DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

HAMPTON CREEK
HAMILTON COUNTY, TENNESSEE

2000595

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Instrument: 1999042900152
Book and Page: GI 5341 710
Data Processing F $2.00
Misc Recording Fe $564.00
Total Fees: $566.00
User: STAYLOR
Date: 29-APR-1999
Time: 12:52:10 P
Contact: Pam Hurst, Register
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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

HAMPTON CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration") is made this 29 day of April, 1999, by Hampton Creek Development, LLC, a Tennessee limited liability company ("Declarant").

Declarant is the record owner of certain real property in Hamilton County, Tennessee, being the property platted as Hampton Creek Planned Unit Development, as shown by plat of record in Plat Book **60**, Pages **84,85,86,87,88**, in the Register's Office of Hamilton County.

Declarant hereby declares that all of the Properties shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns.

1. DEFINITIONS

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. Architectural Review Committee" or "ARC":
shall have the meaning given in Section 10.2.

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1.2. Area of Common Responsibility"

The Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, or by contract become the responsibility of the Association.

1.3. "Articles of Incorporation" or "Articles"

The Articles of Incorporation of Hampton Creek Owner's Association, Inc., as filed with the Tennessee Secretary of State.

1.4. "Association"

Hampton Creek Owner's Association, Inc., a Tennessee nonprofit corporation, its successors and assigns.

1.5. "Base Assessment"

Assessments levied on all Units subject to assessment under Section 9.8 to fund Common Expenses for the general benefit of all Units, as more particularly described in Section 9.1 and 9.3.

1.6. "Board of Directors"

or "Board" the board responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Tennessee corporate law.

1.7. "Builder"

Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers or parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

1.8. "Business" and "Trade"

shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

1.9. "By-Laws"

The By-Laws of Hampton Creek Owner's Association, Inc., attached as Exhibit "B" and

incorporated by reference, as they may be amended.

1.10. "Class "A" Member"
Shall have the meaning given in Section 3.3(a).

1.11. "Class "B" Control Period"
The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors as provided in Section 3.3 of the By-Laws.

1.12. "Class "B" Member"
Shall have the meaning given in Section 3.3(b).

1.13. "Common Area"
All real and personal property which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

1.14. "Common Expenses"
The actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including any reasonable reserve, as the Board may be find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Voting Members representing a majority of the total Class "A" vote of the Association.

1.15. "Community-Wide Standard"
The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Committee.

1.16. "Declarant"
Hampton Creek Development Company,LLC. a Tennessee limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or resale in the ordinary course of business and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

1.17. "Design and Use Guidelines"
The Design and Use Guidelines attached hereto as Exhibit "C" and any other architectural guidelines and procedures adopted by the Architectural Review Committee pursuant to Article X and applicable to all Units within the Properties.

1.18. "Golf Course"
The parcel of land adjacent to the Properties which is privately owned by **Hampton Creek Golf Club, L.L.C.** a Tennessee limited liability company, its successors, successors-in-title, or assigns, and which is operated as a golf course, and all related and supporting facilities and improvements operated in connection with such golf course.

1.19. "Hampton Creek"
The Properties, as defined in Section 1.26.

1.20. "Member"
A Person entitled to membership in the Association, as provided in Section 3.2.

1.21. "Mortgage"
A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.22. "Mortgagee"
A beneficiary or holder of a Mortgage.

1.23. "Mortgagor"
Any Person who gives a Mortgagee. "Owner": one or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, then upon recording of such contract, the purchaser (rather than the fee owner) will be considered the Owner, if the contract specifically so provides.

1.24. "Person"
A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.25. "Phase"
Two or more Units which share interests other than those common to all Units, as more particularly described in Section 3.4. By way of illustration and not limitation, a cluster home

development or single-family detached housing development might each be designated as separate Phases, or a Phase may be comprised of more than one housing type with other features in common. In addition, each parcel of land intended for development as any of the above shall constitute a Phase, subject to division into more than one Phase upon development.

Where the context permits or requires, the term "Phase" shall also refer to the Phase Committee, if any, established in a accordance with the By-Laws. Phase boundaries may be established and modified as provided in Section 3.4.

1.26. "Phase Assessments"
Assessments levied against the Units in a particular Phase or Phases to fund Phase Expenses, as described in Sections 9.1 and 9.4.

1.27. "Phase Expenses"
The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of the Owners and occupants of Units within a particular Phase or Phases, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize and as may be authorized herein or in Supplemental Declarations applicable to the Phases.

1.28. "Properties"
The real property described in Exhibit "A".

1.29. "Special Assessment"
Assessments levied in accordance with Section 9.6 of this Declaration.

1.30. "Specific Assessment"
Assessments levied in accordance with Section 9.7 of this Declaration.

1.31. "Supplemental Declaration"
An amendment or supplement to this Declaration which imposes, expressly or by reference, additional restrictions and obligations on the Properties. The term shall also refer to an instrument filed by the Declarant pursuant to Section 3.4(c), which designates Voting Groups.

1.32. "Unit"
A portion of the Properties, whether improved or unimproved, which may be independently

owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include, by way of illustration but not limitation, cluster homes, patio or zero lot line homes and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Common Areas or property dedicated to the public. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on the Master Plan or the site plan approved by Declarant, whichever is more recent, until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

2. PROPERTY RIGHTS

2.1. "Common Area".

Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to

(a) This Declaration, the By-Laws and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules restricting use of recreational facilities within the Common Area to occupants of Units and their guests and rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use recreational

facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, any applicable Supplemental Declaration, the By-Laws, or rules of the Association after notice and a hearing pursuant to the Section 3.24 & 3.25 of the By-Laws;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Section 4.8;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable membership admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) The right of the Board to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Section 13.2; and

(i) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Exclusive Common Areas," as more particularly described in Section 2.2.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, subject to reasonable Board regulation. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2. Special Recreational Parcels

Certain recreational facilities located within the Properties; which may include, without limitation, tennis courts, a swimming pool, a community building, and parking facilities, may be designated as a Special Recreational Parcel in the deed conveying them to the Association. The Board of Directors shall have the right to restrict use of all or any portion of such facilities to only such Persons as affirmatively elect to use the facilities and agree to pay such initiation fees and additional assessments as are charged for such privilege of use. Such Persons may, in the

discretion of the Board, include Persons other than Owners and occupants of Units within the Properties; provided, such Persons shall be required to pay fees which are no less than those charged Owners and occupants of Units, and shall have no greater use rights than those extended to Owners and occupants of Units.

The fees and assessments established by the Board for use of, or the rental payments charged by the Association pursuant to a lease of, these Special Recreational Parcel facilities shall include such sums as the Board of Directors in the exercise of its business judgment deems sufficient to cover the estimated costs to be incurred by the Association for the operation, maintenance, repair, replacement and insurance of such Special Recreational Parcel, but rental payments need not be limited to such amounts.

Notwithstanding the provisions of Section 13.2, the Board, acting on behalf of the Association, may lease any Special Recreational Parcel to a private club composed of such Owners who use the facility, or to a commercial operator, or to the Declarant, the city or county parks department, or any other appropriate body, on such terms and conditions as may be agreed to by the Board. If the Board so agrees to the lease of such facilities, the lessee shall have the right to permit public use upon payment of use fees, which shall not be less than the fees charged to Owners for such use.

There is hereby reserved to all authorized users of any Special Recreational Parcel an easement over the Common Areas of the Association for direct ingress and egress to and from such Special Recreational Parcel, subject to Board regulation.

The Board shall have the right at any time, subject to the terms of any existing lease, to declare by majority vote that use of all or any portion of such facilities shall no longer be restricted as provided in this Section, and thereafter such facilities shall be made available for the use of all Owners and all costs associated with such Special Recreational Parcel shall be deemed Common Expenses.

3. ASSOCIATION FUNCTION, MEMBERSHIP AND VOTING RIGHTS

3.1. Function of Association.

The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area within the Properties. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design and Use Guidelines. The Association shall perform its functions in accordance with this Declaration, the By-Laws, the Articles and Tennessee law.

3.2. Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all Co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 and in the by-Laws, and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership or other legal entity may be exercised by any officer, director, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.3. Voting.

The Association shall have two classes of membership, Class "A" and Class "B".

(a) Class "A". Class "A" Members shall all be Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.2; there shall be only one vote per Unit.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve or withhold approval of actions proposed under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member may appoint a majority of the members of the Board during the

Class "B" Control Period, as specified in Section 3.3 of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in Section 3.18 of the By-Laws.

The Class "B" membership shall terminate upon the earlier of:

(i) two years after termination of the Class"B" Control Period pursuant to Section 3.3 of the By-Laws; or

(ii) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

(c) Exercise of Voting Rights. In any situation in which a Member is entitled personally to exercise the vote for his Unit and there is more than one Owner of a particular Unit, the vote for such Unit shall be exercised as such Co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

3.4. Phases.

Every Unit shall be located within a Phase. In the discretion of the Owner(s) and developer(s) of each Phase, the Units within a particular Phase may be subject to additional covenants and/or the Unit Owners may all be members of a Phase Association in addition to being Members of the Association. However, a Phase Association shall not be required except as otherwise required by law. The Owners of Units within any Phase which does not have a Phase Association may elect a Phase Committee, as described in Section 5.3 of the By-Laws, to represent the interests of such Owners.

Any Phase may request that the Association provide a higher level of service or special services for the benefit of Units in such Phase and, upon the affirmative vote, written consent, or a combination thereof, of a Owners of a majority of Units within the Phase, the Association shall provide the requested services. The cost of such services shall be assessed against the Units within such Phase as a Phase Assessment pursuant to Article IX.

Exhibit "A" to this Declaration, and each Supplemental Declaration filed to subject

additional property to this Declaration, shall initially assign the property described therein to a specific Phase by name, which Phase may be then existing or newly created. The Declarant may unilaterally amend this Declaration or any Supplemental Declaration to redesignate Phase boundaries; provided, two or more Phases shall not be combined without the consent of Owners of a majority of the Units in the affected Phases.

4. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1. Common Area.

The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, consistent with this Declaration and the Community-Wide Standard.

4.2. Personal Property and Real Property for Common Use.

The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Association improved or unimproved real estate located within the properties described in Exhibit "A", personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained as Common Area by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed. The Declarant shall convey the initial Common Area to the Association prior the conveyance of a Unit to any Person other than a Builder.

4.3. Rules.

The Association, through its Board, may make and enforce reasonable rules governing the use of the Properties, in addition to, further defining or limiting, and, where specifically authorized hereunder, creating exceptions to those covenants and restrictions set forth in this Declaration. Such rules shall be binding upon all Owners, occupants, invitees, and licensees until and unless repealed or modified in a regular or special meeting by the vote of Voting Members representing two-thirds (2/3) of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership exists.

4.4. Enforcement.

The Association may impose sanctions for violations of this Declaration, the By-Laws, or rules

in accordance with procedures set forth in the By-Laws, including reasonable monetary fines and suspension of the right to vote and to use any recreational facilities within the Common Area. In addition, in accordance with Section 3.23 of the By-Laws, the Association may exercise self-help to cure violations, and may suspend any services it provides to the Unit of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association. The Board may seek relief in any court for violations or to abate nuisances.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit Hamilton County to enforce applicable ordinances on the Properties for the benefit of the Association and its Members.

4.5. Implied Rights; Board Authority.

The Association may exercise any other right or privileges given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.6. Governmental Interests.

So long as the Declarant owns any property described on Exhibit "A", the Declarant may designate sites within the Properties for fire, police, utility facilities, public schools and parks, and other public facilities. The sites may include Common Areas.

4.7. Indemnification.

The Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract,

commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and may maintain officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.8. Dedication of Common Areas.
The Association may dedicate portions of the Common Areas to Hamilton County, Tennessee, or to any other local, state, or federal governmental entity, subject to such approval as may be required by Section 13.2 of this Declaration.

4.9. Security.
The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designated to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, NOR SHALL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH PERSON USING THE PROPERTIES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS RESULTING FROM ACTS OF THIRD PARTIES.

4.10. Powers of the Association Relating to Phases.
The Association shall have the power to veto any action taken or contemplated to be taken by any Phase Association or Phase Committee which the Board reasonably determines to be adverse to the interest of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Phase Association or Phase Committee in connection with any of its obligations and responsibilities. Without limiting the generality of the foregoing, the Association may (a) require specific maintenance or repairs or aesthetic changes to be effectuated by the Phase Association or Phase Committee, and (b) require that a proposed budget include certain items and that specific

expenditures be made.

Any action required by the Association in a written notice pursuant to the foregoing paragraph to be taken by a Phase Association or Phase Committee shall be taken within the reasonable time frame set by the Association in such written notice. If the Phase Association or Phase Committee fails to comply with the requirements set forth in such written notice, the Association shall have the right to effect such action on behalf of the Phase Association or Phase Committee.

To cover the Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Association, the Association shall assess the Units in such Phase for their pro rata share of any expenses incurred by the Association in taking such action in the manner provided in Section 9.7. Such assessments may be collected as a Specific Assessment hereunder and shall be subject to all lien rights provided for herein.

4.11. Rights to Storm Water Runoff and Water Conservation and Reclamation Programs.

The Declarant hereby reserves for itself and its designees all rights to ground water, surface water, and storm water runoff within the Properties and each Owner agrees, by acceptance of a deed to a Unit, that the Declarant shall retain all such rights. No person other than the Declarant and its designees shall claim, capture or collect rainwater, ground water, surface water or storm water runoff within the Properties without prior written permission of the Declarant or its designee. The Declarant or its designee may establish programs for reclamation of storm water runoff and wastewater for appropriate uses within or outside the Properties and may require Owners and occupants of Units to participate in such programs to the extent reasonably practical. No Owner or occupant of a Unit shall have any right to be compensated for water claimed or reclaimed from Units. The Board shall also have the right to establish restrictions on or prohibit outside use of potable water within the Properties.

5. MAINTENANCE

5.1. Association's Responsibility.

The Association shall maintain and keep in good repair the Area of Common Responsibility,

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which shall include, but need not be limited to:

(a) all landscaping and other flora, parks, signage, structures, and improvements, including any private streets, bike and pedestrian pathways/trails, situated upon the Common Area;

(b) landscaping, sidewalks, street lights and signage within public rights-of-way within or abutting the Properties, and landscaping and other flora within any public utility easements and conservation easements within the Properties (subject to the terms of any easement agreement relating thereto);

(c) such portions of any additional property included within any Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association; and

(d) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill such responsibilities. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for reasonable period as necessary to perform required maintenance or repairs, unless Voting Members representing 75% of the Class "A" votes and the Class "B" Member agree in writing to discontinue such operation.

The Association may assume maintenance responsibility for property within any Phase, in addition to that designated by any Supplemental Declaration, either by agreement with the Phase Association or Phase Committee because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this paragraph shall be assessed as a Phase Assessment only against the Units within the Phase to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, publicly owned property and other property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units in the manner of and as a part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other person responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Phase Expense assessed as a Phase Assessment solely against the Units with the Phase(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

5.2. Owner's Responsibility.

Each Owner shall maintain his or her Unit and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Phase pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 9.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3. Phase's Responsibility.

[OPTIONAL] Upon Board resolution, the Owners of Units within each Phase shall be responsible for paying, through Phase Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Phase. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and open space between the Phase and adjacent public roads and private streets within the Phase, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Phases which are similarly situated shall be treated the same.

Any Phase Association whose common property:

(a) is adjacent to any portion of the Common Area upon which a wall is constructed, other than a wall which forms part of a building, shall maintain that portion of the Common Area between the wall and the Phase Association's property line;

(b) fronts on any roadway within the Properties shall maintain the landscaping on the portion of the Common Area or right-of-way between the property line and the nearest curb of such roadway; provided, there shall be no right to remove trees, shrubs or similar vegetation from this area without prior approval pursuant to Article X hereof.

Any Phase Association having any responsibility for maintenance of property within such Phase shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs against all Units within such Phase as provided in Section 9.7.

5.4. Standard of Performance.
Maintenance, as used in this Article, shall include, without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants.

Notwithstanding anything to the contrary contained herein, the Association, and/or an Owner and/or a Phase Association shall not be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own unless and only to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5. Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property

damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. All Owners who make use of the party structure shall share the cost of reasonable repair and maintenance of such structure equally.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

6. INSURANCE AND CASUALTY LOSSES

6.1. Association Insurance.

The Association, acting through its Board or its duly authorized agent, shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Area and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a loss. The Association shall have the authority to and interest in insuring any privately or publicly owned property for which the Association has maintenance or repair responsibility. Such property shall include, by way of illustration and not limitation, any insurable improvements on or related to parks, rights-of-way, medians, easements, and walkways which the Association is obligated to maintain. If blanket "all-risk" coverage is not generally available at reasonable cost, then the Association shall obtain fire and extended coverage, including coverage for vandalism and malicious mischief. The face amount of the policy shall be sufficient to cover the full replacement cost of the insured property. The cost of such insurance shall be a Common Expense to be allocated among all Units subject to assessment as part of the annual Base Assessment.

The Association also shall obtain a public liability policy on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the public liability policy shall have at least a $1,000,000.00 combined single limit as respects bodily injury and property damage and at least a $3,000,000.00 limit per occurrence and in the aggregate. Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the required coverage. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Phase Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.24 of the By-Laws, that the loss is the result of the negligence of willful conduct of one or more Owners or occupants, then the Board may specifically assess the full amount of such deductible against the Unit of such Owner or occupant, pursuant to Section 9.7.

All insurance coverage obtained by the Association shall:

(a) be written with a company authorized to do business in Tennessee which holds a Best's rating of A or better and is assigned a financial size category of IX or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available;

(b) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Area shall be for the benefit of the Association and its Members.

(c) vest in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss;

(d) not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees; and

(e) have an inflation guard endorsement, if reasonably available. If the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Hamilton County, Tennessee area.

The Board shall use reasonable efforts to secure insurance policies containing endorsements that:

(b) waive subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(c) waive the insurer's rights to repair and reconstruct instead of paying cash;

(d) preclude cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(e) exclude individual Owners' policies from consideration under any "other insurance" clause; and

(f) require at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

The Association shall also obtain, as a Common Expense, worker's compensation insurance and employer's liability insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, and flood insurance, if advisable.

The Association also shall obtain, as a Common Expense, a fidelity bond or bonds, if generally available at reasonable cost, covering all persons responsible for handling Association funds. The Board shall determine the amount of fidelity coverage in its best business judgment

but, if reasonably available, shall secure coverage equal to not less than one-sixth of the annual Base Assessments on all Units plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least 30 days' prior written notice to the Association of any cancellation, substantial modification or non-renewal.

6.2. Owners Insurance.

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry blanket "all-risk" property insurance on its Unit(s) and structures thereon providing full replacement cost coverage less a reasonable deductible, unless either the Phase in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder).

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, he shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article X of this Declaration. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

Additional recorded covenants applicable to any Phase may establish more stringent requirement regarding the standards for rebuilding or reconstructing structures on the Units within such Phase and the standards for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

6.3. Damage and Destruction.

(a) Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(b) Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Voting Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct.

Any damage to or destruction of the common property of any Phase Association shall be repaired or reconstructed unless the Unit Owners representing at least 75% of the total vote of the Phase Association decide within 60 days after the damage or destruction not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area or common property of a Phase Association shall be repaired or reconstructed.

(c) If determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Phase Association shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and maintained by the Association or the Phase Association, as applicable, in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

6.4. Disbursement of Proceeds.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Phase Association, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

6.5. Repair and Reconstruction.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors shall, without a vote of the Voting Members, levy Special Assessments against those Unit Owners responsible for the premiums for the applicable insurance coverage under Section 6.1.

7. NO PARTITION

Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the Properties or such portion thereof have been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

8. CONDEMNATION

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of this Declaration, and Members representing at least 75% of the total Class "A' votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Sections 6.4 and 6.5 regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

9. ASSESSMENTS

9.1. Creation of Assessments.

The Association is hereby authorized to levy assessments against each Unit for Association expenses as the Board may specifically authorize from time to time. There shall be four types of assessments for Association expenses: (a) Base Assessments to fund Common Expenses for the general benefit of all Units; (b) Phase Assessments for Phase Expenses benefiting only Units within a particular Phase or Phases; (c) Special Assessments as described in Section 9.6; and (d) Specific Assessments as described in Section 9.7. Each Owner, by accepting a deed or entering into a recorded contract of sale of any portion of the Properties is deemed to covenant and agree to pay these assessments.

All assessments, together with interest from the due date of such assessment at a rate determined by the Board (not to exceed the highest rate allowed by Tennessee law), late charges, costs, and reasonable attorney's fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 9.9. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first priority Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

Assessments shall be paid in such manner and on such dates as the Board may establish. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Phase Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

No Owner may exempt himself from liability for assessments, by nonuse of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

9.2. Declarant's Obligation for Assessments.

During the Class "B" Control Period, Declarant may annually elect either to pay regular assessments on its unsold Units, or to pay the difference between the amount of assessments collected on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of such election, the Association shall have a lien against all Units owned by the Declarant to secure the Declarant's obligations under this paragraph, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Units under this Article. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

9.3. Computation of Base Assessment.

At least 90 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 9.5.

The Base Assessment shall be levied equally against all Units and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to assessment under Section 9.8 on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the budget and notice of the amount of the Base Assessment for the following year to each Owner at least 60 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Members representing at least 75% of the total Class "A" votes in the Association and 75% of the total number of Members, and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within 10 days after delivery of the notice of assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

9.4. Computation of Phase Assessments.
At least 90 days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Phase Expenses for each Phase on whose behalf Phase Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a Phase Assessment. Any Phase may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Phase Expense, if any, within the Phase.

Phase Expenses shall be allocated equally among all Units within the benefited Phase; provided, if so specified in the Supplemental Declaration applicable to such Phase or if so directed by petition signed by a majority of the Owners within the Phase, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or

replacement reserves which pertain to particular structures shall be levied on each of the benefited Units in proportion to the benefit received.

The Board shall cause a copy of such budget and notice of the amount of the Phase Assessment for the coming year to be delivered to each Owner of a Unit in the Phase at least 60 days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Phase to which the Phase Assessment applies. However, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Units in such Phase, which petition must be submitted to the Board within 10 days after delivery of the notice of assessments. This right to disapprove shall only apply to those line items in the Phase budget which are attributable to services requested by the Phase.

If the proposed budget for any Phase is disapproved or if the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

9.5. Reserve Budget and Capital Contribution.

The Board shall annually prepare reserve budgets for both general and Phase purposes which take in to account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual Base Assessments or Phase Assessments, as appropriate, over the budget period.

9.6. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover un-budgeted expenses or expenses in excess of those budgeted. Such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Units within any Phase if such Special Assessment is for Phase Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Voting Members (if a Common Expense) or Owners (if a Phase Expense) representing at least 51% of the total votes allocated to Units which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments

extending beyond the fiscal year in which the Special Assessment is approved.

9.7. Specific Assessments.
The Board shall have the power to levy Specific Assessments against a particular Unit or Units constituting less than all Units within the Properties or within a Phase, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, handyman service, pool cleaning, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Unit into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing before levying in Specific Assessment under this subsection (b).

The Association may also levy a Specific Assessment against any Phase to reimburse the Association for costs incurred in bringing the Phase into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules, provided the Board gives the Members from such Phase prior written notice and an opportunity to be heard before levying any such assessment.

9.8. Date of Commencement of Assessments.
The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Base Assessment and Phase Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Units.

9.9. Lien for Assessments.
All assessments authorized in this Article shall constitute a lien against the Unit against which

they are levied until paid. The lien shall also secure payment of interest, late charges (subject to the limitations of Tennessee law), and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of records (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Association may enforce such lien, when delinquent, by suit, judgment, and foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 9.8, including such acquirer, its successors and assigns.

9.10. Failure to Assess.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Phase Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

9.11. Capitalization of Association.

Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the

purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

9.12. Exempt Property.

The following property shall be exempt from payment of Base Assessments, Phase Assessments, and Special Assessments:

(a) all Common Area;

(b) any property dedicated to and accepted by any governmental authority or public utility;

(c) any property held by a conservation trust or similar nonprofit entity as a conservation easement, except to the extent that any such easement lies with the boundaries of a Unit which is subject to assessment under Section 9.8 (in which case the Unit shall not be exempted from assessment); and

(d) any property owned by a Phase Association for the common use and enjoyment of its members, or owned by the members of a Phase Association as tenants-in-common.

10. ARCHITECTURAL STANDARDS

10.1. General.

No structure shall be placed, erected, or installed upon any Unit, and no improvements (including staking, clearing, excavating, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article and the Design and Use Guidelines and upon approval of the appropriate committee under Section 10.2.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer.

This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

10.2. Architectural Review.

Responsibility for administration of the Design and Use Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Committee ("ARC"). The ARC shall consist of at least three, but not more than five, persons. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review. The ARC shall have exclusive jurisdiction over all original construction on any portion of the Properties and all modifications, additions, or alterations made on or to existing structures on Units or containing Units and the adjacent open space

Until 100% of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the ARC who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall appoint the members of the ARC, who shall serve and may be removed in the Board's discretion.

10.3. Guidelines and Procedures.

The Declarant shall prepare the initial design and development guidelines and application and review procedures (the "Design and Use Guidelines"), Exhibit C, which shall apply to all construction activities within the Properties. The Design and Use Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, and intended use.

The ARC shall adopt such Design and Use Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design and Use Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The ARC shall make the Design and Use Guidelines available to Owners and builders who seek to engage in development or construction within the Properties and all such Persons shall conduct their activities in accordance with such Design and Use Guidelines. In the Declarant's discretion, such Design and Use Guidelines may be recorded in the land records of Hamilton County, Tennessee, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design and Use Guidelines was in effect at any particular time.

10.4. Submission of Plan and Specifications.

(a) No construction or improvements shall be commenced, erected, placed or maintained on any Unit, nor shall any exterior addition, change or alteration be made thereto, until the plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, and screening therefor shall have been submitted to and approved in writing by the ARC. The Design and Use Guidelines shall set forth the procedure for submission of the Plans.

(b) In reviewing each submission, the ARC may consider visual and environmental

external design with surrounding structures and environment, and location in the relation to surrounding structures and plant life. The committees may require relocation of native plants within the construction site as a condition of approval of any submission.

The ARC shall, within 30 days after receipt of each submission of the Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by such committee to be inconsistent or not in conformity with this Declaration and/or the Design and Use Guidelines, the reasons for such finding, and suggestions for the curing of such objections. In the event the appropriate committee fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the Plans, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery.

(c) If construction does not commence on a project for which Plans have been approved within 12 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Declarant for reconsideration.

10.5. No Waiver of Future Approvals.

Each Owner acknowledges that the members of the ARC will change from time to time and that interpretation, application and enforcement of the Design and Use Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

10.6. Variance.

The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the

inability to obtain approval of any governmental agency, the issuance of any permit, the cost of compliance, or the terms of any financing shall not be considered a hardship warranting a variance.

10.7. Limitation of Liability.

Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

10.8. Enforcement.

Any structure or improvement placed or made in violation of this Article shall be deemed to be non-conforming. Upon written request from the Board or the Declarant, Owners shall at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Unit and collected as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design and Use Guidelines may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions for the ARC.

11. USE GUIDELINES AND RESTRICTIONS

11.1. Plan of Development; Applicability; Effect.
Declarant has created Hampton Creek as a residential and recreational development and, in furtherance of its and every other Owner's interest, has established a general plan of development for Hampton Creek as a master planned community. The Properties are subject to land development, architectural, and Design and Use Guidelines as set forth in Article X. The Properties are subject to guidelines and restrictions governing land use, individual conduct, and uses of or actions upon the Properties as provided in this Article XI. This Declaration and resolutions the Board or the Members may adopt establish affirmative and negative covenants, easements, and restrictions (the "Design Use Guidelines and Restrictions").

All provisions of this Declaration and of any Association rules shall also apply to all occupants, tenants, guests and invitees of any Unit. Any lease on any Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of this Declaration, the By-Laws, and the rules of the Association.

Declarant promulgates Hampton Creek's general plan of development in order to protect all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within Hampton Creek all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned community.

Declarant has prepared initial Design and Use Guidelines and Restrictions which contain general provisions applicable to all of the Properties, as well as specific provisions which may vary within the Properties depending upon the location, characteristics, and intended use. Such initial Design and Use Guidelines and Restrictions are set forth in Exhibit "C" hereto. Based upon these Design and Use Guidelines and Restrictions, the Board shall adopt the initial rules at its initial organizational meeting.

11.2. Board Power.
Subject to the terms of this Article XI and to its duty of care and undivided loyalty to the Association and its Members, the Board shall implement and manage the Design and Use Guidelines and Restrictions through rules which adopt, modify, cancel, limit, create exceptions to, or expand the Design and Use Guidelines and Restrictions. Prior to any such action, the

Board shall conspicuously publish notice of the proposal at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to action being taken.

The Board shall send a copy of any proposed new rule or amendment to each Owner at least 30 days prior to its effective date. The rule shall become effective unless disapproved at a meeting by Members representing at least two-thirds (2/3) of the total Class "A" votes and by the Class "B" Member, if any. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon petition of the Members as required for special meetings in By-Laws Section 2.4.

The Board shall have all powers necessary and proper, subject to its exercise of sound business judgment and reasonableness, to effect the powers contained in this Section 11.2.

The Board shall provide, without cost, a copy of the Design and Use Guidelines and Restrictions and rules then in effect to any requesting Member or Mortgagee.

11.3. Members' Power.

The Members, at a meeting duly called for such purpose as provided in By-Laws Section 2.4, may adopt, repeal, modify, limit, and expand Design and Use Guidelines and Restrictions and implementing rules by a vote of two-thirds (2/3) of the total Class "A" votes and the approval of the Class "B" Member, if any.

11.4. Owners' Acknowledgment.

All Owners are subject to the Use Guidelines and Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board and/or the Members may add, delete, modify, create exceptions to, or amend the Design and Use Guidelines and Restrictions in accordance with Sections 11.2, 11.3, and 18.2.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Design and Use Guidelines and Restrictions and rules may change from time to time.

11.5. Rights of Owners.

Except as may be specifically set forth in Section 11.6, neither the Board nor the Members may

adopt any rule in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

(b) Speech. The rights of Owners and occupants to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

(c) Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations in their units of the kinds normally displayed in or outside of residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

(d) Household Composition. No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair share use of the Common Area, including parking.

(e) Activities within Unit. No rule shall interfere with the activities carried on within the confines of Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

(f) Pets. Unless the keeping of pets in any Unit is prohibited by Supplemental Declaration at the time of the sale of the first Unit, no rule prohibiting the keeping of ordinary household pets shall be adopted thereafter over the objection of any affected Owner expressed in writing to the Association. The Association may adopt reasonable regulations designed to minimize damage and disturbance to other Owners and occupants, including regulations

requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the Until and fair share use of the Common Area. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance.

(g) Allocation of Burdens and Benefits. Except as permitted by Section 2.2, the initial allocation for financial burdens and rights to use Common Areas among the various Units shall not be changed to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Areas, or from denying use privileges to those who abuse the Common Area, violate rules or this Declaration, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article IX.

(h) Alienation. No rule shall prohibit transfer of any Unit, or require consent of the Association or Board for transfer of any Unit, for any period greater than two months. The Association shall not impose any fee on transfer of any Unit greater than an amount reasonably based on the costs to the Association of the transfer.

(i) Reasonable Rights to Develop. No rule or action by the Association or Board shall unreasonably impede Declarant's right to develop in accordance with the Master Plan.

(j) Abridging Existing Rights. If any rule would otherwise require Owners to dispose of personal property which they owned at the time they acquired their units, such rule shall not apply to any such Owners without their written consent.

12. EASEMENTS

12.1. Easements of Encroachment.

There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements

constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant, or the Association.

12.2. Easements for Utilities, Etc.

There are hereby reserved unto Declarant, so long as the Declarant owns any of the Properties, the Association, and the designees of each (which may include, without limitation, Hamilton County, Tennessee and any utility) access and maintenance easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, trails, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Properties. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the use of the easement. The use of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

Declarant specifically grants to the local water supplier, electric company, and natural gas supplier easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the dwelling on any Unit, nor shall any utilities be installed or relocated on the Properties, except as approved by the Board or Declarant.

12.3. Easements for Golf Course.

(a) Every Unit and the Common Area and the common property of any Phase Association are burdened with an easement permitting golf balls unintentionally to come upon such Common Area, Units or common property of a Phase and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Phase, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no

circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant; the Association or its Members (in their capacity as such); **[Hampton Creek Golf Club, LLC]**; its successors, successors-in-title to the Golf Course, or assigns; any successor Declarant; any builder or contractor (in their capacities as such); any officer, director or partner of any of the foregoing, or any officer or director of any partner.

(b) The owner of the Golf Course, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of the Golf Course.

(c) The Properties immediately adjacent to the Golf Course are hereby burdened with a non-exclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the Golf Course. Under no circumstances shall the Association or the owners of the Golf Course be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) The owner of the Golf Course, its respective successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the purpose of retrieving golf balls from bodies of water within the Common Areas lying reasonably within range of golf balls hit from the Golf Course.

12.4. Easements for Cross-Drainage.

Every Unit and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Properties and the Golf Course; provided, no Person shall alter the natural drainage on any Unit so as to materially increase the drainage of storm water onto adjacent portions of the Properties or the Golf Course without the consent of the Owner of the affected property.

12.5. Right of Entry.

The Association shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, By-Laws, and rules, which right may be exercised by any member of the Board, the

Association, officers, agents, employees, and managers, and all policeman, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

13. MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

13.1. Notices of Action.
An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant which is not cured within 60 days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

13.2. Special FHLMC Provision.

So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or Members representing at least 67% of the total Association vote entitled to cast votes consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion other Properties regarding assessments for Phases or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance of maintenance of Units and the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain insurance, as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediately reimbursement from the Association.

13.3. Other Provisions for First Lien Holders.
To the extent possible under Tennessee law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

13.4. Amendments to Documents.
The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage, or condemnation pursuant to Section 13.3(a) and (b).

(a) The consent of Members representing at least 67% of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of Members representing at least 67% of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration,

By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

(i) voting;

(ii) assessments, assessment liens, or subordination of such liens;

(iii) reserves for maintenance, repair, and replacement of the Common Area;

(iv) insurance or fidelity bonds;

(v) rights to use the Common Areas;

(vi) responsibility for maintenance and repair of the Properties;

(vii) expansion or contraction of the Properties or the addition, annexation, or withdrawal of Properties to or from the Association;

(viii) boundaries of any Unit;

(ix) leasing of Units;

(x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;

(xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or

(xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

13.5. No Priority.
No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

13.6. Notice to Association
Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

13.7. Amendment by Board.
Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of its respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may record an amendment to this Article to reflect such changes.

13.8. Applicability of Article XIII.
Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Tennessee law for any of the acts set out in the Article.

13.9. Failure of Mortgagee to Respond.
Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

14. DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the By-

Laws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the land records of Hamilton County, Tennessee.

So long as construction and initial sales of Units shall continue, the Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) 40 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

15. GOLF COURSE

15.1. Ownership and Operation of Golf Course.
All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any other Person with regard to the continuing existence, ownership or operation of the Golf Course, if any, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by the Declarant. Further, the ownership and/or operation of the Golf Course, if any, may change at any time and from time to time by virtue of, but without limitation, (a) the sale to or assumption of operations of the Golf Course by an independent entity or entities; (b) the creation or conversion of the ownership and/or operating structure of the Golf Course to an "equity" club or similar arrangement whereby the Golf Course or the rights to operate it are transferred to an entity which is owned or controlled by its members; or (c) the

transfer of ownership or control of the Golf Course to one or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Phase Association, or any Owner shall be required to effectuate such transfer or conversion.

15.2. Right to Use.

Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owner of the Golf Course. The owner of the Golf Course shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

15.3. View Impairment.

Neither the Declarant, the Association nor the owner or operator of the Golf Course guarantees or represents that any view over and across the Golf Course from adjacent Units will be preserved without impairment. The owner of the Golf Course, if any, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the tees, bunkers, fairways and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

15.4. Limitations on Amendments.

In recognition of the fact that the provisions of this Article are for the benefit of the owner of the Golf Course, no amendment to this Article, and no amendment in derogation of any rights reserved or granted to the owner of the Golf Course by other provisions of this Declaration, may be made without the written approval of the Owner of the Golf Course. The foregoing shall not apply, however, to amendments made by the Declarant.

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15.5. Jurisdiction and Cooperation.

It is Declarant's intention that the Association and the owner of the Golf Course shall cooperate to the maximum extent possible in the operation of the Properties and the Golf Course. Each shall reasonably assist the other in upholding the Community-Wide Standard. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Course.

16. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

16.1. Agreement to Avoid Costs to Litigation and to Limit Right to Litigate Disputes.

The Association, Declarant, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Articles of Incorporation (collectively "Claim"), except for those Claims authorized in Section 16.2, shall be subject to the procedures set forth in Section 16.3.

16.2. Exempt Claims.

The following Claims ("Exempt Claims") shall be exempt from the provisions of Section 16.3:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article IX;

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce to provisions of Article X and Article XI; and

(c) any suit between Owners (other than the Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under the law of the State of Tennessee in the absence of a claim based on the Declaration, By-Laws, Articles or rules of the Association, if the amount in controversy exceeds $5,000.00.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 16.3, but there shall be no obligation to do so.

16.3. Mandatory Procedures for All Other Claims.

Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent"), other than a Claim exempted from this provision by Section 16.2, shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has been complied with the following procedures:

(a) Notice. The Claimant shall notify each Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

1. the nature of the Claim, including date, time, location, persons involved, Respondent's role in the Claim and the provisions of this Declaration, the By-Laws, the Rules, the Articles of Incorporation or other authority out of which the Claim arises;

2. the basis of the Claim (i.e., the provision of the Declaration, By-laws, rules or Articles triggered by the Claim;

3. what Claimant wants Respondent to do or not do to resolve the Claim; and

4. that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation.

1. Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good

faith negotiation.

2. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the community.

(c) Mediation.

1. If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days within which to submit the Claim to mediation under the auspices of the [local arbitration/mediation service or AAA], or such other independent agency providing similar services upon which the Parties may mutually agree.

2. If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

(d) Final and Binding Arbitration.

1. If the Parties do not resolve the Claim through mediation, the Claimant shall have 30 days following termination (as determined by the mediator) of mediation proceedings ("Termination of Mediation") to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit "D" or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

2. This subsection (d) is an agreement of the Bound Parties to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Tennessee. The arbitration award (the "Award") shall be final and binding, and

judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Tennessee.

16.4. Allocation of Costs of Resolving Claims.

(a) Each Party shall bear all of its own costs incurred prior to and during the proceedings described in Section 16.3 (a), (b) and (c), including the fees of its attorney or other representatives. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section 16.3(c).

(b) Each Party shall bear all of its own costs (including the fees of its attorney or other representative) incurred after the Termination of Mediation under Section 16.3(c) and shall share equally in the costs of conducting the arbitration proceeding (collectively, "Post Mediation Costs"), except as otherwise provided in this subsection; provided, however, if the Claim is rejected in whole or in part, Claimant shall pay all Post Mediation costs, including the costs incurred by the Respondent.

16.5. Enforcement of Resolution.
If the Parties agree to resolve any Claim through negotiation or mediation in accordance with Section 16.3 and any Party thereafter fails to abide by the terms of such Agreement, or if the Parties agree to accept the Award following arbitration and any Party thereafter fails to comply with such Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 16.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys fees and court costs.

17. GENERAL PROVISIONS

17.1. Term.

This Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of 40 years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of 10 years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

17.2. Amendment

(a) By Declarant. Until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as the Declarant still owns property described in Exhibit "A" for development as part of the Properties, it may unilaterally amend this Declaration for any other purpose, provided the amendment has not material adverse effect upon any right of any Owner.

(b) By Owners. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing 75% of the total Class "A" votes in the Association, including 75% of the Class "A" votes held by Members other than the Declarant, and the consent of the Declarant, so long the Declarant has an option to subject additional property to this Declaration pursuant to Section 9.1. In addition, the approval requirements set forth in Article XIII hereof shall be met if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the land records of Hamilton County, Tennessee, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

17.3. Severability.
Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

17.4. Perpetuities.
If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation, of the rule against perpetuities, then such provisions shall continue only until twenty-one years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

17.5. Litigation.
No judicial or administration proceeding shall be commenced or prosecuted by the Association unless approved by a vote of 75% of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article IX; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision shall

apply in addition to the provisions of Article XVI, if applicable.

17.6. Cumulative Effect; Conflict.

The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Phase and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions of any Phase; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Phase shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

17.7. Use of the Words "Hampton Creek".

No Person shall use the words "Hampton Creek" or any derivative or any other term which Declarant may select as the name of this development or any component thereof in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Hampton Creek" in printed or promotional matter solely to specify that particular property is located within the Properties, and the Association shall be entitled to use the words "Hampton Creek" in its name.

17.8. Compliance.

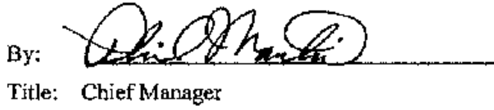
Every Owner and occupant of any Unit shall comply with this Declaration, the By-Laws, and the rules of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages for injunctive relief, or for any other remedy available at law or in equity, by the Association or, in a proper case, by any aggrieved Unit Owner(s).

17.9. Notice of Sale or Transfer of Title.

Any Owner desiring to sell or otherwise transfer title to his or her unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferor, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this _______ day of __________________________, 1998.

HAMPTON CREEK DEVELOPMENT, LLC,
a Tennessee limited liability company

By: 
Title: Chief Manager

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Before me, Jerri P. Hart, a Notary Public in and for the State and County aforesaid, personally appeared Phil Martin, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of Hampton Creek Development, LLC, the within named bargainor, a limited liability company, and that he as such Chief Manager, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such Chief Manager.

WITNESS my hand and seal at office, on this the 29 day of April, 1999.

Jerri P. Hart

Notary Public

My Commission Expires:
8-26-00

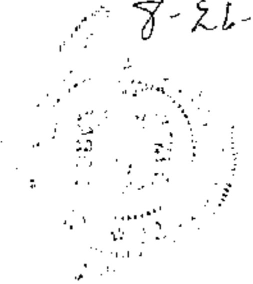


EXHIBIT "A"

Book and Pages GI 5341 772

Description of the Properties

EXHIBIT "A-1" Book and Page: GI 5341 773

Description of Phase I

EXHIBIT "A-2"

Description of Phase II

Book and Page: GI 5341 774

EXHIBIT "A-3"

Description of Phase III

Book and Page: GI 5341 775

EXHIBIT "B"

Book and Page: GI 5341 776

BY-LAWS

OF

HAMPTON CREEK OWNER'S ASSOCIATION, INC.

This Instrument Prepared By:

Baker, Donelson, Bearman & Caldwell
1700 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

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BY-LAWS

Book and Page: GI 5341 779

OF

HAMPTON CREEK OWNER'S ASSOCIATION, INC.

1. Name, Principal Office, and Definitions

1.1. Name.

The name of the Association shall be Hampton Creek Owner's Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2. Principal Office

The principal office of the Association in the State of Tennessee shall be located in Hamilton County. The Association may have such other offices, either within or outside the State of Tennessee, as the Board of directors may determine or as the affairs of the Association may require.

1.3. Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Hampton Creek filed in the Register's Office for Hamilton County, Tennessee (the "Declaration"), unless the context indicates otherwise.

2. Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership.

The Association shall have two classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by reference.

2.2. Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

2.3. Annual Meetings

The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Members. {Limit voting/meetings to member representatives?} Subsequent regular annual meetings shall be set by the Board so as to occur during the third quarter of the Association's fiscal year on a date and at a time set by the Board of Directors.

2.4. Special Meetings.

The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least 5% of the total Class "A" votes of the Association.

2.5. Notice of Meetings.

Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice.

Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings.

If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough to leave less than a quorum, provided that Members representing at least 25% of the total Class "A" votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8. Voting

The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated by reference.

2.9. Proxies.

Members may vote by proxy. No proxy shall be valid unless signed by the Owner or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to any meeting for which it is to be effective. No proxy shall be valid after 11 months from its date of execution unless otherwise specified in the proxy.

2.10. Majority.

As used in these By-Laws, the term "majority" shall mean those votes, owners, or other groups as the context may indicate totaling more than 50% of the total eligible number.

2.11. Quorum.

Except as otherwise provided in these By-Laws or in the Declaration, the presence of the Members or proxies representing a majority of the total votes in the Association shall constitute a quorum at all meetings of the Association.

2.12. Conduct of Meetings.

The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.13. Action Without a Meeting.

Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting if all members entitled to vote on the action consent in writing to taking such

action without a meeting. If all members entitled to vote on the action consent in writing to taking such action without a meeting, the affirmative vote of the number of members that would be necessary to authorize or take such action at a meeting shall be the act of the members. Such consents shall be filed with the minutes of the Association.

3. Board of Directors; Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body; Composition.

The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2. Number of Directors.

The number of directors in the Association shall be not less than three nor more than seven, as provided in Section 3.5 below. The initial Board shall consist of three directors as identified in the Articles of Incorporation.

3.3. Directors During Class "B" Control Period.

Subject to the provisions of Section 3.5 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(a) when 75% of the total number of Units proposed by the Master Land Use Plan for the property described on Exhibit "A"of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(b) 30 years after the date on which the Declaration is recorded in the land records of Sullivan County, Tennessee; or

(c) when, in its discretion, the Class "B" Member so determines.

3.4. Nomination of Directors.

Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three or more Members. The Nominating Committee shall be appointed by the Board of Directors not less than 30 days prior to each annual meeting of the Members to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled from each slate as provided in Section 3.5 below. The Nominating Committee shall nominate separate slates for the directors, if any, to be elected at large by all Members. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.5. Election and Term of Office.

Notwithstanding any other provision of these By-Laws:

(a) Within 30 days after the time that Class "A" Members other than Builders own 25% of the Units proposed by the Master Land Use Plan for the property described in Exhibit "A" of the Declaration, or whenever the Class "B" Member earlier determines, the President shall call a special meeting at which Members representing the Class "A" Members shall be entitled to elect one of the three directors, who shall be an at-large director. The remaining two directors shall be appointees of the Class "B" Member. The director elected by the Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within 30 days after the time that Class "A" Members other than Builders own 50% of the Units proposed by the Master Land Use Plan for the property described in Exhibit "A" of the Declaration, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. The President shall call a special meeting at which Members representing the Class "A" Members shall be entitled to elect two of the five directors, who shall serve as at-large directors. The remaining three directors shall be appointees of the Class "B" Member. The directors elected by the Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within 90 days after termination of the Class "B" Control Period, the

President shall call a special meeting at which Members representing the Class "A" Members shall be entitled to elect three of the five directors, who shall serve as at-large directors. The remaining two directors shall be appointees of the Class "B" Member. The directors elected by the Members shall not be subject to removal by the Class "B" Member and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting is scheduled to occur within 90 days after termination of the Class "B" Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) At the first annual meeting of the membership after the termination of the Class "B" Control Period, the Board shall be increased to seven directors who shall be selected by the Members. Three directors shall serve a term of two years and three directors shall serve a term of one year, as such directors determine among themselves. Upon the expiration of each director's term of office the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years.

Until termination of the Class "B" membership, the Class "B" Member shall be entitled to appoint one director. Upon termination of the Class "B" membership, the director elected by the Class "B" Member shall resign and the remaining directors shall be entitled to appoint a director to serve the unexpired portion of the term. Thereafter, the Members shall be entitled to elect a successor to fill such position. The candidate(s) receiving the most votes shall be elected. The directors elected by the Members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

3.6. Removal of Directors and Vacancies

Any director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term.

B. Meetings.

3.7. Organizational Meetings.

The first meeting of the Board of Directors following each annual meeting of the membership shall be held within 10 days thereafter at such time and place the Board shall fix.

3.8. Regular Meetings.

Regular meetings of the Board of Directors may be held at such time and place a majority of the directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.9. Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four business days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 72 hours before the time set for the meeting.

3.10. Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11. Quorum of Board of Directors.
At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12. Compensation.
No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for service or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.13. Conduct of Meetings.
The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

3.14. Open Meetings.
Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all Members, but a Member other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.15. Action Without a Formal Meeting.
Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers.
The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things as are not by the Declaration, Articles, these By-Laws, or Tennessee law directed to be done and exercised exclusively by the Members or the membership generally.

3.17. Duties.
The duties of the Board shall include, without limitation:

(a) preparation and adoption of annual budgets and establishing each Owner's share of the Common Expenses and Phase Expenses;

(b) levying and collecting assessments from the Owners to fund the Common Expenses and Phase Expenses;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association in accordance with Tennessee law, and in accordance with the Articles of Incorporation and the Declaration; and

(p) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.18. <u>Right of Class "B" Member to Disapprove Actions</u>.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the judgment of the Class "B" Member, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, or interfere with development, construction of any portion of the Properties, or diminish the level of services being provided by the Association.

No such action, policy or program shall become effective or be implemented until and unless:

(a) The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Association, the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Sections 3.8, 3.9, and 3.10 of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Association, the Board of Directors or any committee thereof, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its successors, assigns, representatives, or agents at any time within 10 days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.19. Management.

The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority or those duties set forth in Sections 3.17(a) and 3.17(i). The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "B" Control Period unless such contract contains a right of

termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Class "B" Control Period upon not more than 90 days' written notice.

3.20. Accounts and Reports.

The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be

considered to be delinquent on the fifteenth day following the due date unless otherwise specified by resolution of the Board of Directors); and

(g) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement. During the Class "B" Control Period, the annual report shall include certified financial statements.

3.21. Borrowing.

The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval in the same manner provided in Section 10.6 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year. During the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of Members representing at least 51% of the total Class "A" votes in the Association.

3.22. Rights of the Association.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Phase and other owners or residents associations, both within and outside the Properties. Such agreements shall require the consent of a majority of the total number of directors of the Association.

3.23. Enforcement.

In addition to such other rights as are specifically granted under the Declaration, the Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote due to nonpayment of assessments. In addition, the Board may suspend any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in

paying any assessment or other charges owed to the Association. In the event that any occupant, guest or invitee of a Unit violates the Declaration, By-Laws, or a rule and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

3.24. Notice.

Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Board or the Covenants Committee, if any, appointed pursuant to Article V; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided the Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if this violation is cured within the 10 day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

3.25. Hearing.

If a hearing is requested within the allotted 10 day period, the hearing shall be held before the Covenants Committee, if any, or if none, before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

3.26. Appeal.

Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date.

3.27. Additional Enforcement Rights.

Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these By-Laws, or the rules of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or, following compliance with the procedures set forth in Article XVII of the Declaration, by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

4. Officers

4.1. Officers.

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President, Vice President, Secretary, and Treasurer shall be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board of Directors. Such other officers may, but need not be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office.

The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as set forth in Article III.

4.3. Removal and Vacancies.

Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.4. Powers and Duties.

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the

Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board of Directors.

4.7. Compensation.

Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12 hereof.

5. Committees

5.1. General.

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee.

In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board of Directors may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23 of these By-Laws.

5.3. Phase Committees.

In addition to any other committees appointed as provided above, each Phase which has no formal organizational structure or association may elect a Phase Committee to determine the nature and extent of services, if any, to be provided to the Phase by the Association in addition to those provided to all members of the Association in accordance with the Declaration. A Phase Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors. Such Phase Committees, if elected, shall consist of three to five Members, as determined by the vote of at least 51% of the Owners of Units within the Village.

Phase Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Phase shall be an ex officio member of the Committee. A Member representing such Phase shall be the chairperson of the Phase Committee and shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board of Directors.

In the conduct of its duties and responsibilities, each Phase Committee shall abide by the notice and quorum requirements applicable to the Board of Directors under Sections 3.8, 3.9, 3.10 and 3.11 and the procedural requirements set forth in Sections 3.13, 3.14, and 3.15.

6. Miscellaneous

6.1. Fiscal Year.

The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

6.2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3. Conflicts.

If there are conflicts between the provisions of Tennessee law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules of the Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association of the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Class "B" Member. Prior to the conveyance of the first Unit by Declarant to a Person other than a Builder, the Class "B" Member may unilaterally amend these By-Laws. After such conveyance, the Class "B" Member may unilaterally amend these By-

Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as the Class "B" membership exists, the Class "B" Member may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Members Generally. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total Class "A" votes in the Association, and the consent of the Class "B" Member, if such exists. In addition, the approval requirements set forth in Article XIV of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

6.7. Validity and Effective Date of Amendments.

Amendments to these By-Laws shall become effective upon recordation in the land records of Hamilton County, Tennessee, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

IN WITNESS WHEREOF, the undersigned officers of Hampton Creek Owner's Association have set their hands and seals this _____ day of _______________, 1998.

HAMPTON CREEK OWNER'S ASSOCIATION, INC.

By: ______________________________

Name: ______________________________

Title: President

Attest: ______________________________

Name: ______________________________

Title: Secretary

Book and Page: GI 5341 799

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Hampton Creek Owner's Association, Inc., a Tennessee not-for-profit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of ________________, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of ______________________, 1998.

________________________________[SEAL]
Secretary

Book and Page: GI 5341 800

Design and Use Guidelines for

Hampton Creek Development

Exhibit C

The Fairways	Lots #49 - 90	Section 1.01 - 1.56
The Grove	Lots #91 - 132	Section 2.01 - 2.56
The Village	Lots #133 - 211	Section 3.01 - 3.56
The Views	Lots #1 - 48	Section 4.01 - 4.56

Book and Page: GI 5341 801

The Fairways at Hampton Creek

Lots #49-90

Design and Use Guidelines

1.01 Application

It is expressly stipulated that the Restrictive Covenants and conditions set forth in the Architectural Control guidelines apply solely to the Property as is described in The Declaration of Covenants, Conditions, and Restrictions for Hampton Creek Planned Unit Development, 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, reserve the right to use or convey such other lots, tracts and parcels with different restrictions. In our constant endeavor to improve the community the Developer reserves the right to amend materials, plans, and specifications.

1.02 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 these Covenants and Restrictions 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 and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to building constructed thereon.

C. No Lot may be used as a means of service to business establishment 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.

1.03 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.

1.04 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.

1.05 Renting or Leasing

No Dwelling Unit may be rented or leased for a period of time that is less than six (6) months.

1.06 Minimum Square Footage

No single-family detached Dwelling Unit shall be erected or permitted to remain in 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. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet for each phase shall be set forth on the recorded plat for each phase. The minimum number of square feet required is as follows:

(i) A home shall contain not less than 2,800 feet;

1.07 Set-backs

No building shall be erected on any Lot nearer than thirty-five (35) feet to the front Lot line, twenty-five (25) feet from the rear Lot line and fifteen (15) feet from the side Lot lines, unless the side Lot line fronts on a street, in which case no building shall be erected nearer than twenty (20) feet to such side Lot line. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building, providing, however, this shall not be construed as to permit any portion of the building on the lot to encroach upon another Lot. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

1.08 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 (fees) provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 1.40, Lots may not be re-subdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

1.09 Developer Reserves Right

Notwithstanding any other provision herein to the contrary, the Developer reserves unto itself, its successors and/or assigns, the following rights, privileges and powers: to subdivde Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part to 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.

1.10 Temporary Structures

No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provision of these Restrictive Covenants, 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 erections of a permanent building. 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 of use as an office and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

1.11 Utility Easement

A perpetual easement is reserved on each Lot, as shown on the 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.

1.12 Sewage Disposal

Before any Dwelling Unit on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without written approval from the Developer or the Board.

1.13 Building Requirements

A. All Buildings or structures of any kind constructed on any Lot shall have full masonry foundations and chimneys, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level.

B. The entire exterior sides of each Dwelling Unit must be covered with stone, brick, stucco, approved siding or combination thereof. Any other materials must be approved in writing by the Developer or the Architectural Review Committee.

C. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or stucco to complement the house.

D. All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to compliment the roof.

E. Gutters and downspouts must be painted in approved colors.

F. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer or the Architectural Review Committee may make exceptions to the placement of such roof stacks and plumbing vents

G. There will be no above ground level pools.

H. Dwelling unit rear exteriors that face Common Property, another Lot, or street, shall have the finish of the rear exterior the same as the front and side exteriors thereof, and rear exterior must be designed to look like the front of the Dwelling Unit.

1.14 Frontal Appearance

All Dwelling Units shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

1.15 Quality of Building Materials

Only good quality materials and design will be accepted on any structure built on any Lot. Permastone and asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

1.16 Exterior Siding

All exterior siding must be approved in writing by the Developer or the Architectural Review Committee. All wood or masonite siding must have laps at a minimum of six (6) inches. Dwelling Units using masonite siding on all exterior sides must be true lap siding and not artificial laps (4 sided exteriors). Masonite on four sides will not be allowed. Soffits may be vinyl.

1.17 Windows and Doors

Materials to be used in window and glass doors must be approved by the Developer or the Architectural Review Committee. All windows must have mullions. Metal and vinyl windows are not permitted, nor are aluminum awnings permitted. However, metal or vinyl exterior clad windows will be permitted.

1.18 Roofs

Roof pitches must be a minimum of 10/12, unless otherwise approved by the Developer or the Architectural Review Committee. All roofs must be of architectural quality dimensional shingle shakes or slate unless other wise approved in writing by the Developer or the Architectural Review Committee.

1.19 Fireplaces

All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney.

1.20 Chimneys

Chimneys must be constructed of brick, stucco or stone, and those chimneys on the exterior must have a foundation. Functional chimneys must have chimney shroud.

1.21 Decks and Porches

All exterior wood decks which face Common Property, another Lot or street must be painted or stained. Front porches must be constructed of brick, stone, or other approved material in accordance with the requirements of the Developer or the Architectural Review Committee. Front porches requiring handrails shall be constructed of material consistent with the front elevation. Side porch material shall be consistent with that of front porches with railing of wrought iron or wood.

1.22 Mailboxes

Mailboxes will be the responsibility of the owner and shall follow the design of the residence and must be approved by the Developer. Each mailbox shall be maintained by the Owner to complement the residences and the neighborhood.

1.23 No Detached Buildings

There shall be no detached garages, outbuilding or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

1.24 Garages

Each Dwelling Unit shall have a least a double-car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. No garage door may face the street upon which the Dwelling Unit fronts provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such garage requirements. Garages are to be positioned opposite the main traffic flow. Double-car garage doors shall be a minimum of 21' by 22'. Single car garages must be a minimum of (9') and double doors must be a minimum of (16').The inside walls of garage must be finished. Garage doors may not be allowed to stand open.

1.25 Service Area for Ancillary Equipment

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 area 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.

1.26 Driveways

Each Dwelling Unit constructed upon a Lot must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. All other hard surface material must be approved by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all owners of Lots in this subdivision to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefore.

1.27 Sidewalks

It is the obligation of each Lot Owner subsequent to Developer to install a sidewalk along lines of the Lot which front a road except in those cases in which a burm on his Lot fronts the road. The width must be 4' and be a minimum of two feet off the street curb. In addition, each homeowner

must have sidewalk design approved so as to eliminate linear appearance. The sidewalk must be completed by the time the Dwelling Unit is completed or within one (1) year from date of purchase of the Lot, whichever is earlier.

1.28 <u>Curbs</u>

No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

1.29 <u>Fences</u>

No fences shall exceed six (6) feet in height and will not 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 wood fences must be painted. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

1.30 <u>Excavation</u>

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.

3.31 <u>Rainwater Drainage</u>

Each Lot must be landscaped so that rainwater will drain into the street adjoining the lot or into a drainage easement that drains into a street. Unless otherwise set forth on the recorded plat, Lot lines shall be the drainage easements. A Lot may not be landscaped so that rainwater runs into another Lot across an established drainage easement.

1.32 <u>Adjoining Lot Damage</u>

Any damage done to any adjacent or adjoining Lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. 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.

1.33 <u>Landscaping</u>

A landscape plan shall be submitted to the Developer or the Architectural Review Committee for approval. If a Dwelling Unit has a rear exterior which faces Common Property, another Lot or street, the Architectural Review Committee may require the placement of up to two (2) - three (3) to four (4) inch caliper trees in the rear of the Lot to provide cover for the Dwelling Unit. Landscaping, in accordance with the approved landscape, plan must be substantially completed within one (1) year after commencement of construction of the house. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. The placement of a three (3") inch caliper tree in a specified area near the sidewalk is required. The tree type to be specified by the Developer. The Hampton Creek Development is privileged to have made available to its residents the same custom blended prescription turf soils that have

been used in the development of the Hampton Creek Golf Course. In keeping with and maintaining the integrity of the overall property development, it is made a part of the Design and Use Guidelines to use this custom blended material or equivalent for all turf and sod based ground preparation. This material is made available through the developer at a price substantially below comparable retail.

1.34 Sodding

Prior to occupancy of a Dwelling Unit, the front yard of the Lot must be sodded. A sprinkler system is strongly recommended. Occupancy prior to sodding may be approved by the Developer or the Architectural Review Committee if weather conditions prohibit sodding. Yards adjoining common property and facing streets shall require sodding.

1.35 Tree Removal

No live trees or shrubs having a diameter greater than six (6) inches shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Any Owner who, without having obtained approval from the Developer or the Architectural Review Committee, cuts down or who allows to be cut down any tree having a diameter of six (6) inches or greater shall be liable to the Association for liquidated damages in the amount of One Thousand and No/100 Dollars ($1,000.00) for each tree so cut. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

1.36 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.

1.37 Lawn Care

All unimproved Lots (except those owned by the Development) and all improved Lots must be kept fully seeded with grass (except where other provisions hereof require sodding) and regularly cut.

1.38 Permitted Entrances for Property Maintenance

In order to implement and effect insect, reptile and woods 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 constructed 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.

1.39 Unsightly 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 own volition, to maintain his 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 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.

1.40 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction

In order to preserve the aesthetic and economical 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 effected 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.

1.41 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.

1.42 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."

1.43 Signs

One sign offering the Lot and/or Dwelling Unit for sale and the name of the builder may be placed upon a Lot. Such sign must be in a form approved by the Developer or Architecture 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. Drawings attached.

1.44 Playground Equipment

No metal playground equipment (swingset) is permitted. Basketball goals may be permanently installed. Other portable sports equipment is allowed but must be stored out of sight when not in use.

1.45 Antennas and Satellite Dishes

No television antenna, 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 for 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 system within the Development.

1.46 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 places upon Lots within the Development. The playing of loud music from any balcony or porch shall be considered an offensive and obnoxious activity considered as a nuisance.

1.47 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.

1.48 Tanks and Garbage Receptacles

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.

1.49 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.

1.50 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 a balcony or terrace railing. 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.

1.51 Vehicle Parking

Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. 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. Such vehicles may not be stored anywhere else on the Lot.

1.52 No Waterway Use

No boat of any kind shall be permitted upon, nor shall any swimming be permitted in any pond on the Common Properties. No garbage, trash, or other refuse shall be dumped into any pond on the Common Properties. Owners will be assessed a $500.00 fine for each violation of this provision in addition to assessments for the cost of removal.

1.53 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 footing 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 if fully completed. The exterior (including landscaping) must be completed within twelve (12) months after commencement of construction. The Owner of any Lot violating either or 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 (10) days after notice from the Developer or the Architectural Review Committee if construction is not resumed within said ten (10) days.

1.54 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 and/or assigns, or the Association, its successors and/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 cost and reasonable attorneys fees incident to any such proceeding, which cost, and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the 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.

1.55 Swimming Pools

Swimming pools are allowed, however, they are to be fenced and landscaped with ARC approved designs and materials. Above ground pools will not be allowed. Decks and screening must not be closer than (5') feet from the property line.

1.56 Speed Limit

The speed limit for Hampton Creek is 30 miles/hour unless posted otherwise. The Hamilton County Sheriff's Department shall enforce this law.

ARCHITECTURAL CONTROL

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 or the Board shall create a body of rules and regulations covering details of Dwelling Units, which shall be available for all owners or prospective Owners of Lots.

B. The Developer shall have sole architectural and design reviewing authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect a Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors and/or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserve to it until such time as it shall execute and record in the office of the Recorder 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.

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 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 at least thirty (30) days prior to the proposed date of construction. 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 within 30 days of submission. However, if written approval or disapproval is not given within 30 days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Review Committee. In the event of the completion of any Dwelling Unit on any Lot, without any proceedings having been instituted in the courts of Hamilton County, Tennessee to enjoin the construction thereof, the said Dwelling Unit shall be conclusively presumed to have had such approval.

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, at the sole discretion of the Developer or Architectural Review Board, and shall initially be as described below:

REVIEW AND CONSTRUCTION DEPOSIT

The participating homeowner is required to submit a deposit of $635.00 upon initial application for each home, and the contractor is required to submit a Construction Bond of $1,000.00. These deposits are held in escrow by the Residential Association until the building is completed and the Architectural Review has approved its final inspection and issued a copy of the certificate of occupancy. The deposits, as itemized below, are held by the Board to offset the cost incurred in the processing and review of plans by outside professionals, and to cover the cost incurred by the Developer or Association to repair damage to the properties caused by the participating builder or his subcontractors:

a. Application and Review Fee	$400.00	
b. Homeowner's Construction Deposit	$235.00	
c. Builder's Construction Bond/Deposit	<u>$1,000.00</u>	
TOTAL DEPOSIT REQUIRED		$1,585.00

If no damages occur from the construction process, no repairs of adjacent properties are required due to damages by the contractor, and all items of the approved Construction and Landscaping Plans are completed satisfactorily; two hundred thirty-five dollars ($235.00) will be refunded to the homeowner and one thousand dollars ($1,000.00) will be refunded to the contractor. If repairs are required, the charges for the repairs shall be deducted from the deposits at the discretion of the Board. The balance of the money will be refunded to the appropriate individual.

The Grove at Hampton Creek

Lots #91-132

Design and Use Guidelines

2.01 Application

It is expressly stipulated that the Restrictive Covenants and conditions set forth in the Architectural Control Guidelines apply solely to the Property as is described in The Declaration of Covenants, Conditions, and Restrictions for Hampton Creek Planned Unit Development, 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, reserve the right to use or convey such other lots, tracts and parcels with different restrictions. In our constant endeavor to improve the community the Developer reserves the right to amend materials, plans, and specifications.

2.02 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 these Covenants and Restrictions 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 and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to building constructed thereon.

C. No Lot may be used as a means of service to business establishment 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.

2.03 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.

2.04 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.

2.05 Renting or Leasing

No Dwelling Unit may be rented or leased for a period of time that is less than six (6) months.

2.06 Minimum Square Footage

No single-family detached Dwelling Unit shall be erected or permitted to remain in 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. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet for each phase shall be set forth on the recorded plat for each phase. The minimum number of square feet required is as follows:

(i) A home shall contain not less than 3,000 feet;

(2.07 Set-backs

No building shall be erected on any Lot nearer than forty (40) feet to the front Lot line, twenty-five (25) feet from the rear Lot line and fifteen (15) feet from the side Lot lines, unless the side Lot line fronts on a street, in which case no building shall be erected nearer than twenty-five (25) feet to such side Lot line. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building, providing, however, this shall not be construed to permit any portion of the building on the lot to encroach upon another Lot. No provision of this paragraph shall be construed as to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

2.08 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 (fees) provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 2.40, Lots may not be re-subdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

2.09 Developer Reserves Right

Notwithstanding any other provision herein to the contrary, the Developer reserves unto itself, its successors and/or assigns, the following rights, privileges and powers: to subdivde Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part to 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.

2.10 Temporary Structures

No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provision of these Restrictive Covenants, 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 erections of a permanent building. 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 of use as an office and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

2.11 Utility Easement

A perpetual easement is reserved on each Lot, as shown on the 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.

2.12 Sewage Disposal

Before any Dwelling Unit on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without written approval from the Developer or the Board.

2.13 Building Requirements

A. All Buildings or structures of any kind constructed on any Lot shall have full masonry foundations and chimneys, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level.

B. The entire exterior sides of each Dwelling Unit must be covered with stone, brick, stucco, approved siding or combination thereof. Any other materials must be approved in writing by the Developer or the Architectural Review Committee.

C. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or stucco to complement the house.

D. All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to compliment the roof.

E. Gutters and downspouts must be painted in approved colors.

F. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer or the Architectural Review Committee may make exceptions to the placement of such roof stacks and plumbing vents

G. There will be no above ground level pools.

H. Dwelling unit rear exteriors that face Common Property, another Lot, or street, shall have the finish of the rear exterior the same as the front and side exteriors thereof, and rear exterior must be designed to look like the front of the Dwelling Unit.

2.14 Frontal Appearance

All Dwelling Units shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

2.15 Quality of Building Materials

Only good quality materials and design will be accepted on any structure built on any Lot. Permastone and asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

2.16 Exterior Siding

All exterior siding must be approved in writing by the Developer or the Architectural Review Committee. All wood or masonite siding must have laps at a minimum of six (6) inches. Dwelling Units using masonite siding on all exterior sides must be true lap siding and not artificial laps (4 sided exteriors). Masonite on four sides will not be allowed. Soffits may be vinyl.

2.17 Windows and Doors

Materials to be used in window and glass doors must be approved by the Developer or the Architectural Review Committee. All windows must have mullions. Metal and vinyl windows are not permitted, nor are aluminum awnings permitted. However, metal or vinyl exterior clad windows will be permitted.

2.18 Roofs

Roof pitches must be a minimum of 10/12, unless otherwise approved by the Developer or the Architectural Review Committee. All roofs must be of architectural quality dimensional shingle shakes or slate unless other wise approved in writing by the Developer or the Architectural Review Committee.

2.19 Fireplaces

All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney.

2.20 Chimneys

Chimneys must be constructed of brick, stucco or stone, and those chimneys on the exterior must have a foundation. Functional chimneys must have chimney shroud.

2.21 Decks and Porches

All exterior wood decks which face Common Property, another Lot or street must be painted or stained. Front porches must be constructed of brick, stone, or other approved material in accordance with the requirements of the Developer or the Architectural Review Committee. Front porches requiring handrails shall be constructed of material consistent with the front elevation. Side porch material shall be consistent with that of front porches with railing of wrought iron or wood.

2.22 Mailboxes

Mailboxes will be the responsibility of the owner and shall follow the design of the residence and must be approved by the Developer. Each mailbox shall be maintained by the Owner to complement the residences and the neighborhood.

2.23 No Detached Buildings

There shall be no detached garages, outbuilding or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

2.24 Garages

Each Dwelling Unit shall have a least a double-car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. No garage door may face the street upon which the Dwelling Unit fronts provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such garage requirements. Garages are to be positioned opposite the main traffic flow. Double car garage doors shall be a minimum of (16'). The inside walls of garage must be finished. Garage doors may not be allowed to stand open.

2.25 Service Area for Ancillary Equipment

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 area 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.

2.26 Driveways

Each Dwelling Unit constructed upon a Lot must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. All other hard surface material must be approved by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all owners of Lots in this subdivision to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefore. The first (10") must be stamped pigmented concrete. The Developer to approve the color.

2.27 Sidewalks

It is the obligation of each Lot Owner subsequent to Developer to install a sidewalk along lines of the Lot which front a road except in those cases in which a burm on his Lot fronts the road. The width must be 4' and be a minimum of two feet off the street curb. In addition, each homeowner

must have sidewalk design approved so as to eliminate linear appearance. The sidewalk must be completed by the time the Dwelling Unit is completed or within one (1) year from date of purchase of the Lot, whichever is earlier.

2.28 Curbs

No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

2.29 Fences

No fences shall exceed six (6) feet in height and will not 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 wood fences must be painted. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

2.30 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.

2.31 Rainwater Drainage

Each Lot must be landscaped so that rainwater will drain into the street adjoining the lot or into a drainage easement that drains into a street. Unless otherwise set forth on the recorded plat, Lot lines shall be the drainage easements. A Lot may not be landscaped so that rainwater runs into another Lot across an established drainage easement.

2.32 Adjoining Lot Damage

Any damage done to any adjacent or adjoining Lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. 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.

2.33 Landscaping

A landscape plan shall be submitted to the Developer or the Architectural Review Committee for approval. If a Dwelling Unit has a rear exterior which faces Common Property, another Lot or street, the Architectural Review Committee may require the placement of up to two (2) - three (3) to four (4) inch caliper trees in the rear of the Lot to provide cover for the Dwelling Unit. Landscaping, in accordance with the approved landscape, plan must be substantially completed within one (1) year after commencement of construction of the house. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. The placement of a three (3") inch caliper tree in a specified area near the sidewalk is required. The tree type to be specified by the Developer. The Hampton Creek Development is privileged to have made available to its residents the same custom blended prescription turf soils that have

been used in the development of the Hampton Creek Golf Course. In keeping with and maintaining the integrity of the overall property development, it is made a part of the Design and Use Guidelines to use this custom blended material or equivalent for all turf and sod based ground preparation. This material is made available through the developer at a price substantially below comparable retail.

2.34 Sodding

Prior to occupancy of a Dwelling Unit, the front yard of the Lot must be sodded. A sprinkler system is strongly recommended. Occupancy prior to sodding may be approved by the Developer or the Architectural Review Committee if weather conditions prohibit sodding. Yards adjoining common property and facing streets shall require sodding.

2.35 Tree Removal

No live trees or shrubs having a diameter greater than six (6) inches shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Any Owner who, without having obtained approval from the Developer or the Architectural Review Committee, cuts down or who allows to be cut down any tree having a diameter of six (6) inches or greater shall be liable to the Association for liquidated damages in the amount of One Thousand and No/100 Dollars ($1,000.00) for each tree so cut. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

2.36 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.

2.37 Lawn Care

All unimproved Lots (except those owned by the Development) and all improved Lots must be kept fully seeded with grass (except where other provisions hereof require sodding) and regularly cut.

2.38 Permitted Entrances for Property Maintenance

In order to implement and effect insect, reptile and woods 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 constructed 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.

2.39 Unsightly 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 own volition, to maintain his 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 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.

2.40 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction

In order to preserve the aesthetic and economical 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 effected 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.

2.41 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.

2.42 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."

2.43 Signs

One sign offering the Lot and/or Dwelling Unit for sale and the name of the builder may be placed upon a Lot. Such sign must be in a form approved by the Developer or Architecture 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. Drawings attached.

2.44 Playground Equipment

No metal playground equipment (swingset) is permitted. Basketball goals may be permanently installed. Other portable sports equipment is allowed but must be stored out of sight when not in use.

2.45 Antennas and Satellite Dishes

No television antenna, 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 for 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 system within the Development.

2.46 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 balcony or porch shall be considered an offensive and obnoxious activity considered as a nuisance.

2.47 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.

2.48 Tanks and Garbage Receptacles

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.

2.49 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.

2.50 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 a balcony or terrace railing. 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.

2.51 Vehicle Parking

Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. 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. Such vehicles may not be stored anywhere else on the Lot.

2.52 No Waterway Use

No boat of any kind shall be permitted upon, nor shall any swimming be permitted in any pond on the Common Properties. No garbage, trash, or other refuse shall be dumped into any pond on the Common Properties. Owners will be assessed a $500.00 fine for each violation of this provision in addition to assessments for the cost of removal.

2.53 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 footing 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 if fully completed. The exterior (including landscaping) must be completed within twelve (12) months after commencement of construction. The Owner of any Lot violating either or 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 (10) days after notice from the Developer or the Architectural Review Committee if construction is not resumed within said ten (10) days.

2.54 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 and/or assigns, or the Association, its successors and/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 cost and reasonable attorneys fees incident to any such proceeding, which cost, and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the 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.

2.55 Swimming Pools

Swimming pools are allowed, however, they are to be fenced and landscaped with ARC approved designs and materials. Above ground pools will not be allowed. Decks and screening must not be closer than (5') feet from the property line.

2.56 Speed Limit

The speed limit for Hampton Creek is 30 miles/hour unless posted otherwise. The Hamilton County Sheriff's Department shall enforce this law.

ARCHITECTURAL CONTOL

Book and Page: GI 5341 823

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 or the Board shall create a body of rules and regulations covering details of Dwelling Units, which shall be available for all owners or prospective Owners of Lots.

B. The Developer shall have sole architectural and design reviewing authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect a Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors and/or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserve to it until such time as it shall execute and record in the office of the Recorder 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.

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 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 at least thirty (30) days prior to the proposed date of construction. 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 within 30 days of submission. However, if written approval or disapproval is not given within 30 days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Review Committee. In the event of the completion of any Dwelling Unit on any Lot, without any proceedings having been instituted in the courts of Hamilton County, Tennessee to enjoin the construction thereof, the said Dwelling Unit shall be conclusively presumed to have had such approval.

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 at the sole discretion of the Developer or Architectural Review Board, and shall initially be as described below:

REVIEW AND CONSTRUCTION DEPOSIT

The participating homeowner is required to submit a deposit of $635.00 upon initial application for each home, and the contractor is required to submit a Construction Bond of $1,000.00. These deposits are held in escrow by the Residential Association until the building is completed and the Architectural Review has approved its final inspection and issued a copy of the certificate of occupancy. The deposits, as itemized below, are held by the Board to offset the cost incurred in the processing and review of plans by outside professionals, and to cover the cost incurred by the Developer or Association to repair damage to the properties caused by the participating builder or his subcontractors:

a. Application and Review Fee	$400.00	
b. Homeowner's Construction Deposit	$235.00	
c. Builder's Construction Bond/Deposit	$1,000.00	
TOTAL DEPOSIT REQUIRED		$1,585.00

If no damages occur from the construction process, no repairs of adjacent properties are required due to damages by the contractor, and all items of the approved Construction and Landscaping Plans are completed satisfactorily; two hundred thirty-five dollars ($235.00) will be refunded to the homeowner and one thousand dollars ($1,000.00) will be refunded to the contractor. If repairs are required, the charges for the repairs shall be deducted from the deposits at the discretion of the Board. The balance of the money will be refunded to the appropriate individual.

The Village at Hampton Creek

Lots #133-211 Book and Page: GI 5341 825

Design and Use Guidelines

3.01 Application

It is expressly stipulated that the Restrictive Covenants and conditions set forth in the Architectural Control Guidelines apply solely to the Property as is described in The Declaration of Covenants, Conditions, and Restrictions for Hampton Creek Planned Unit Development, 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, reserve the right to use or convey such other lots, tracts and parcels with different restrictions. In our constant endeavor to improve the community the Developer reserves the right to amend materials, plans, and specifications.

3.02 Residential Use

A. All of the Lots in the Development shall 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 these Covenants and Restrictions 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 and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to building constructed thereon.

C. No Lot may be used as a means of service to business establishment 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 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.

3.04 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.

3.05 Renting or Leasing

No Dwelling Unit may be rented or leased for a period of time that is less than six (6) months.

3.06 Minimum Square Footage

No single-family detached Dwelling Unit shall be erected or permitted to remain in 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. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet required is as follows:

(i) A home shall contain not less than 2,100 feet;

3.07 Set-backs

No building shall be erected on any Lot nearer than ten (10) feet to the front Lot line, fifteen (15) feet from the rear Lot line and seven (7) feet from the lot line opposite the side of the lot which contains the long exterior wall. A minimum three (3) feet side setback on the side of the lot which contains the long exterior wall of the home. An irrevocable easement is thus created by this setback area. This easement is for the use and benefit of the adjoining property owner without ownership. This agreement is common to all lots within the Village. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building, providing, however, this shall not be construed to permit any portion of the building on the lot to encroach upon another Lot. No provision of this paragraph shall be construed as to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

3.08 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 (fees) 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 re-subdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

3.09 Developer Reserves Right

Notwithstanding any other provision herein to the contrary, the Developer reserves unto itself, its successors and/or 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 to 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.

3.10 Temporary Structures

No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provision of these Restrictive Covenants, 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 erections of a permanent building. 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 of use as an office and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

3.11 Utility Easement

A perpetual easement is reserved on each Lot, as shown on the 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.

3.12 Sewage Disposal

Before any Dwelling Unit on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without written approval from the Developer or the Board.

3.13 Building Requirements

A. All Buildings or structures of any kind constructed on any Lot shall have full masonry foundations and chimneys, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level.

B. The entire exterior sides of each Dwelling Unit must be covered with stone, brick, stucco, approved siding or combination thereof. Any other materials must be approved in writing by the Developer or the Architectural Review Committee.

C. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or stucco to complement the house.

D. All sheet metal work (roof caps, flashiness, vents, chimney caps) must be painted to match the roof.

E. Gutters and downspouts must be painted in approved colors.

F. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer or the Architectural Review Committee may make exceptions to the placement of such roof stacks and plumbing vents

G. There will be no above ground level pools.

H. Dwelling unit rear exteriors that face Common Property, another Lot, or street, shall have the finish of the rear exterior the same as the front and side exteriors thereof, and rear exterior must be designed to look like the front of the Dwelling Unit.

3.14 Frontal Appearance

All Dwelling Units shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

3.15 Quality of Building Materials

Only good quality materials and design will be accepted on any structure built on any Lot. Permastone and asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

3.16 Exterior Siding

All exterior siding must be approved in writing by the Developer or the Architectural Review Committee. All wood or masonite siding must have laps at a minimum of six (6) inches. Dwelling Units using masonite siding on all exterior sides must be true lap siding and not artificial laps (4 sided exteriors). Masonite on four sides will not be allowed. Soffits may be vinyl.

3.17 Windows and Doors

Materials to be used in window and glass doors must be approved by the Developer or the Architectural Review Committee. All windows must have mullions. Metal and vinyl windows are not permitted, nor are aluminum awnings permitted. However, metal or vinyl exterior clad windows will be permitted.

3.18 Roofs

Roof pitches must be a minimum of 10/12, unless otherwise approved by the Developer or the Architectural Review Committee. All roofs must be of architectural quality dimensional shingle shakes or slate unless other wise approved in writing by the Developer or the Architectural Review Committee.

3.19 Fireplaces

All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney.

3.20 Chimneys

Chimneys must be constructed of brick, stucco or stone, and those chimneys on the exterior must have a foundation. Functional chimneys must have chimney shroud.

3.21 Decks and Porches

All exterior wood decks which face Common Property, another Lot or street must be painted or stained. Front porches must be constructed of brick, stone, or other approved material in accordance with the requirements of the Developer or the Architectural Review Committee. Front porches requiring handrails shall be constructed of material consistent with the front elevation. Side porch material shall be consistent with that of front porches with railing of wrought iron or wood.

3.22 Mailboxes

Mailboxes will be the responsibility of the owner and shall follow the design as submitted by the Developer. Each mailbox shall be maintained by the Owner to complement the residences and the neighborhood. (Drawings attached).

3.23 No Detached Buildings

There shall be no detached garages, outbuilding or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

3.24 Garages

Each Dwelling Unit shall have a least a double-car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. All garages must be loaded from the rear alleys. Garages are to be positioned opposite the main traffic flow. Double car garage doors shall be a minimum of (16'). The inside walls of garage must be finished. Garage doors may not be allowed to stand open.

3.25 Service Area for Ancillary Equipment

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 area 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.

3.26 Driveways

Each Dwelling Unit constructed upon a Lot must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. All other hard surface material must be approved by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all owners of Lots in this subdivision to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefore.

3.27 Sidewalks

It is the obligation of each Lot Owner subsequent to Developer to install a sidewalk along lines of the Lot which front a road except in those cases in which a burm on his Lot fronts the road. The width must be 4' and be a minimum of two feet off the street curb. In addition, each homeowner must have sidewalk design approved so as to eliminate linear appearance. The sidewalk must be

completed by the time the Dwelling Unit is completed or within one (1) year from date of purchase of the Lot, whichever is earlier.

3.28 Curbs

No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

3.29 Fences

No fences shall exceed six (6) feet in height and will not 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 wood fences must be painted. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

3.30 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.

3.31 Rainwater Drainage

Each Lot must be landscaped so that rainwater will drain into the street adjoining the lot or into a drainage easement that drains into a street. Unless otherwise set forth on the recorded plat, Lot lines shall be the drainage easements. A Lot may not be landscaped so that rainwater runs into another Lot across an established drainage easement.

3.32 Adjoining Lot Damage

Any damage done to any adjacent or adjoining Lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. 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.

3.33 Landscaping

A landscape plan shall be submitted to the Developer or the Architectural Review Committee for approval. If a Dwelling Unit has a rear exterior which faces Common Property, another Lot or street, the Architectural Review Committee may require the placement of up to two (2) - three (3) to four (4) inch caliper trees in the rear of the Lot to provide cover for the Dwelling Unit. Landscaping, in accordance with the approved landscape plan, must be substantially completed within one (1) year after commencement of construction of the house. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. The placement of a three (3") inch caliper tree in a specified area near the sidewalk is required. The tree type to be specified by the Developer. The Hampton Creek Development is privileged to have made available to its residents the same custom blended prescription turf soils that have been used in the development of the Hampton Creek Golf Course. In keeping with and

maintaining the integrity of the overall property development, it is made a part of the Design and Use Guidelines to use this custom blended material or equivalent for all turf and sod based ground preparation. This material is made available through the developer at a price substantially below comparable retail.

3.34 Sodding

Prior to occupancy of a Dwelling Unit, the front yard of the Lot must be sodded. A sprinkler system is strongly recommended. Occupancy prior to sodding may be approved by the Developer or the Architectural Review Committee if weather conditions prohibit sodding. Yards adjoining common property and facing streets shall require sodding.

3.35 Tree Removal

No live trees or shrubs having a diameter greater than six (6) inches shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Any Owner who, without having obtained approval from the Developer or the Architectural Review Committee, cuts down or who allows to be cut down any tree having a diameter of six (6) inches or greater shall be liable to the Association for liquidated damages in the amount of One Thousand and No/100 Dollars ($1,000.00) for each tree so cut. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

3.36 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.

3.37 Lawn Care

All unimproved Lots (except those owned by the Development) and all improved Lots must be kept fully seeded with grass (except where other provisions hereof require sodding) and regularly cut.

3.38 Permitted Entrances for Property Maintenance

In order to implement and effect insect, reptile and woods 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 constructed 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.

3.39 Unsightly 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 own volition, to maintain his 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 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.

3.40 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction

In order to preserve the aesthetic and economical 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 effected 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.

3.41 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.

3.42 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."

3.43 Signs

One sign offering the Lot and/or Dwelling Unit for sale and name of the builder may be placed upon a Lot. Such sign must be in a form approved by the Developer or Architecture 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. Drawings attached.

3.44 Playground Equipment

No metal playground equipment (swingset) is permitted. Basketball goals may be permanently installed. Other portable sports equipment is allowed but must be stored out of sight when not in use.

3.45 Antennas and Satellite Dishes

No television antenna, 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 for 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 system within the Development.

3.46 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 balcony or porch shall be considered an offensive and obnoxious activity considered as a nuisance.

3.47 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.

3.48 Tanks and Garbage Receptacles

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.

3.49 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.

3.50 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 a balcony or terrace railing. 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.

3.51 Vehicle Parking

Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. 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. Such vehicles may not be stored anywhere else on the Lot.

3.52 No Waterway Use

No boat of any kind shall be permitted upon, nor shall any swimming be permitted in any pond on the Common Properties. No garbage, trash, or other refuse shall be dumped into any pond on the

Common Properties. Owners will be assessed a $500.00 fine for each violation of this provision in addition to assessments for the cost of removal.

3.53 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 footing 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 if fully completed. The exterior (including landscaping) must be completed within twelve (12) months after commencement of construction. The Owner of any Lot violating either or 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 (10) days after notice from the Developer or the Architectural Review Committee if construction is not resumed within said ten (10) days.

3.54 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 and/or assigns, or the Association, its successors and/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 cost and reasonable attorneys fees incident to any such proceeding, which cost, and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the 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.

3.55 Swimming Pools

Swimming pools are allowed, however, they are to be fenced and landscaped with ARC approved designs and materials. Decks and screening must not be closer than (5') feet from the property line.

3.56 Speed Limit

The speed limit for Hampton Creek is 30 miles/hour unless posted otherwise. The Hamilton County Sheriff's Department shall enforce this law.

ARCHITECTURAL CONTROL

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 or the Board shall create a body of rules and regulations covering details of Dwelling Units, which shall be available for all owners or prospective Owners of Lots.

B. The Developer shall have sole architectural and design reviewing authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect a Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors and/or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserve to it until such time as it shall execute and record in the office of the Recorder 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.

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 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 at least thirty (30) days prior to the proposed date of construction. 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 within 30 days of submission. However, if written approval or disapproval is not given within 30 days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Review Committee. In the event of the completion of any Dwelling Unit on any Lot, without any proceedings having been instituted in the courts of Hamilton County, Tennessee to enjoin the construction thereof, the said Dwelling Unit shall be conclusively presumed to have had such approval.

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, at the sole discretion of the Developer or Architectural Review Board, and shall initially be as described below:

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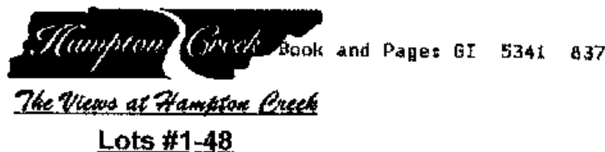
REVIEW AND CONSTRUCTION DEPOSIT

The participating homeowner is required to submit a deposit of $635.00 upon initial application for each home, and the contractor is required to submit a Construction Bond of $1,000.00. These deposits are held in escrow by the Residential Association until the building is completed and the Architectural Review has approved its final inspection and issued a copy of the certificate of occupancy. The deposits, as itemized below, are held by the Board to offset the cost incurred in the processing and review of plans by outside professionals, and to cover the cost incurred by the Developer or Association to repair damage to the properties caused by the participating builder or his subcontractors:

a. Application and Review Fee	$400.00	
b. Homeowner's Construction Deposit	$235.00	
c. Builder's Construction Bond/Deposit	$1,000.00	
TOTAL DEPOSIT REQUIRED		$1,585.00

If no damages occur from the construction process, no repairs of adjacent properties are required due to damages by the contractor, and all items of the approved Construction and Landscaping Plans are completed satisfactorily; two hundred thirty-five dollars ($235.00) will be refunded to the homeowner and one thousand dollars ($1,000.00) will be refunded to the contractor. If repairs are required, the charges for the repairs shall be deducted from the deposits at the discretion of the Board. The balance of the money will be refunded to the appropriate individual.



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The Views at Hampton Creek

Lots #1-48

Design and Use Guidelines

4.01 Application

It is expressly stipulated that the Restrictive Covenants and conditions set forth in the Architectural Control Guidelines apply solely to the Property as is described in The Declaration of Covenants, Conditions, and Restrictions for Hampton Creek Planned Unit Development, 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, reserve the right to use or convey such other lots, tracts and parcels with different restrictions. In our constant endeavor to improve the community the Developer reserves the right to amend materials, plans, and specifications.

4.02 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 these Covenants and Restrictions 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 and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to building constructed thereon.

C. No Lot may be used as a means of service to business establishment 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.

4.03 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.

4.04 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.

4.05 Renting or Leasing

No Dwelling Unit may be rented or leased for a period of time that is less than six (6) months.

4.06 Minimum Square Footage

No single-family detached Dwelling Unit shall be erected or permitted to remain in 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. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet for each phase shall be set forth on the recorded plat for each phase. The minimum number of square feet required is as follows:

(i) A home shall contain not less than 2,600 feet;

4.07 Set-backs

No building shall be erected on any Lot nearer than thirty-five (35) feet to the front Lot line, twenty-five (25) feet from the rear Lot line and fifteen (15) feet from the side Lot lines, unless the side Lot line fronts on a street, in which case no building shall be erected nearer than twenty-(20) feet to such side Lot line. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building, providing, however, this shall not be construed as to permit any portion of the building on the lot to encroach upon another Lot. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

4.08 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 (fees) provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 4.40, Lots may not be re-subdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

4.09 Developer Reserves Right

Notwithstanding any other provision herein to the contrary, the Developer reserves unto itself, its successors and/or assigns, the following rights, privileges and powers: to subdivde Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part to 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.

4.10 Temporary Structures

No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provision of these Restrictive Covenants, 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 erections of a permanent building. 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 of use as an office and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

4.11 Utility Easement

A perpetual easement is reserved on each Lot, as shown on the 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.

4.12 Sewage Disposal

Before any Dwelling Unit on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without written approval from the Developer or the Board.

4.13 Building Requirements

A. All Buildings or structures of any kind constructed on any Lot shall have full masonry foundations and chimneys, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level.

B. The entire exterior sides of each Dwelling Unit must be covered with stone, brick, stucco, approved siding or combination thereof. Any other materials must be approved in writing by the Developer or the Architectural Review Committee.

C. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or stucco to complement the house.

D. All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to compliment the roof.

E. Gutters and downspouts must be painted in approved colors.

F. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer or the Architectural Review Committee may make exceptions to the placement of such roof stacks and plumbing vents

G. There will be no above ground level pools.

H. Dwelling unit rear exteriors that face Common Property, another Lot, or street, shall have the finish of the rear exterior the same as the front and side exteriors thereof, and rear exterior must be designed to look like the front of the Dwelling Unit.

4.14 Frontal Appearance

All Dwelling Units shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

4.15 Quality of Building Materials

Only good quality materials and design will be accepted on any structure built on any Lot. Permastone and asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

4.16 Exterior Siding

All exterior siding must be approved in writing by the Developer or the Architectural Review Committee. All wood or masonite siding must have laps at a minimum of six (6) inches. Dwelling Units using masonite siding on all exterior sides must be true lap siding and not artificial laps (4 sided exteriors).Masonite on four sides will not be allowed.

4.17 Windows and Doors

Materials to be used in window and glass doors must be approved by the Developer or the Architectural Review Committee. All windows must have mullions. Metal and vinyl windows are not permitted, nor are aluminum awnings permitted. However, metal or vinyl exterior clad windows will be permitted.

4.18 Roofs

Roof pitches must be a minimum of 10/12, unless otherwise approved by the Developer or the Architectural Review Committee. All roofs must be of architectural quality dimensional shingle shakes or slate unless other wise approved in writing by the Developer or the Architectural Review Committee.

4.19 Fireplaces

All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney.

4.20 Chimneys

Chimneys must be constructed of brick, stucco or stone, and those chimneys on the exterior must have a foundation. Functional chimneys must have chimney shroud.

4.21 Decks and Porches

All exterior wood decks which face Common Property, another Lot or street must be painted or stained. Front porches must be constructed of brick, stone, or other approved material in accordance with the requirements of the Developer or the Architectural Review Committee. Front porches requiring handrails shall be constructed of material consistent with the front elevation. Side porch material shall be consistent with that of front porches with railing of wrought iron or wood.

4.22 Mailboxes

Mailboxes will be the responsibility of the owner and shall follow the design of the residence and must be approved by the Developer. Each mailbox shall be maintained by the Owner to complement the residences and the neighborhood.

4.23 No Detached Buildings

There shall be no detached garages, outbuilding or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

4.24 Garages

Each Dwelling Unit shall have a least a double-car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. No garage door may face the street upon which the Dwelling Unit fronts provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such garage requirements. Garages are to be positioned opposite the main traffic flow. Double car garage doors shall be a minimum of (16'). The inside walls of garage must be finished. Garage doors may not be allowed to stand open.

4.25 Service Area for Ancillary Equipment

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 area 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.

4.26 Driveways

Each Dwelling Unit constructed upon a Lot must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. All other hard surface material must be approved by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all owners of Lots in this subdivision to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefore.

4.27 Sidewalks

It is the obligation of each Lot Owner subsequent to Developer to install a sidewalk along lines of the Lot which front a road except in those cases in which a burm on his Lot fronts the road. The width must be 4' and be a minimum of two feet off the street curb. In addition, each homeowner must have sidewalk design approved so as to eliminate linear appearance. The sidewalk must be

completed by the time the Dwelling Unit is completed or within one (1) year from date of purchase of the Lot, whichever is earlier.

4.28 Curbs

No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

4.29 Fences

No fences shall exceed six (6) feet in height and will not 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 wood fences must be painted. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

4.30 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.

4.31 Rainwater Drainage

Each Lot must be landscaped so that rainwater will drain into the street adjoining the lot or into a drainage easement that drains into a street. Unless otherwise set forth on the recorded plat, Lot lines shall be the drainage easements. A Lot may not be landscaped so that rainwater runs into another Lot across an established drainage easement.

4.32 Adjoining Lot Damage

Any damage done to any adjacent or adjoining Lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. 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.

4.33 Landscaping

A landscape plan shall be submitted to the Developer or the Architectural Review Committee for approval. If a Dwelling Unit has a rear exterior which faces Common Property, another Lot or street, the Architectural Review Committee may require the placement of up to two (2) - three (3) to four (4) inch caliper trees in the rear of the Lot to provide cover for the Dwelling Unit. Landscaping, in accordance with the approved landscape, plan must be substantially completed within one (1) year after commencement of construction of the house. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. The placement of a three (3") inch caliper tree in a specified area near the sidewalk is required. The tree type to be specified by the Developer. The Hampton Creek Development is privileged to have made available to its residents the same custom blended prescription turf soils that have been used in the development of the Hampton Creek Golf Course. In keeping with and

maintaining the integrity of the overall property development, it is made a part of the Design and Use Guidelines to use this custom blended material or equivalent for all turf and sod based ground preparation. This material is made available through the developer at a price substantially below comparable retail.

4.34 Sodding

Prior to occupancy of a Dwelling Unit, the front yard of the Lot must be sodded. A sprinkler system is strongly recommended. Occupancy prior to sodding may be approved by the Developer or the Architectural Review Committee if weather conditions prohibit sodding. Yards adjoining common property and facing streets shall require sodding.

4.35 Tree Removal

No live trees or shrubs having a diameter greater than six (6) inches shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. Any Owner who, without having obtained approval from the Developer or the Architectural Review Committee, cuts down or who allows to be cut down any tree having a diameter of six (6) inches or greater shall be liable to the Association for liquidated damages in the amount of One Thousand and No/100 Dollars ($1,000.00) for each tree so cut. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

4.36 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.

4.37 Lawn Care

All unimproved Lots (except those owned by the Development) and all improved Lots must be kept fully seeded with grass (except where other provisions hereof require sodding) and regularly cut

4.38 Permitted Entrances for Property Maintenance

In order to implement and effect insect, reptile and woods 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 constructed 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.

4.39 Unsightly 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 own volition, to maintain his 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 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.

4.40 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction

In order to preserve the aesthetic and economical 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 effected 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.

4.41 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.

4.42 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."

4.43 Signs

One sign offering the Lot and/or Dwelling Unit for sale and the name of the builder may be placed upon a Lot. Such sign must be in a form approved by the Developer or Architecture 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. Drawings attached.

4.44 Playground Equipment

No metal playground equipment (swingset) is permitted. Basketball goals may be permanently installed. Other portable sports equipment is allowed but must be stored out of sight when not in use.

4.45 Antennas and Satellite Dishes

No television antenna, 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 for 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 system within the Development.

4.46 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 places upon Lots within the Development. The playing of loud music from any balcony or porch shall be considered an offensive and obnoxious activity considered as a nuisance.

4.47 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.

4.48 Tanks and Garbage Receptacles

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.

4.49 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.

4.50 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 a balcony or terrace railing. 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.

4.51 Vehicle Parking

Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. 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. Such vehicles may not be stored anywhere else on the Lot.

4.52 No Waterway Use

No boat of any kind shall be permitted upon, nor shall any swimming be permitted in any pond on the Common Properties. No garbage, trash, or other refuse shall be dumped into any pond on the Common Properties. Owners will be assessed a $500.00 fine for each violation of this provision in addition to assessments for the cost of removal.

4.53 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 footing 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 if fully completed. The exterior (including landscaping) must be completed within twelve (12) months after commencement of construction. The Owner of any Lot violating either or 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 (10) days after notice from the Developer or the Architectural Review Committee if construction is not resumed within said ten (10) days.

4.54 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 and/or assigns, or the Association, its successors and/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 cost and reasonable attorneys fees incident to any such proceeding, which cost, and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the 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.

4.55 Swimming Pools

Swimming pools are allowed, however, they are to be fenced and landscaped with ARC approved designs and materials. Above ground pools will not be allowed. Decks and screening must not be closer than (5') feet from the property line.

4.56 Speed Limit

The speed limit for Hampton Creek is 30 miles/hour unless posted otherwise. The Hamilton County Sheriff's Department shall enforce this law.

ARCHITECTURAL CONTROL

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 or the Board shall create a body of rules and regulations covering details of Dwelling Units, which shall be available for all owners or prospective Owners of Lots.

B. The Developer shall have sole architectural and design reviewing authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect a Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors, and/or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserve to it until such time as it shall execute and record in the office of the Recorder 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.

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 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 at least thirty (30) days prior to the proposed date of construction. 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 within 30 days of submission. However, if written approval or disapproval is not given within 30 days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Review Committee. In the event of the completion of any Dwelling Unit on any Lot, without any proceedings having been instituted in the courts of Hamilton County, Tennessee to enjoin the construction thereof, the said Dwelling Unit shall be conclusively presumed to have had such approval.

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, at the sole discretion of the Developer or Architectural Review Board, and shall initially be as described below:

REVIEW AND CONSTRUCTION DEPOSIT

The participating homeowner is required to submit a deposit of $635.00 upon initial application for each home, and the contractor is required to submit a Construction Bond of $1,000.00. These deposits are held in escrow by the Residential Association until the building is completed and the Architectural Review has approved its final inspection and issued a copy of the certificate of occupancy. The deposits, as itemized below, are held by the Board to offset the cost incurred in the processing and review of plans by outside professionals, and to cover the cost incurred by the Developer or Association to repair damage to the properties caused by the participating builder or his subcontractors:

a. Application and Review Fee	$400.00	
b. Homeowner's Construction Deposit	$235.00	
c. Builder's Construction Bond/Deposit	$1,000.00	
TOTAL DEPOSIT REQUIRED		$1,585.00

If no damages occur from the construction process, no repairs of adjacent properties are required due to damages by the contractor, and all items of the approved Construction and Landscaping Plans are completed satisfactorily; two hundred thirty-five dollars ($235.00) will be refunded to the homeowner and one thousand dollars ($1,000.00) will be refunded to the contractor. If repairs are required, the charges for the repairs shall be deducted from the deposits at the discretion of the Board. The balance of the money will be refunded to the appropriate individual.

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EXHIBIT "D"

Rules of Arbitration

1. Claimant shall submit a Claim to arbitration under these rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's desire to submit the Claim to arbitration ("Arbitration Notice").

2. Each Party shall select an arbitrator ("Party Appointed Arbitrator"). The Party Appointed Arbitrators shall, by agreement, select one or two neutral arbitrators ("Neutral(s)") so that the total arbitration panel ("Panel") has an odd number of arbitrators. If any Party fails to appoint a Party Appointed Arbitrator within 20 days from the date of the Arbitration Notice, the remaining arbitrators shall conduct the proceedings, selecting a Neutral in place of any missing Party Appointed Arbitrator. The Neutral arbitrator(s) shall select a chairperson ("Chair").

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, Claimant may notify the Tennessee chapter of The Community Associations Institute, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. The Appointed Neutral shall thereafter be the sole arbitrator ("Arbitrator"), and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration under these Rules in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral after receipt of that Neutral's Bias Disclosure, such Neutral shall be replaced in the same manner in which that Neutral was selected.

5. The Arbitrator or Chair, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties.

10. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

11. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

12. There will be no posthearing briefs.

13. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

14. If there is more than one arbitrator, all decisions of the Panel and the Award shall be by majority vote.

15. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.