the other residents in the development, shall be allowed or maintained on any Lot.

3.21 Zoning. Whether expressly stated so or not in any deed conveying any one or more of said Lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.

3.22 Unightly Conditions. All of the Lots in the Development must, from the date of purchase, be maintained by the Owner 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 his/her own volition, to maintain his/her Lot in a neat and orderly condition, Developer, or its duly appointed agent, or the Board, 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 are requested to keep cars, trucks and delivery trucks off the curbs of the streets. Existing homes must be maintained in good repair, including being painted when necessary. Plant beds must be kept weed free.

3.23 Offensive Activity. 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.

3.24 No Detached Buildings. See Design Guidelines. There shall be no detached outbuildings or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

3.25 Sewage Disposal. Before any Dwelling Unit on a Lot shall be occupied, a septic system meeting applicable municipal codes shall be installed, and said septic system shall be maintained in accordance with all municipal codes.

3.26 Permitted Entrances. In order to implement and effect insect, reptile and fire control, and to maintain unsightly Lots, the Developer or the Board, or their respective agents, may enter upon any Lot on which a Dwelling Unit has not been constructed and upon which no landscaping plan has been implemented, such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush,

weeds or other unsightly growth, which in the opinion of the Developer or the Board detracts from the overall beauty, setting and safety of the Property or Lots. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Developer and its agents or the Board and its agents may likewise enter upon a Lot to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this section shall not be construed as an obligation on the part of the Developer and its agents, or the Board and its agents, to mow, clear, cut or prune any Lots or to provide garbage or trash removal services. Expenses incurred for any of the foregoing shall be chargeable to and recoverable from the Owner of the Lot upon which such work is done.

3.27 Tree Removal. See Architectural Review Process and Design Guidelines including both Architectural Review Process and Architectural Design Manual in Exhibit B. All Hemlocks must be protected. The removal of any Hemlock tree, regardless of size, is to be approved by the Developer or ARC prior to removal. No other type of tree or shrub eight (8) inches or greater in caliper or underbrush shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Also, understory limb pruning requires approval. Any Owner who without having obtained approval from the Developer or Architectural Review Committee, cuts down or who allows to be cut down any Hemlock or tree 8 inches in caliper or greater or clears unauthorized underbrush may be liable to the Association for liquidated damages in an amount of Two Thousand and No/100 Dollars (\$2,000.00) for each tree so cut. The majority of the trees or underbrush may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development. Developer controls the tree cut on Community Lots and the land below the upper bluff. However, Owners may submit to Developer or Architectural Review Committee a request to cut trees on Community Lots/upper brow and such requests must receive formal written approval before Owners remove any trees. The cost of removing trees on community lots/brow lots is the responsibility of the owner(s) who desires the trees removed. Brow Lots have additional rules set by the Developer regarding tree removal and some trees must remain to avoid the appearance of clear cut. Developer reserves the right to keep or remove trees on brow lots to enhance views or preserve trees. If a Lot owner desires to remove or limb a tree or reduce vegetation on an adjacent lot to open up views on their lot, the Lot owner shall obtain formal written approval from the Developer. The Developer has catalogued certain trees as non-removable by any Lot owner. Red plaques stating "Protected Tree" are placed on trees that may not be removed. Lot owner may discuss swapping protected trees for another with Developer. Note that no clearing may begin without prior written permission of the Developer until final plan submittal has been approved.

3.28 Tanks and Garbage Receptacles, Tree Houses, Tennis Courts 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 Dwelling Unit, within a screened area, or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be visible from adjoining Lots, houses, or from any street. No tree houses may be built or maintained on any Lot without the prior written consent of the Developer or the Architectural Review Committee. No tennis courts may be built or maintained on any Lot without the prior written consent of the Developer or the Architectural Review Committee, and written approval of the adjacent Lot owners. No playgrounds, other than wooden playgrounds, will be permitted to be installed on a Lot, the location and style of which must be approved by the Developer or the Architectural Review Committee. No trampolines or unapproved basketball goals.

3.29 Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Developer or the Architectural Review Committee.

3.30 No Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Dwelling Unit or other structure on the Property or any Lot within the Development without the prior written consent of the Developer or the Architectural Review Committee; nor shall radio, television signals, nor any other form of electromagnetic radiation be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals upon any other of such properties. Notwithstanding the foregoing, the provisions of this section shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Development nor prohibit Developer or the Architectural Review Committee from approving the installation of a satellite dish no more than eighteen (18) inches in diameter at an approved location on the Lot.

3.31 Excavation. No owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of a Lot unless the consent of the Developer or the Architectural Review Committee is obtained.

3.32 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device, which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon Lots within the Development. The playing of loud music from any balconies or porches shall be offensive, obnoxious activity constituting a nuisance.

3.33 Laundry. No Owner, guest, or tenant, shall hang laundry from any area within or outside a Dwelling Unit if such laundry is within the public view, or hang laundry in full public view to dry, such as on balcony or terrace railings. This provision may, however, be temporarily waived by the Developer or the Board during a period of severe energy shortages or other conditions where enforcement of this section would create a hardship.

3.34 Mailboxes. See Design Guidelines in Exhibit B.

3.35 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economic value of all Lots within the Development, each Owner and Developer (with respect to improved Property owned by Developer) shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building, structure, and improvement or significant vegetation which shall be damaged or destroyed by fire, or other casualty. Variations and waivers of this provision may be made only upon Developer or the Board establishing that the overall purpose of these Restrictive Covenants would be best affected by allowing such a variation. Variations to this section are to be strictly construed and the allowance of a variance by the Developer or the Board shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.

3.36 Vehicle Parking. Cars owned by Lot Owners or their guests or invitees shall not be parked on the street, but shall be parked only in the Owner's garage or driveway. Developer may grant permission for street parking for certain events. No inoperable vehicle, tractor, or other

machinery shall be stored outside on the premises at any time, even if not visible from the street. No house trailer or such vehicle shall be stored on the premises. Recreational vehicles, vacation trailers, campers and boats must be stored and hidden from view within the garage; however, no vehicle may be larger than a pickup truck. Such vehicles may not be stored anywhere else on the Lot without written permission from the Developer, and the decision of approval will be based upon the location of the Lot and its visibility to the road.

3.37 Maintenance. 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 painting as needed, and each Lot Owner shall keep all vegetation and landscaping in good and presentable condition.

3.38 Approved Builders. Only builders that have been approved by the Developer shall be permitted to construct Dwelling Units in the Development. The Developer shall maintain a list of approved builders, which list shall be made available to Lot Owners and prospective purchasers. The Developer may from time to time, in its discretion, add builders to the approved list of builders, and the Developer may remove approved builders from the list. An owner shall be permitted to contract with a particular builder for construction of a Dwelling Unit only if that builder is on the approved builders list. If owner cannot reach a deal with the Builder, Owner may sell back the lot to the Developer, at Developer's discretion. If Owner closes on the Lot and does not start to build a home on Lot within 18 months of closing, then Developer, at its discretion, may purchase the lot back at cost, and Owner must pay a 20% restocking fee.

3.39 Occupancy Before Completion. Except with the written consent of the Association based on adequate assurance of prompt completion of a Dwelling Unit, an Owner shall not occupy a Dwelling Unit until the Dwelling Unit and seasonal landscaping, conforming fully to the provisions of this instrument, shall have been erected and fully completed thereon. Once the footings of any Dwelling Unit 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 within twelve (12) months after commencement of construction. The Owner of any Lot violating either of these provisions shall be liable to the Association for liquidated damages at the rate of Fifty and No/100 Dollars (\$50.00) per day the violations occur, and to payment of such court costs and attorney's fees as may be incurred in the enforcement of these provisions. In the event construction does not progress continuously, the liquidated damages shall commence ten days after notice from the Developer or the Architectural Review Committee, if construction is not resumed within said ten (10) days.

3.40 Developer Reserves Right. Notwithstanding any other provisions herein to the contrary, the Developer 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, and to cause portions of Common Property Lots to become a part of any of the Lots bordering them, provided that not more than 5,000 square feet of any one given Common Property Lot may be added to any one given Lot bordering it, and provided that not more than 5,000 total square feet of any one given Common Property Lot may be added to the Lots bordering it.

3.41 Adjoining Lot Damage. Any damage done to any adjacent or adjoining Lot, or damage done by a contractor employed to build improvements on any Lot, will be repaired immediately at the expense of the Owner or contractor. Temporary construction support must be provided for the curbs and sidewalks by the Owner or contractor during the time of construction. All construction debris shall be removed weekly, and the street must be kept clean during construction.

3.42 Air Conditioning and Heating Units. Air conditioning and heating units shall be architecturally screened or landscaped so as not to be visible from any street.

3.43 Sodding. See Design Guidelines. Prior to occupancy of a Dwelling Unit, the Developer or Architectural Review Committee will dictate which areas are to be sodded, on a lot-by-lot basis. The Developer or the Architectural Review Committee may approve prior occupancy if weather conditions prohibit sodding.

3.45 Exterior Siding. The Developer or the Architectural Review Committee must approve all exterior siding in writing. All lap siding must have exposed laps of not more than eight (8) inches. Dwelling Units using lap siding on all exterior sides must be true lap siding and not artificial laps. Vinyl siding is not allowed without written permission from the Developer.

3.46 Renting or Leasing. The short term renting or leasing of a Dwelling Unit for less than one year is not permitted. All provisions of these Restrictive Covenants which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of a Dwelling Unit. Every Owner shall cause all occupants of his or her Dwelling Unit to comply with the Restrictive Covenants, and shall be responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of a Dwelling Unit are fully liable and may be sanctioned for any violation of the Restrictive Covenants.

3.47 Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of these Restrictive Covenants, the Developer, its successors or assigns, or the Association, its successors or assigns, 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 in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorneys fees incident to any such proceeding. 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 Developer, its successors or assigns or the Board. Further, the Developer or the Board may grant variances of the restrictions set forth in these Restrictive Covenants if such variances do not, in the sole discretion of the Developer or the Board, 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 (subject to rights of variances reserved by the Developer and the Board), it shall not be incumbent upon the Developer or the Board to enforce the provisions of these Restrictive Covenants or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of these Restrictive Covenants by any person other than itself.

ARTICLE IV

ARCHITECTURAL CONTROL

4.01 Architectural and Design Review.

A. In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the Development, and to promote and protect the value of the Property, the Developer established the Architectural Review Process and Design Guidelines set forth in Exhibit B, attached hereto and incorporated herein.

B. The Developer, as assisted by the Board, Architectural Review Committee and Review Architect shall have sole architectural and design reviewing authority for the Development until the Relinquishment Date. However, the Developer may, in its discretion, transfer architectural and design review authority to the Board by recording a document assigning these rights to the Board. Upon such occurrence, the Board shall establish an Architectural Review Committee as soon as is practicable. When such Committee has been established, the Developer shall transfer reviewing authority to it. The Developer shall have the right to over rule any decisions made by the Association or Board until the Relinquishment Date.

C. No Dwelling Unit, other building, structure, fences, exterior lighting, walls, swimming pools, children's play areas, decorative appurtenances, or structures 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 plan (showing the proposed location of such Dwelling Unit, building or structure, drives and parking areas), drainage plan, landscape plan or construction schedule, as the case may be, shall have been submitted to the Developer or the Architectural Review Committee for approval per the Architectural Review Process and Design Guidelines attached hereto as Exhibit B. In addition, any repainting of a substantial portion of the exterior of any structure in a manner not previously approved by the Developer or the Architectural Review Committee shall be subject to prior approval of the Developer or the Architectural Review Committee as provided in the preceding sentence. The Developer or the Architectural Review Committee shall give written approval or disapproval of the plans.

D. The Developer or Architectural Review Board shall charge a fee for each application submitted for review. The amount of the fee shall be set in the sole discretion of the Developer or Architectural Review Board.

E. Architectural and landscape design review shall be directed toward preventing excessive or unsightly grading, indiscriminate clearing of property, removal of trees and vegetation of the surrounding property and improvements thereon, and insuring that plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots.

4.02 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 Conditions of this Declaration and unless such construction schedule complies with the provisions of this Article. Approval of the plans and specifications by the Developer or the Architectural Review Committee 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.

4.03 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 perform services for an Owner.

ARTICLE V ASSESSMENTS

5.01 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 these Covenants and pay to the Developer or Association annual assessments and special assessments for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual assessment per lot per year is set by the Developer and is subject to change depending on amenities available, at Developer's discretion. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more Owners, to the Developer or Association for the payment of all assessments, whether annual or special, which may be levied while such party or parties are Owners of a Lot. The annual and special 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 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 the Developer or Board, 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. 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 original Lots, and if any original Lot is subdivided, the assessment on such original Lot shall be prorated between the Owners based upon the square footage owned by each Owner. The Developer is not liable for assessments. There are no assessments on Lots not recorded on a plat.

5.02 Purpose of Annual Assessments. The annual assessments levied by the Developer or Association shall be used exclusively to provide services to the Owners, promote the recreation, health, safety and welfare of the Owners, and for the improvement and maintenance of the Common Properties.

5.03 Amount of Annual Assessment. Until the Developer delivers written notice of relinquishment of all control not just control of the election of the board, the amount of the annual assessments as well as the method and manner of billing shall be set by the Developer, and the Developer may increase or decrease the amount of the assessment as the Developer, in its sole discretion, deems appropriate to promote the recreation, health, safety and welfare of the Members of the Association. Thereafter, the amount of the annual assessments shall be set by the Board unless seventy-five percent (75%) of the Members who are in attendance or represented by proxy at the annual or any special meeting of the Association vote to increase or decrease the said annual assessment set by the Board.

5.04 Special Assessments for Improvements and Additions. In addition to the annual assessments, the Developer or Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, 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 including but not limited to pool and clubhouse. However, after Developer relinquishes all control, any such assessment shall have the assent of sixty-six and two-thirds percent (66 2/3%) 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. Developer is not subject to escrow funds or special assessments.

5.05 Property Subject to Assessment. Only land within the Property, which has been subdivided into Lots, and the plats thereof filed for public record, shall constitute a Lot for purposes of these assessments.

5.06 Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot in any other way. The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- A. The grantee of a utility easement.
- B. All properties dedicated and accepted by a local public authority and devoted to public use.
- C. All Common Properties as defined in Article I hereof.
- D. All properties exempted from taxation by the laws of the State of Tennessee upon the terms and to the extent of such legal exemptions. This exemption shall not include special exemptions, now in force or enacted hereinafter, based upon age, sex, income levels or similar classification of the Owners.
- E. Approved Builders and the Developer

5.07 Date of Commencement of Annual Assessments.

A. The annual assessments provided for herein shall commence on the date of closing of the Lot or date determined by the Developer. Developer shall have the financial responsibility to physically maintain the Common Properties until the date of commencement of such assessments.

B. The amount of the first annual assessment shall be based pro rata upon the balance of the calendar year and shall become due and payable on the date of closing. The assessments for any year after the first year shall become due and payable the first day of January of said year.

C. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

5.08 Lien. Recognizing that the necessity for providing proper operation and management of the Common Properties entails the continuing payment of costs and expenses therefore, the Developer and Association are hereby granted a lien upon each Lot and the improvements thereon as security for the payment of all assessments against said Lot, now or hereafter assessed, which lien shall also secure all costs and expenses, and reasonable attorney's fees, which may be incurred by the Developer or Association in enforcing the lien upon said Lot. The lien shall be effective on a Lot immediately upon nonpayment, and a notice of lien may be recorded in the Register's Office of Hamilton County, Tennessee. The lien granted to the Developer 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, annual or special, on or before the due dates set by the Developer or Association for such payment shall constitute a default, and this lien may be foreclosed by the Developer or Association.

5.09 Lease, Sale or Mortgage of Lot. Whenever any Lot 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, the Developer or Association, upon written request of the Owner of such Lot, 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 the Developer or Association by the Owner of such Lot, and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot and the Developer or Association under this Declaration. Such statement shall be executed by the Developer 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 the Developer or Association shall be bound by such statement.

In the event that a Lot is to be leased, sold or mortgaged at the time when payment of any assessment against said Lot 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 Developer or Association before payment of any rent, proceeds of purchase or Mortgage to the Owner of any Lot who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Lot, the grantee(s) shall be jointly and severally liable with the grantor(s) for all unpaid assessments against the grantor(s) and the Lot 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
REGISTER OF OWNERS AND SUBORDINATION
OF LIENS TO MORTGAGES

6.01 Register of Owners and Mortgages. The Developer or Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot to a third party, the purchaser or transferee shall notify the Developer or Association in writing of his/her interest in such Lot, together with such recording information that shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his/her interest in any Lot. Further, the Owner shall at all times notify the Developer or Association of any Mortgage and the name of the Mortgagee on any Lot, and the recording information which shall be pertinent to identify the Mortgage and Mortgagee. The Mortgagee may, if it so desires, notify the Developer or Association of the existence of any Mortgage held by it, and upon receipt of such notice, the Developer or Association shall register in its records all pertinent information pertaining to the same. The Developer or Association may rely on such register for the purpose of determining the Owners of Lots and holders of Mortgages.

6.02 Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot if, and only if, all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgagee (i.e., one who records a Mortgage on a Lot for which all assessments have been paid prior to recording) shall acquire title to any Lot 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 subsequent to date of acquisition of such title. In the event of acquisition of title to a Lot 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.

ARTICLE VII
OWNER COMPLAINTS

7.01 Scope. The procedures set forth in this Article for Owner Complaints shall apply to all complaints regarding the use or enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Developer or Association, including, without

limitation, decisions of the Developer or Association or of the Board of Directors of the Association.

7.02 Grievance Committee. Once the Association has been created, there shall be established by the Board, a Grievance Committee to receive and consider all Owner complaints. The Grievance Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board of Directors, or the Manager may be appointed by the Board to function as the Grievance Committee. Until such time, the Developer shall serve as the Grievance Committee.

7.03 Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the Developer or President of the Association and sent in the manner provided in Section 10.04 for sending notices.

7.04 Consideration by the Grievance Committee. Within twenty (20) days of receipt of a complaint, the Grievance Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefore. Within ten (10) days after notice of the decision, the complainant may proceed under Section 7.05; but if complainant does not, the decision shall be final and binding upon the complainant.

7.05 Hearing Before the Grievance Committee. Within Ten (10) days after notice of the decision of the Grievance Committee, the complainant may, in a writing addressed to the Developer or President of the Association, request a hearing before the Grievance Committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his/her expense, and the Grievance Committee, at the expense of the Developer or Association, as the case may be, shall be entitled to legal representation at such hearing. The hearing shall be conducted before the Developer or at least two members of the Grievance Committee and may be adjourned from time to time as the Developer or Grievance Committee in its discretion deems necessary or advisable. The Developer or Grievance Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefore within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Section 7.07, the decision shall be final and binding upon the complainant.

7.06 Questions of Law. Legal counsel for the Developer or Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.

7.07 Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Grievance Committee or the Complainant may, at their option, within ten (10) days after notice of the decision as provided for in Section 7.05, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator shall be final and binding upon the complainant and the Grievance Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.

7.08 Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy, and no Owner shall bring suit against the Developer, Grievance Committee, the Association, the Board of Directors or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.

7.09 Expenses. All expenses incurred by complainant, including, without limitation, attorneys' fees and arbitration expenses and the like, shall be the sole responsibility of the complainant. All expenses of the Grievance Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE VIII REMEDIES ON DEFAULT

8.01 Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws, and the Rules and Regulations of the Association as they presently exist 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, guests, occupants, invitees or agents.

8.02 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 the Developer or Board which may be adopted pursuant thereto, shall constitute a default and shall entitle the Developer or the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, 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 Developer or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by and aggrieved Owner.

8.03 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Developer or the Association, if successful, shall, in addition to the relief provided for in Section 8.02 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. The Developer or Association is hereby granted a lien upon each Lot and the improvements thereon for payment of such costs and fees. The lien shall be come effective upon the initiation of any such proceedings and may be foreclosed as other liens are foreclosed in Tennessee. Notice may be recorded in the Register's Office of Hamilton County, Tennessee.

8.04 Waiver. The failure of the Developer, the Association, or an Owner to enforce any right, provision, covenant or condition which may be granted herein, or the receipt or acceptance by the Developer or Association of any part payment of an assessment, shall not constitute a waiver to enforce such restrictive covenant(s) in the future.

8.05 Election of Remedies. All rights, remedies and privileges granted to the Developer, the Association or an Owner or Owners 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 party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE IX EMINENT DOMAIN

9.01 Board's Authority. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by Eminent Domain, the Board or the Developer is authorized and directed to proceed as follows:

A. 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.

B. 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.

C. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in Boards of Directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.

9.02 Notice to Owners and Mortgagees. Each Owner and First Mortgagee on the records of the Developer or Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by the Developer or the Board, 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.

9.03 Reimbursement of Expenses. The Developer and/or Board 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 X GENERAL PROVISIONS

10.01 Duration. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Board, the Association, the Developer or

Owner, their respective legal representatives, heirs, successors and assigns, in perpetuity, unless amended or terminated as provided herein.

10.02 Amendments. This Declaration may be amended, modified or revoked in any respect from time to time by the Developer, in its sole discretion, prior to Relinquishment Date. Prior to Relinquishment Date, any Amendment requires Developer consent. After Relinquishment Date, this Declaration may be amended in accordance with the following procedure:

A. An amendment to this Declaration may be considered at any annual or special meeting of the Association; 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.

B. 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.

C. An amendment adopted under Paragraph B of this section shall become effective upon its recording with the Register, 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.

D. The certificate referred to in Paragraph C of this section shall be in substantially the following form:

CERTIFICATE

I, _____, do hereby certify that I am the Secretary of Flipper Bend Homeowners Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions for Flipper Bend was duly adopted by the Owners of said Association and the Mortgagees, if applicable, in accordance with the provisions of Section 10.02 of said Declaration.

Witness my hand this ___ day of _____, 20_____.

Secretary

10.03 Streets. See Section 2.03.

10.04 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 the Developer or 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 the Developer or Secretary, in writing, of any change of address. Any notice required to be sent to the Developer, Board, Association or any officer thereof, under the provisions of this Declaration shall likewise be deemed to have been properly sent and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

The address for the Board, the Association, or any officer thereof, may be changed by the Secretary or President of the Association by executing, acknowledging and recording an amendment to this Declaration stating the new address or addresses. Likewise, the Developer may change its address by executing, acknowledging, and recording an amendment to this Declaration stating its new address.

10.05 Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration 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.

10.06 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 this Declaration nor any provision hereof.

10.07 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.

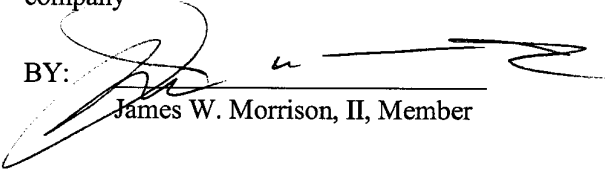
10.08 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

10.09 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.

10.10 Effective Date. This Declaration shall become effective upon its recording in the office of the Register of Hamilton County, Tennessee.

IN WITNESS WHEREOF, the Developer has executed, or caused to have executed by its duly authorized officers/members, this Declaration on the date first written above.

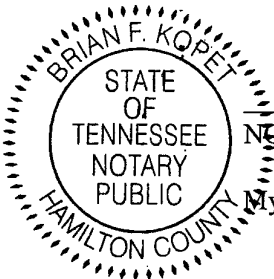
FLIPPER BEND, LLC, a Tennessee limited liability company

BY: 
James W. Morrison, II, Member

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me Brian F Kopet the undersigned Notary of the state and county mentioned, personally appeared James W. Morrison, II 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 a member of Flipper Bend, LLC, the within named bargainor, a corporation, and that such president or officer as such member, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the corporation as Member and that the corporation has no corporate seal.

Witness my hand and seal this 3rd day of March, 2020.




NOTARY PUBLIC

My Commission Expires: 6-29-22

EXHIBIT A

IN THE THIRD CIVIL DISTRICT OF HAMILTON COUNTY, TENNESSEE:

TRACT ONE (1):

Beginning at a stone (old), having Tennessee State Plane Coordinates of N: 324,381.88; E: 2,192,358.32 located in the Southwestern line of The State of Tennessee of record in Deed Book 5499, Page 36, in the Register's Office of Hamilton County, Tennessee (R.O.H.C.); Thence along the lines The State of Tennessee the following courses and distances: Thence South 49 degrees 56 minutes 53 seconds West for a distance of 420.58 feet to a stone (old); Thence South 51 degrees 08 minutes 39 seconds West for a distance of 772.41 feet to a stone (old); Thence South 62 degrees 11 minutes 50 seconds East for a distance of 2234.94 feet to a stone (old) located in the bluff line of Signal Mountain. Thence leaving the lines of The State of Tennessee and along meanders of the bluff line of Signal Mountain in a southwesterly direction for a distance of 1579 feet more or less, said bluff line being subtended by a chord line having a bearing of South 52 degrees 23 minutes 54 seconds West for a distance of 1545.56 feet to a Magnail (new), at the northeastern corner of Rudolph and Alice Hoppe, of record in Deed Book 6116, Page 707 (R.O.H.C.); Thence along the lines of Rudolph and Alice Hoppe the following courses and distances: Thence North 57 degrees 11 minutes 45 seconds West for a distance of 2115.92 feet to a 5/8" iron rod (new); Thence South 50 degrees 43 minutes 21 seconds West for a distance of 1747.84 feet to a Point in the northeastern right of way line of Roberts Mill Road; Thence in a northwesterly direction along the right-of-way line of Roberts Mill Road (at all points 25 feet north and east of the centerline of Roberts Mill Road as it currently exists for a distance of 31.28 feet more or less, said distance being subtended by a chord line having a bearing of North 54 degrees 20 minutes 23 seconds West for a distance of 2302.74 feet to an iron rod (old), at the southwestern corner of Lot 2, Roberts Mill Trace Subdivision, of record in Plat Book 100, Page 38 (R.O.H.C.), Thence with the southeastern line of Lot 2 North 24 degrees 36 minutes 41 seconds East for a distance of 98.74 feet to an iron pipe (old) at the southwestern corner of Lot 26, Homestead Acres Subdivision, Plat Book 32, Page 91 (R.O.H.C.); Thence with the southeastern line of said Homestead Acres Subdivision the following courses and distances: Thence North 24 degrees 41 minutes 08 seconds East for a distance of 387.32 feet to an iron rod (old); Thence North 24 degrees 31 minutes 06 seconds East for a distance of 277.21 feet to an iron rod (old); Thence North 24 degrees 31 minutes 39 seconds East for a distance of 877.98 feet to an iron rod (old); Thence North 24 degrees 30 minutes 41 seconds East for a distance of 326.06 feet to an iron rod (old); Thence North 24 degrees 28 minutes 20 seconds East for a distance of 247.71 feet to an iron rod (old); Thence North 24 degrees 29 minutes 12 seconds East for a distance of 250.32 feet to an iron rod (old); Thence North 24 degrees 27 minutes 52 seconds East for a distance of 770.50 feet to an iron rod (old); Thence North 24 degrees 28 minutes 39 seconds East for a distance of 378.59 feet to an iron rod (old) located in the southwestern line of The State of Tennessee of record in Deed Book 5499, Page 36 (R.O.H.C.); Thence leaving the southeastern line of Homestead Acres Subdivision and along the southwestern line of The State of Tennessee South 62 degrees 16 minutes 57 seconds East for a distance of 4149.60 feet to the Point of Beginning. Containing 339.8 acres, more or less, as shown on survey by David Michael North, Tennessee Registered Land Surveyor No. 2370, Project-Drawing No. 17-096, dated July 24, 2017.

FOR PRIOR TITLE, see Deed from Barbara D. Clark, Douglas E. Clark and Malinda M. Hunter f/k/a Malinda M. Clark, to Flipper Band, LLC, a Tennessee limited liability company, executed and recorded on August 10, 2017 in Book 11125, Page 936, in the Register's Office of Hamilton County, Tennessee.

TRACT TWO (2):

To locate the true point of beginning, commence at a stone (old), having Tennessee State Plane Coordinates of N: 324,381.88; E: 2,192,358.32 located in the Southwestern line of The State of Tennessee of record in Deed Book 5499, Page 36, in the Register's Office of Hamilton County, Tennessee (R.O.H.C.); thence along the lines of The State of Tennessee the following courses and distances: South 49 degrees 56 minutes 53 seconds West for a distance of 420.58 feet to a stone (old); thence South 51 degrees 08 minutes 39 seconds West for a distance of 772.41 feet to a stone (old); thence South 62 degrees 11 minutes 50 seconds East for a distance of 2234.94 feet to a stone (old) located in the bluff line of Signal Mountain; thence leaving the lines of The State of Tennessee and along meanders of the bluff line of Signal Mountain in a southwesterly direction for a distance of 1579 feet more or less, said bluff line being subtended by a chord line having a bearing of South 52 degrees 23 minutes 54 seconds West for a distance of 1545.56 feet to a Magnail (new), at the northeastern corner of Rudolph and Alice Hoppe, of record in Deed Book 6116, Page 707 (R.O.H.C.), with said point being the TRUE POINT OF BEGINNING; thence South 57 degrees 11 minutes 45 seconds East to the base of the lower escarpment; thence, in a westerly direction, with and

along the base of the lower escarpment, to the southern boundary line of the property conveyed to Flipper Bend, LLC, a Tennessee limited liability company by that deed of record in Book 11125, Page 936 (R.O.H.C.); thence, with and along the boundary line of the aforementioned Flipper Bend property, North 50 degrees 43 minutes 21 seconds East to a painted stone set at the top of the bluff (which painted stone is the following chord bearings and distances from the true point of beginning: South 84 degrees 14 minutes 57 seconds West a distance of 1774.40 feet to a point; thence North 56 degrees 18 minutes 25 seconds West a distance of 1080.60 feet); thence continuing along the said boundary with Flipper Bend, North 50 degrees 43 minutes 21 seconds East a distance of 1144.68 feet to an iron rod (old), said iron rod being 1,576 feet +/- from a point 25 feet west of the centerline of Robert's Mill Branch, per deed of record in Book 6116, Page 707 (R.O.H.C.); thence with and along the southern boundary line of the said Flipper Bend property, South 57 degrees 11 minutes 45 seconds East a distance of 2115.92 feet to the POINT OF BEGINNING, as shown on that boundary survey prepared by Charles E. Schaerer, Tennessee Registered Land Surveyor No. 700, Northpointe Surveying, 2719 Hickory Valley Road, Suite A, Chattanooga, Tennessee 37421, being dated March 27, 2018, and being Drawing No. 17-096_UHT.

LESS AND EXCEPT any portion of the above-described property lying within the bounds of Lots 154-160, Third Subdivision of E. B. Clark's property on the side of Walden's Ridge, as shown by plat recorded in Plat Book 7, Page 4, in the Register's Office of Hamilton County, Tennessee, BUT TOGETHER WITH any of that property conveyed from James E. Folkner to Dr. R. A. Hoppe of record in Book 4962, Page 724, in the Register's Office of Hamilton County, Tennessee, that may be located within the bounds of the above-described property.

SUBJECT TO the terms and conditions of that Agreement Between Dr. R. A. Hoppe and James E. Folkner Regarding Property Line Agreement and Access of record in Book 9454, Page 61, in the Register's Office of Hamilton County, Tennessee.

The above tracts expressly include Lots 5, 6, 13, 15, 57, 66, 67 and 68, Morrison on Roberts Mill as shown by plat of record in Plat Book 117, Page 76, in the Register's Office of Hamilton County, Tennessee.

No boundary survey of the within land was made at the time of this conveyance, and the description of the within land is not different from previous deed(s).

FOR PRIOR TITLE, see Deed from Alice Amanda Hoppe a/k/a Alice A. Hoppe, to Flipper Bend, LLC, a Tennessee limited liability company, executed May 4, 2018 and recorded on May 8, 2018 in Book 11340, Page 841, in the Register's Office of Hamilton County, Tennessee.



FLIPPER BEND

SIGNAL MOUNTAIN TENNESSEE

EXHIBIT B

Architectural Review Process and Design Guidelines

Flipper Bend is a planned community that enjoys a beautiful mountain top setting offering a variety of home choices and outdoor amenities, perfect for social gatherings and recreation for an active lifestyle for all ages. While enjoying the conveniences of Chattanooga, Flipper Bend Community provides a sense of tranquil escape and connection with nature.

Flipper Bend has over 390 acres on Signal Mountain, that are being carefully crafted into a gated community featuring both brow and forest lots, as well as lots that adjoin TDEC wilderness; along a private mountain road. Flipper Bend features a future brow-front pavilion with beautiful panoramic views. A large swimming pool, hiking trails with access to 7,000 acres of wilderness and a community garden will all be featured in the community lot during Phase 2.

Developers of Flipper Bend have established through the "Declaration of Covenants & Restrictions for Flipper Bend" an architectural review process that is intended to assist residents and builders in constructing homes with high-quality character and sense of place that is intended by the Board and Architectural Review Committee (ARC); and, consistent with the relaxed, but upscale, desirable Signal Mountain setting.

To assist in its duties the Board and Architectural Review Committee have retained the services of a Review Architect. Under the Architectural Review Process the Committee requires that all Plans for new construction be submitted to the Review Architect. The Review Architect on behalf of the Committee may approve or reject proposed plans at his discretion.

In reviewing specific plans the Review Architect will consider, (1) the location, size and shape of the lot, (2) compatibility with the immediate neighborhood and the Flipper Bend community, (3) compliance with the "Declaration of Covenants & Restrictions for Flipper Bend", and (4) compliance with the Design Guidelines. Review and approval of the plans and specifications by the Architectural Review Committee and Review Architect 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.

Application Submittal Requirements

All application submissions for the construction or installation of any improvement, including but not limited to architectural or landscape, must be made in duplicate. The application, provided by the Architecture Review Committee must include the following items:

- Property owner's name
- Mailing address
- Business and residence telephone numbers (including area code) and email address
- Property number(s) of proposed construction
- Address of site(s)
- Name, address and telephone number of architect, designer or owner's representative (e.g., landscape architect or designer, engineer or contractor)
- Name, address and telephone number of contractor
- List of number(s) of drawings enclosed
- Refer to the Review Form found on the final page

The Architectural Review Process

Summary of design review process

Flipper Bend is proud to be partnering with Design Architect, James H. Klippel Residential Designs, LLC. Klippel Home Plans are automatically approved by Developer.

1. Builder must submit plans for spec homes to Travis Close for input as to his comfort level that he could sell the home in a reasonable time period. Custom homes would obviously skip this step.
2. Builder shall submit conceptual home plan per "Detailed Guideline" section listed below. This review will be completed within 15 days. Plans will either be approved as is, approved with suggested corrections, or not approved and deemed as not appropriate design. Remit \$500.00 payable to Flipper Bend, LLC for this review submittal. Klippel designs skip this step.
3. Builder shall submit revised plan and all other info detailed in the "Final Design Submittal" description listed below including a payment of \$1,000.00 (Klippel plans shall pay \$500.00 deposit only) to Flipper Bend, LLC (\$500.00 of this is a refundable deposit as described below). This review will be completed within 15 days. Note that final submittal shall include site plan with clearing limits. No clearing may begin without prior written permission from Developer until final plan submittal has been approved.

Note: Your grading contractor must know your clearing limits. All Hemlocks must be protected. No other type of tree or shrub 8 inches or greater in caliper or underbrush shall be removed prior to obtaining approval of the Developer. Removal of any Hemlock or tree 8 inches in caliper or greater or unauthorized clearing will incur a fine of \$2,000 per tree payable to Flipper Bend HOA. All trees on brow lots within 30 feet of edge of the escarpment, must be discussed and approved with Developer prior to removal. Protecting trees along the brow adds a great amount of dimension and perspective, which upholds the natural integrity

of the lot and the view shed of adjacent lots. Many trees along the brow; such as some small Virginia Pines, are worth preserving and some are estimated to be over 100 years old. They are considered to be hardy and add character to the landscape.

4. Once final approval is granted by Developer construction may begin.
5. Builder must submit landscaping plan to Developer prior to installation of landscaping and it must be approved prior to occupancy. Once landscaping plan is approved, no revisions are required, and all else is compliant, the final deposit will be refunded within 30 days of closing.

Detailed Guideline:

The Architectural Review Process consists of two plan submittals, one at the Conceptual Design phase and then Final Design Submittal.

1. **Conceptual Design Submittal**- the purpose of this submittal is to illustrate design intent early in the design process and should consist of the following:
 - a. Conceptual Site plan/sketch at a minimum scale of 1" = 50' showing:
 1. Existing contours, lot lines, setbacks and street frontage.
 2. Building footprint and any proposed accessory structures or major hardscape items such as driveways, walks, retaining walls, ponds, pools, etc.
 - b. Conceptual floor plans/sketches for all levels either at a minimum scale of 1/8" = 1'-0" and/or approximate individual room sizes and overall building dimensions noted.
 - c. Indicate approximate area (gross square feet) of each floor level.
 - d. Exterior elevations, representative of front and rear with finish materials indicated as noted on the application.
 - e. Applicant shall submit:
 1. Electronic submission of plans in pdf or jpeg format is acceptable.
 2. One (1) copy of the completed Design Review Application.
 3. Application and required documents shall be submitted to:

Flipper Bend, LLC
1807 Taft Hwy, Ste 82
Signal Mtn, TN 37377
arc@flipperbend.com
 - f. Conceptual Design Review will be completed within thirty (30) calendar days of submission. Typical review processing will be 10-15 business days. Plans will either be approved as is, approved with suggested corrections, or not approved and deemed as not appropriate design. Applicant must remit a non-refundable deposit for the Plan Review Fee of Five Hundred Dollars and No Cents (\$500.00) with submittal.
2. **Final Design Submittal**- shall be submitted at least thirty (30) calendar days prior to the proposed date of construction and consist of:

- a. Final Architectural Documents including:
 1. Floor plans for all levels at a minimum scale of $3/16" = 1'-0"$.
 2. Exterior elevations of all four sides with finish materials indicated and noted.
 3. Typical Wall sections at $1/4" = 1'-0"$ (optional).
 4. Exterior details including:
 1. Doors and windows
 2. Eaves, porches, rakes, overhangs, etc.
 3. Columns, pilasters, chimneys, louvers, shutters, etc.
 5. Preliminary color and material samples.
- b. Final Site Plan at a minimum of $1" = 20'$ and including:
 1. Clearing plan-depicting trees to be removed for driveway, house, etc.
 2. Building footprint with overall building and setback dimensions.
 3. Location of air conditioning and condensing units.
 4. Driveway location
 5. Accessory structures and all site improvements such as driveways, walks, retaining walls, ponds, etc.
 6. Existing and proposed grades
 7. Site drainage
- c. Applicant shall submit:
 1. Two (2) copies of required documents listed above.
Electronic submission of plans in pdf or jpeg format is acceptable.
 2. One (1) copy of the completed or revised Design Review Application.
 3. Submittal will not be reviewed without prior payment of Plan Review Fee of Five Hundred Dollars and No Cents (\$500.00) that was due at time of conceptual plan submittal, and payment of One Thousand Dollars and No Cents (\$1,000.00) (*\$500.00 refundable deposit and \$500 Design Architect fee*) for final review. A refund of Five Hundred Dollars and No Cents (\$500.00) will be returned within 30 days of closing to Applicant after home is completed and if as-built is compliant.
 4. Application and required documents shall be submitted to:

Flipper Bend, LLC
1807 Taft Hwy, Ste 82
Signal Mtn, TN 37377
arc@flipperbend.com
- d. Final Design Review will be completed within thirty (30) calendar days of submission. Typical review processing for final approval will be 10-15 business days. If approval is granted, building may begin.
 1. Design review is a very subjective process, therefore Flipper Bend ARC reserves the right to decline any home presented.
 2. Landscaping plans must be submitted before installation of landscaping and prior to occupancy.

Design Guidelines Review and Approval Process

Floor Plan: Min. Scale 1/8" = 1'-0"

1. Indicate all walls, columns, openings and any conditions or feature that will affect the exterior design of the building.
2. Scale accurately all items and parts of plans and details, including balconies, decks, atriums, accessory buildings, square footage of total living area of residence, garages, service yards, pools, recreation areas and patio covers.
3. Include notes on all exterior items that cannot be clearly noted on the elevations.

Other Documents:

1. Other documents may be required or deemed necessary by the Architecture Review Committee to clarify issues.
2. Samples of proposed materials and colors may be requested at this submittal.

Final Inspection

Any proposed changes or deviation from the approved plans occurring during construction must be submitted to the Developer and the Architecture Review Committee and its representative for approval, prior to the commencement of such changes.

After completion of all improvements to the Property, landscaping, and issuance of Certificates of Occupancy, the Owner/Builder shall submit a letter to the Developer and ARC with a copy to the Homeowners Association Board of Directors indicating that all improvements and landscaping on the Property are complete and are in conformance with the approved plans and specifications by the ARC. Upon receipt of the letter, the ARC must schedule an inspection of the property. After inspection, the ARC must notify the Owner/Builder of either final approval or noncompliance with the approved plans and specifications. If it is found in compliance, the ARC will issue in writing a Notice of Compliance and Clearance to Close and return any deposits. The Owner/Builder may not close on the Property until the Notice of Compliance and Clearance to Close is issued to Owner/Builder by the Developer and ARC.

If the Property is found not in compliance, the ARC will issue a Notice to Comply and Owner/Builder must rectify the discrepancies found and schedule an additional final ARC inspection. The ARC will not be responsible for communicating the discrepancies to any persons other than Owner/Builder. The Owner/Builder has 30 days to comply with any outstanding violations. Fines and penalties may be applied if the date is exceeded. If Owner/Builder closes without the signed Clearance to Close by the Developer and ARC, the Developer and ARC each reserve the right to issue fines to the Owner/Builder for the violation of closing without clearance as well as for violation of any procedures or guidelines set forth in Exhibit B. All fines imposed will be responsive to the nature of the violation and level and scope of non-compliance. The ARC or Developer or Board will not be liable to any party for any action regarding approving or disapproving a Property or performing any of the inspections pursuant to the guidelines. An oversight by Developer or ARC of non-compliance during final inspection does not relieve Owner/Builder from compliance.

In the letter stating that all improvements are complete, the Owner/Builder shall also have the right to request that any remaining refundable portion of their deposit be released by the Flipper Bend Homeowners Association Board of Directors after the inspection and final approval of the improvements by the ARC. The Owner/Builder shall also have the right at this time to request permission to release any insurance policies or letters of credit that have been held against the

Property.

Architectural Style Overview

The rich character and personality of Flipper Bend is established through the consistent application of the architectural styles portrayed throughout the guidelines and in concert with the Flipper Bend design theme.

Examples of appropriate architectural styles are:

- Camp Style
- Mountain Homes
- Bungalow
- Shingle
- Craftsman
- Low Country
- Colonial
- Modern Farmhouse
- Rustic Contemporary
- French Country
- Tudor

Pure and contemporized versions of the appropriate styles are accepted.

The primary goal of the Design Guidelines is to create homes with proper balance, form, massing and scale. The following basic criteria establishes the essential characteristics that will promote and support these goals:

- Balanced massing either symmetrical or asymmetrical
- Strong roof forms either gabled, hipped and shed are preferred, various combinations of the three are encouraged
- Entry statement strong yet proportional with the overall structure
- Long horizontal masses broken and counterbalanced by strong verticals
- Front, side and rear covered porches
- De-emphasis of the garage from the street frontage
- Reduction of two-story impact at front and rear orientations
- Detailing indicative of the historical style
- Windows and doors positioned proportionately within the facade elevation where they are applied
- Harmonious siting of the home within its homesite, surrounding landscape features and other homes
- Colors of soft earth tones, accented with rich accent colors on doors, windows, shutters; etc. as appropriate
- Brow homes designed by Architects will be granted freedom to explore designs outside those described in the design guidelines.

The following pages of this section will serve as benchmark for the design of the homes within Flipper Bend. These guidelines will ultimately enable the ARC to facilitate the design review process.

Architectural Design Manual

Materials & Color

Building Materials

Building materials are an important element in maintaining the overall community character of Flipper Bend. The imaginative use of materials can be combined to create unique designs and distinctive individual identity to each home. The following material and color items are appropriate within Flipper Bend. Additional materials may be permitted but are subject to review and approval by the ARC as described in the Submittal and Approval Process.

Color

- Color acts as a theme-conveying element reflective of the Flipper Bend style. Low-intensity colors with natural hues, off-white and earthy in nature, blend naturally with the wooded setting and should be used as predominant colors throughout the community. White colors must be antique white or warmer, except with all white houses. Individual design expressions through the use of rich accent colors are encouraged on specific elements such as; entry doors windows and shutters. The ARC must evaluate the use of bright, vibrant colors on a case-by-case basis.
- Wide ranges of trim and accent colors are permitted on houses to add variety and character to the community. They are to be consistent with the historic context of the architectural theme.

Siting, Massing, Scale & Proportion

The dominance of nature over the built environment is one of the most important traits of the rural/suburban character. The home should be oriented and designed in response to the individual characteristics of the site and its context. Integration with the topography, trees and vegetation, as well as other natural features of the land are of utmost importance.

The features and elements of Flipper Bend contribute to the human scale throughout the community. Bulky homes and homes that "overwhelm" the natural setting are not suitable. Specifically, simple two-story box massing with little or no relief.

No building may not exceed two stories in height not including a "walk-out" basement as defined above.

Site

1. Site planning

Care should be taken to preserve to the greatest degree possible the natural contour, drainage courses and vegetation on your lot. Structures should be located and configured to be visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon; and insure that plans for landscaping provide visually pleasing settings for structures on the same lot and on adjoining or nearby lots. No trees may be cut in the first 25' of right of way for forest lots and the first 50' of right of way for brow lots without permission from Flipper Bend ARC.

Tree removal must have ARC approval to do any clearing outside "Building Area" for trees larger than eight inches in caliper.

All Hemlocks must be protected. The removal of any Hemlock tree, regardless of size, is

to be approved by the Developer or ARC prior to removal. No other type of tree or shrub eight (8) inches or greater in caliper or underbrush shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Also, understory limb pruning requires approval. Any Owner who without having obtained approval from the Developer or Architectural Review Committee, cuts down or who allows to be cut down any Hemlock or tree 8 inches in caliper or greater or clears unauthorized underbrush may be liable to the Association for liquidated damages in an amount of Two Thousand and No/100 Dollars (\$2,000.00) for each tree so cut. The majority of the trees or underbrush may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development. Developer controls the tree cut on Community Lots and the land below the upper bluff. However, Owners may submit to Developer or Architectural Review Committee a request to cut trees on Community Lots/upper brow and such requests must receive formal written approval before Owners remove any trees. The cost of removing trees on community lots/ brow lots is the responsibility of the owner(s) who desires the trees removed. Brow Lots have additional rules set by the Developer regarding tree removal and some trees must remain to avoid the appearance of clear cut. Developer reserves the right to keep or remove trees on brow lots to enhance views or preserve trees. If a Lot owner desires to remove or limb a tree or reduce vegetation on an adjacent lot to open up views on their lot, the Lot owner shall obtain formal written approval from the Developer. The Developer has catalogued certain trees as non- removable by any Lot owner. Red plaques stating "Protected Tree" are placed on trees that may not be removed. Lot owner may discuss swapping protected trees for another with Developer. Note that no clearing may begin without prior written permission of the Developer until final plan submittal has been approved.

2. Building Setbacks

- a. Building setbacks are measured from the property line to the exterior face of the wall or any structure such as a porch column. Roof overhangs may extend into the setback a maximum of 2'-0".
- b. Service yards and driveways may extend into side yard setbacks a maximum of 6'-0" for Brow Lots and 8'-0" for Brow View and Forest lots:
- c. Setbacks:

	Brow Lots	Forest Lots
Front	80 ft. Min.	40 ft.
Side	15 ft. Min.	15 ft. Min.
Rear	50 ft. from edge of escarpment	40 ft. Min.
- d. Alternate setbacks may be approved by the ARC in specific cases where strict adherence to these minimums may be burdensome.
- e. Service Yards- Each Home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, similar storage receptacles or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from view by an enclosure that is an integral part of the site development plan, using materials, colors or landscaping that are harmonious with the home it serves. Propane tanks must be buried and are not allowed to sit above ground.

3. Fences and Exterior Walls or Piers

No fences or exterior walls shall exceed four (4) feet in height nor will be allowed on

any Lot without the prior written consent of the Community Developer or the Architectural Review Committee. Wire or chain link fences are prohibited. No fences shall be constructed of any bright, shiny metal. All wood fences must be painted or stained. All proposed fences must be submitted to the Community Developer or the Architectural Review Committee showing materials, design, height and location. No fences shall be allowed in front or side yards.

4. Adjoining Properties During Construction

Side and rear property lines shall be staked and marked by a registered land surveyor, and maintained for the duration of the construction project. All materials must be kept and stored within the confines of each individual lot. All vehicles, both deliveries and workman's must operate within the confines of the lot or the public street and shall not cross any of the adjacent properties. The swale in front of each property is owned by the Property Owners Association and is not considered part of the owner's property. One culvert shall be installed at the driveway entrance of each property and this alone shall be the only entrance to the property during construction.

This requirement does not preclude an owner from proposing semi-circular or U-shaped driveways with two curb cuts, although this driveway arrangement is discouraged due to the inherent increase in impervious surfaces. All culverts must be constructed of reinforced concrete. No vehicles will be permitted to use the swales for either ingress or egress to said lot. Both the lot owner and the contractor shall be considered the responsible parties and will be billed for any damages that may occur through violations of this section. This will include, but is not limited to, replacement of damaged trees, removal of construction materials and restoration of all disturbed or damaged areas. Silt fence must be installed along the property line where silt and sedimentation may occur off site.

5. Soil and Sedimentation Erosion Control

Silt fences must be installed as a part of the construction process along any lot line, where silt and sedimentation may occur off site. In addition, silt fences must be installed along any drainage ditch or swale which may experience silt or sedimentation from the construction process. In addition, a silt fence must be placed at the mouth of the driveway culvert which connects the lot to the street. Stone, crushed rock, or some other ARC approved materials must be placed on the driveway connection to the street in order to prevent traffic from spreading silt onto the street.

6. Size

No single-family detached Home shall be erected or permitted to remain on the Property unless it has the number of square feet of enclosed living area measured from the exterior walls, exclusive of open porches or screened porches, carports, 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, garages, and steps. The minimum number of square feet required is as follows:

- a. Homes shall contain a minimum of twenty-six hundred (2,600) square feet, with a minimum of seventeen hundred (1,700) square feet on the first floor.
- b. Basements shall not be included in the finished and heated living area. A basement is defined as having, at a minimum, 100% of one wall and at

least 50% of two side walls below the finished grade of the primary floor.

7. Foundation

1. No exposed block or poured concrete.
2. Must be masonry and should be finished with brick, natural or manufactured stone, 2-coat cement stucco over concrete with a cement finish coat or other ARC approved masonry finish.

8. Roofs/Ceiling Heights

a. Main House

1. Minimum of 10-foot ceilings on main floor and 9 foot ceilings on top floor, excluding sloped ceilings.
2. Minimum pitch: 8/12 or steeper preferred
3. Porch and Accent Roofs minimum pitch: 3/12
4. Variances to the roof pitch minimums may be considered for special designs on a case by case basis in the sole discretion of the ARC.

b. Dormers: Required on one story and one and one half story homes.

1. Roof Pitch Minimum: 8/12
2. Shed Roof Exception: 3/12
3. Variances to dormers may be considered for special designs on a case by case basis in the sole discretion of the ARC.

c. Shingles: Shingles are to be of asphalt/fiberglass, 30-year, architectural grade (240 lb) minimum. The roof may also be metal, wood shake or tile as approved by the ARC in its discretion on a case by case basis.

d. Flashing: All roof sheet metal work such as roof caps, flashings, vents and chimney caps must be painted to match the roof or must be copper.

e. Vents and stacks: All roof stacks and plumbing vents must be placed on rear slopes of roofs and painted to match roof.

f. Solar panels. Pole or ground Tourited solar panels are not permitted, with the exception of backyard of Brow Homes. Roof mounted solar panels are permissible provided the following:

1. Solar roof panels must be integrated with the roof design and low-profile, mounted no more than 3" off the roof.
2. Panels may not be visible from the street at the front of the house with the exception of south-facing, side roofs.

9. Porches and Entrances

1. Front, side and wrap-around porches are encouraged, but not required.
2. All front porches must be at least eight feet deep. While it is recommended that other porches should be eight feet deep, they will be reviewed on a case by case basis.
3. All stoops must be at least four feet deep.
4. Porches and other entry-related elements, such as stoops, must be appropriate to the architecture style of the house.
5. Porch columns must be an appropriate style and proportion for the architectural style of the house and be wood, brick, natural or manufactured stone.
6. Porch piers must be masonry, and should be finished with brick, natural or manufactured stone, stucco over concrete or CMU. Finish should match foundation finish. Covered porches for front or side elevations should not be supported by wood posts.

7. Front and side porch decking may be constructed of cedar, TREX, IPE or equivalent. Treated pine is not acceptable.
 8. Steps at the entry, porch floors, and patio paving are encouraged to be brick or stone. Treated wood is not acceptable. IPE or equivalent is allowed for steps with approval from ARC and if appropriate, for Architecture of home.
 9. Porch railing style must be appropriate for porch and house architectural style.
 10. Porch railings may be constructed of wood or decorative iron.
 11. Wood railings should span between wood columns or piers. Iron railings should span between brick or stone columns or piers.
 12. Low walls may be brick, stone or stucco, and should be a minimum of 12" thick, and must have an appropriate masonry cap.
 13. Front porches must not be screened-in or enclosed.
10. **Doors**
1. All doors must have an appearance appropriate to the architectural style of the house
 2. Front doors must be wood or fiberglass. Aluminum clad wood or fiberglass doors acceptable elsewhere.
 3. A photo or detail of all front doors must be submitted to the Flipper Bend ARC for approval.
 4. All street facing garage doors must have a carriage-style appearance.
11. **Windows**
1. Windows must be wood, PVC-clad, aluminum clad, or YKK brand vinyl windows or equivalent per approval of the ARC. Other synthetic material may be approved, but will be reviewed on a case by case basis.
 2. Windows must be specified, including grid configuration, before approval.
 3. Window grids need to be simulated or true divided light, and not grills between-the-glass.
 4. Window grid pattern must be appropriate to the style of architecture.
 5. All windows on the front façade and the side-street façade on corner lots must have matching grids. (casements may be approved if architectural merit exists, but will be reviewed on a case by case basis). If rear of home is visible from a public street, grids must be consistent on all four sides. Brow lots may have no grids on rear elevation.
 6. Mullions between grouped windows must be at least 4" wide.
 7. All mullions at ganged windows must be 1 ¼" wide or greater, not including the window frame or sash. Casing at windows and doors must be 3 ½" reveal or greater at siding. Windows in brick or stone must include brickmold with a minimum 2" reveal.
 8. All windows must have a sill on outside.
12. **Bay Windows**
1. All bays that extend more than twelve inches from the face of the house must have brackets below or must have a foundation.
 2. Bays must consist of only structure, trim, panels and windows. (Brick or Stone bays may be permissible and will be reviewed on a case by case basis)
 3. Bay window use and design must be appropriate to the style of architecture. Angled bays are discouraged.
13. **Shutters**
1. All shutters must appear operable and must have all the appropriate hardware.
 2. Shutters must be appropriately sized for the accompanying window.
 3. Shutters must be an appropriate type for the style of architecture.

14. Dormers

1. Any dormer should only be large enough to accommodate the window(s) and the dormer framing, including window trim.
2. Dormers may be gabled, hipped or shed, depending on the style of architecture
3. All raw framing of unfinished spaces must not be visible from outside the house. Dormers must be accessible from an interior space, either finished or attic space.

15. Columns

1. Columns may be brick, stone, permacast, cedar or painted KD pressure treated wood.
2. Columns must be an appropriate material and design for the style of architecture.
3. The neck of the column should align with the porch rack.
4. Column width should be no less than one-tenth the height of the column unless warranted by the style of architecture.
5. All masonry columns or pedestals should be no less than sixteen-inches square.

16. Garages

1. Each Home shall have at least one two-car garage, minimum dimension of 22' x 22', constructed at the same time as the Home.
2. Detached garages are encouraged, provided however that otherwise detached garages connected to the Home by a covered breezeway of the same materials as the Home shall be considered "connected" for purposes of this Section.
3. No carports will be permitted.
4. All garages must have two single car garage doors a minimum of 8 feet in width. Quality must be good, standard builder grade will not be accepted.
5. No garage door of a home may face the street upon which the Home fronts, unless approved in writing by the ARC. If the garage door of a home is to face the street the garage door must be setback from the front façade of the house a minimum of 10 feet.
6. The inside walls of garages must be finished drywall and painted.
7. Garage doors may not be allowed to stand open.

17. Driveways

1. Each Home must be served by a driveway constructed of concrete, pavers or pea gravel with a brick paver divider strip. Driveways constructed of pea gravel must have a hard edge of brick, stone, pavers or steel designed to retain pea gravel in the driveway. Note that asphalt with a 20' long apron of concrete at street is allowed for brow home driveways. Care should be taken to minimize impervious surface of the driveway.

18. Exterior Wall Surfaces

A combination of materials and/or finishes is encouraged. To ensure the general character of Flipper Bend, earth tones, natural finishes and off-white colors are the most appropriate.

Appropriate Materials include:

- Exposed wood timbers, columns, braces and other decorative treatments appropriate with the historical influence. These exposed wood components may be hewn, hand-hewn or left in their natural state
- Natural or faux sandstone in cut and rubble (natural) finishes and various patterns
- Brick in earth tones are appropriate; white, gray and red with white and pure gray are unacceptable. Painted brick is acceptable with color approval by ARC

- Stucco finishes and treatments; smooth sand, light hand troweled and light dash coat (staging marks between coats of stucco, due to scaffolding and construction techniques must be avoided and should be cause for rejection in the field) in light to dark earth tones
- Lapped, tongue and groove and ship lapped wood siding (Hardie-board)
- Wood or Hardie fascia, rakes, frieze and trim
- Precast concrete, stone or carved stone lintels and border stones
- Wood or Hardie shake wall materials
- Pressure treated wood such as columns, deck surfaces and railings, etc. must be painted or stained at completion of construction.

Inappropriate Materials include:

- Exposed concrete
- Synthetic stucco
- Reflective finishes such as mirrored glass
- Laced (Spanish) and adobe stucco finishes

19. Chimneys

1. Chimneys veneer must be masonry: brick, stone or 2-coat cement stucco with a cement finish coat.
2. The chimney material should match the material on the house foundation and must be scaled appropriately to the size and style of the home.
3. No chimney boxes are allowed; if the house has a fireplace, the house must either have a chimney or no exterior protrusion at the site of the fireplace.
4. Chimneys servicing a prefab fireplace must have a metal shroud and painted dark bronze.
5. Exposed metal flues are not permitted.

20. Decks

1. Decks decking may be constructed of cedar, TREX, IPE or equivalent.
2. Decks on rear elevation, not visible from street may have treated decking.
3. Decks intended for seating should be a minimum of 8'-0" deep.
4. Decks are not appropriate at the street front or the side street on a corner lot.
5. Decks shall not be constructed with more than 8' or more of exposed wood posts, rather support columns shall be constructed of masonry, stone or brick. All posts 6x6 minimum.
6. Railings may be metal with painted finish, wrought iron or wood. Face nailed wood pickets are not permissible.

21. Gutters and Downspouts

1. Gutters and downspouts may be copper, galvanized metal or aluminum.
2. Aluminum and galvanized metal gutters must be painted and color must be submitted with other color samples.
3. Aluminum and galvanized metal downspouts must be painted and color must be submitted with color samples.
4. Round downspouts are to be used with half-round gutters.
5. Half-round gutters are preferred when the eaves have exposed rafters.
6. Downspouts are to be located at house corners least visible from the street or are to be incorporated into the façade design. Effort should be made to avoid locating downspouts on porch columns

22. Eaves, Fascias, Soffits and Cornices

1. The overhang depth and eave profile design must be appropriate to the style of architecture.
2. The eave return profile or profile at the base of a gable pediment should match the rake profile, save for an additional moulding at the top of the rake.
3. Exterior eave material should be fiber cement or wood composite such as Miratec. PVC crown moulding may be used to add dimension to the eaves where appropriate to architectural style. Aluminum or vinyl trim or soffit is unacceptable.
4. Soffit, fascia and cornice details should be appropriate to the style but under no circumstances will a simple, boxed cornice return be acceptable.

23. Exterior Lighting

1. Landscape lighting is encouraged in moderation, but should be incorporated into the landscape design. Landscape light fixtures must be concealed by planting and concealed in daytime.
2. Path lighting must be no taller than 3 feet mounting height and use no more than 20 watt lighting.
3. Soft lighting is required at the front entrance.
4. No eave flood lighting is allowed on front elevation.

24. Landscape Design

1. The landscape design begins with the existing contour and vegetation as possible; and is composed of a number of elements that, with quality design and execution contribute to a unified marriage of the natural environment and man-made elements introduced to the site.
2. Tree Removal- All Hemlocks must be protected. The removal of any Hemlock tree, regardless of size, is to be approved by the Developer or ARC prior to removal. No other type of tree or shrub eight (8) inches or greater in caliper or underbrush shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Also, understory limb pruning requires approval. Any Owner who without having obtained approval from the Developer or Architectural Review Committee, cuts down or who allows to be cut down any Hemlock or tree 8 inches in caliper or or greater or clears unauthorized underbrush may be liable to the Association for liquidated damages in an amount of Two Thousand and No/100 Dollars (\$2,000.00) for each tree so cut. The majority of the trees or underbrush may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development. Developer controls the tree cut on Community Lots and the land below the upper bluff. However, Owners may submit to Developer or Architectural Review Committee a request to cut trees on Community Lots/upper brow and such requests must receive formal written approval before Owners remove any trees. The cost of removing trees on community lots/ brow lots is the responsibility of the owner(s) who desires the trees removed. Brow Lots have additional rules set by the Developer regarding tree removal and some trees must remain to avoid the appearance of clear cut. Developer reserves the right to keep or remove trees on brow lots to enhance views or preserve trees. If a Lot owner desires to remove or limb a tree or reduce vegetation on an adjacent lot to open up views on their lot, the Lot owner shall obtain formal written approval from the Developer. The Developer has catalogued certain trees as non-removable by any Lot owner.
3. Care of specimen Trees- batter boards shall be erected and maintained around each

tree near construction area during construction. Excavations and installation of underground utilities will be performed in a manner as to avoid damaging root systems. If, in the judgement of the ARC, a specimen tree is damaged or destroyed due to carelessness or avoidable activities on the part of the owner or contractor, the ARC may require the replacement of the tree with a new specimen tree (or other tree or shrub as the ARC may determine).

4. The planting plan shall break up the foundation of the building, buffer driveways and parking areas adjacent to property lines, and provide cover for areas disturbed during construction.
5. Plants for screening should be appropriate and of sufficient size and spacing to ensure an adequate buffer within a year or two.
6. The majority of landscape planting materials should be indigenous and drought resistant as to lessen the need to excessively rely on irrigation.
7. Front yards where grass exists, must be sodded.

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Architecture Review Form

Property Lot #(s) _____
Address of Site(s) _____

Property Owner(s) Name _____

Mailing Address _____

Business Phone # () _____

Residence or Cell # () _____

Email Address _____

X Signature: _____

X Signature: _____

Architect/Designer:

Name _____

Address _____

Phone #(s) () _____

X Signature: _____

Contractor/Builder:

Name _____

Address _____

Phone #(s) () _____

X Signature: _____

Drawings:

List of number(s) of drawings enclosed _____

Additional Information/Comments:

Return Review Form to the Architecture Review Committee

EXHIBIT C

BYLAWS FOR
FLIPPER BEND HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND PURPOSES

The following provisions shall constitute the Bylaws of FLIPPER BEND 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 Covenants and Restrictions for Flipper Bend, as may be amended from time to time (the "Declaration") and the rules and regulations adopted by the Board of Directors of the Association (the "Board"), govern the administration of Flipper Bend, a residential development (the "Development") and the real property in the Development owned, maintained, and/or operated 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 this Development.

The purposes of this Association shall be to provide for the establishment of a residents' 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 homeowners' associations by the Internal Revenue Code of 1986, as amended, and the regulations thereunder, as presently enacted or as they may hereafter be amended or supplemented. All present or future owners or tenants, or their employees, or any other person who might use the facilities in the Development in any manner, shall be subject to the covenants, provisions or regulations contained in the Declaration and these Bylaws, as amended, and shall be subject to any restriction, condition or regulation hereafter adopted by the Association.

ARTICLE II
OFFICES

The principal office of the Association shall be located at 4920 Fairmont Rd., Signal Mountain, TN 37377 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
TURNOVER DATE AND RELINQUISHMENT DATE

3.01 Turnover Date. The Turnover Date is the date the Developer turns over the power of the election of the Board of Directors to the Members of the Association and shall be on such date as determined by the Developer, in its sole and absolute discretion. After the Turnover Date, the Developer still retains the power to veto decisions of the Board and votes of the Members. Developer consent is still required on decisions of the Board and any amendment to the Charter, Bylaws or Declaration. The Developer is in perpetual control of the Development until the Relinquishment Date as defined herein.

3.02 Relinquishment Date. The Relinquishment Date is the date the Developer delivers written notice to the Board that it is relinquishing control of the Development and no longer has the power to veto decisions of the Board or votes of the Members of the Association. After the Relinquishment Date, Developer consent will no longer be required to amend the Charter, Bylaws or Declaration. The Relinquishment Date is shall be on such date as determined by the Developer in its sole and absolute discretion.

ARTICLE IV
ASSOCIATION

4.01 Membership. Every person or entity who is a record Owner of a fee simple interest or an undivided fee simple interest in any Lot which is subject to the Declaration shall be a Member of the Association, 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 Owners upon the conveyance of any Lot 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 which is subject to assessment. Association dues (annual and special) are only due on Lots created by recorded plats.

4.02 Voting Rights. Except as hereinafter specifically provided, Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article 4.01. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such 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. 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, the vote with respect to such Lot shall not be counted until the co-owners of such Lot agree among themselves as to how such vote should be cast. No fractional votes shall be permitted. The Developer has perpetual control over the Board, Association, Bylaws, Declaration and

Development until the Relinquishment Date when Developer provides written notice to Board that it relinquishes total control and consent. Prior to the Relinquishment Date, Developer may turn over the power of the election of the Board of Directors to the Members of the Association, but the Developer retains control via veto power for all decisions and any action by the Board or Members. Any actions or changes to documents approved by the Board or any majority of Members must have the consent of the Developer. The Developer may amend the Charter, Bylaws and Declaration as it sees fit without approval of the Board or Members. On and after the Turnover Date, Developer shall retain the power to amend all documents and the veto power for all decisions and any action including changes to documents until Developer provides written notice to board of its relinquishment of total control and consent. After the Relinquishment Date, Developer consent is no longer required.

ARTICLE V
THE BOARD OF DIRECTORS

5.01 Board of Directors. The administration of the Development and Common Properties on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall be selected by the Developer. After the Turnover Date the Board shall consist of three (3) 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 an Member, or the nominee of an entity, other than a natural person, which is a Member.

5.02 Election. Prior to the Turnover Date, Developer shall appoint all of the members of the Board of Directors. Subsequent to the Turnover Date, each Member shall be entitled to cast one (1) vote for each director to be elected. Immediately prior to the Turnover Date, Developer shall call a special meeting of the Members at which time the initial Board of Directors shall be elected. Thereafter, at each annual meeting, the Association shall elect those members of the Board as required under Section 5.01 who shall serve the terms set out in Section 5.03. The Board elected at a special meeting shall serve until the next annual meeting of the Association. 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 (none of whom shall be members of the Board) which shall recommend to the annual meeting one nominee for each position on the Board to be filled at that 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 five (5) or more Members and by the nominee named therein indicating his willingness to serve as a member of the Board, if elected.

5.03 Term. Members of the Board shall serve for a term of three (3) years; provided, however, that one (1) member 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 one (1) member 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 three (3) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.04 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 sixty-six percent (66%) of the vote of the Association who are in attendance or represented at any annual or special meeting duly called for such purpose and the consent of the Developer, 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.

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

5.06 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 including consent of Developer, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

A. Water, sewer, garbage collection, electric, telephone and gas and other necessary utility services for the Development.

B. 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 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 administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

C. 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.

D. 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.

E. Officers and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.

F. A fidelity bond naming the Manager, and such other persons 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.

G. Painting, maintenance, repair, replacement and landscaping of 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 Development and to provide maintenance, repair and replacement thereof.

H. Any other materials, supplies, labor, services, maintenance, repairs, structural alteration, 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 or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Common Properties or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.

The Board shall have the exclusive right to contract for all goods, services, including security 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.

5.07 Additional Powers of the Board. Subject to Developer consent, the Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein; provided, however, no mortgage, deed of trust, security interest or other encumbrance shall be placed on the Common Properties without the prior approval of Sixty-six percent (66%) of the vote of the Association and Developer consent. 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 Common Properties 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 this Declaration, these Bylaws and the Rules and Regulations.

5.08 Meetings of the Board. Meetings of the Board shall be held at such places within or without the State of Tennessee as the Board shall determine. Three (3) 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. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Board or not. After the Turnover Date, the Board shall annually elect all of the officers set forth in Section 6.05 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 or which may be taken by the Board may be taken without a meeting of the Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

5.09 Special Meetings. Special meetings of the Board may be called by the President of the Association or by any two (2) Board members.

5.10 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 two (2) 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.

5.11 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 purpose of objecting 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.

5.12 Notice of Election. After elections of Board members, 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.

5.13 Fiscal Year. The fiscal year of the Association shall be determined by the Board.

5.14 Special Committees. The Board, by resolution duly adopted, may designate one or more special committees, 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 power set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. 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.

5.15 Rules and Regulations. The Board with the consent of Developer 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 Development and setting forth restrictions on, and requirements respecting the use and maintenance of the Development. Copies of the Rules and Regulations shall be furnished to each Member prior to the time the same shall become effective. Developer shall have the power to adopt and amend rules and regulations.

5.16 Limitation on Capital Additions, Etc. The Board shall authorize no structural alterations, capital additions to, or capital improvements of the Property, any single item of which requires an expenditure in excess of Twenty Thousand Dollars (\$20,000.00) without approval of a majority of votes of the Association and approval of Developer; or in excess of Fifty Thousand Dollars (\$50,000.00) without approval of sixty-six percent (66%) of the votes of the Association with approval of Developer; provided, however, that the Board with Developer consent 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.

5.17 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.

ARTICLE VI THE ASSOCIATION: MEETINGS, OFFICERS, ETC.

6.01 Quorum. The presence in person or by proxy at any meeting of the Association of the Members representing ownership of thirty percent (30%) or more of the Lots in the response to notice to all Members properly given in accordance with Sections 6.02 or 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 representing ownership of more than thirty percent (30%) of the Lots in accordance with Section 4.02 hereof, which are represented at such meeting.

6.02 Annual Meeting. After the Turnover Date, there shall be an annual meeting of the Association on the first Thursday of May at 7:00 PM 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 year and, if then available, for the current fiscal year, together with the allocation thereof to each Lot. 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.

6.03 Special Meeting. After the Turnover Date, 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 (20%) 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.

6.04 Parliamentary Rules. Robert's Rules of Order (latest addition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.

6.05 Officers. The officers of the Association shall be a President, Secretary, and Treasurer.

A. President. The President shall be the chief operating officer of the Association and in the absence of the Chairman of the Board, 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, waivers of liens and other documents and instruments arising in the ordinary course of business.

B. 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 record of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

C. 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

7.01 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 any 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 any 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.

7.02 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 person 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 unreasonably 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 of the Board, or otherwise. The indemnification by the Association set forth in this Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

7.03 Costs of Suit in Actions Brought by One or More Members 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 consent of the Developer 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.

7.04 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 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 shall be defended by such Members at their expense.

ARTICLE VIII
GENERAL PROVISIONS

8.01 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.

8.02 Amendment. These Bylaws may be amended, modified, or revoked in any respect by the Developer or by not less than sixty-six percent (66%) vote of the Association who are present or represented at a meeting duly called for that purpose with consent of the Developer, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. Notwithstanding the foregoing, any amendment shall not be required to be recorded with the Register's office but must be kept on file with the Secretary and available to all Members upon written request.

8.03 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 mailed, postpaid, to the last known address of the Member on the record of 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 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 the President or Secretary of the Association.

8.04 Conflict. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern. In case of a conflict between the Declaration and the Design Guidelines/ Exhibit B to Declaration, the Design Guidelines/ Exhibit B shall control and govern.

8.05 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.

8.06 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 Lots, all Members, their heirs, successors and assigns.

8.07 Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or effect in any manner the validity, enforceability or effect of the rest of these Bylaws.

8.08 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.