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COVENANTS, USES AND RESTRICTIONS OF SEVEN LAKES
SUBDIVISION

ARTICLE I
COVENANTS, USES, AND RESTRICTIONS

1.01 Application. It is expressly stipulated that the Covenants, Uses and Restrictions (the "Covenants") set forth in this Declaration apply solely to the Property described in Exhibit A (the "Development"), which is intended for use as single-family residential Lots including town-homes where indicated by SEVEN LAKES ASSOCIATES LLC ("Declarant"), in its sole discretion. These Covenants are not intended to apply to any others lots, tracts or parcels of land in the area or vicinity owned by the Declarant. Specifically, the Declarant, its successors or assigns reserves the right to use or convey such other lots, tracts and parcels with different restrictions.

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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 in supplements hereto, or except as provided for in a deed of conveyance from the Declarant.

B. "Residential" refers to a mode of occupancy, as opposed 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 buildings constructed thereon.

C. No Lot may be used as a means of service to business establishments or adjacent property, including, but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether or not a part of the Property, unless consented to in writing by the Declarant, the Planning Review Committee ("Committee"), or the Board of Directors of the Home Owners Association ("HOA" or "Board").

1.03 No Multi-Family Residences, Business. No "Home" (as defined in the context of this sub-paragraph) shall be designed, patterned, constructed or maintained to serve or for the use of more than one single non-extended family, and no residence shall be used as a multiple or extended family home at any time, provided, however, that nothing herein contained shall be construed to prohibit the construction of attached single family residences in areas designed by the Declarant for such construction. No trade or business may be conducted in or from any Home, except that an Owner or occupant residing in a Home may conduct business activities within the Home so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight,

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sound or smell from outside the Home; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Declarant, Committee, or HOA. The terms "business" and "trade," as used in this provision, 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 single non-extended family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Home shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Property or its use of any Homes which it owns within the Property. Nothing contained herein shall prohibit the Declarant, Committee, or HOA from permitting, maintaining, or operating concessions or vending machines on the Common Properties.

1.04 Minimum Square Footage. No single-family Home shall be erected or permitted to remain in the Property unless it has the minimum number of square feet of enclosed living area measured from the exterior walls or party-wall in the case of a townhome, exclusive of open porches or screened porches, 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 Home, exclusive of porches, decks, garages, storage areas, external stairs 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 Declarant or the 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:

Phase I

- (a) For Lots 30-66: Each of these lots shall be for town-homes, and each such town-home shall have a minimum of 1,250 square feet of living space, with a minimum of 850 square feet on the ground floor, exclusive of garages.
- (b) For Lots 2-29 and 70-75: Each of these Lots shall be for garden homes and cottages, and shall have a minimum of 1,250 square feet of living space, with a minimum of 850 square feet on the ground floor, exclusive of garages.

All plans must be preapproved by the Committee. The Committee and the HOA will be established and approved by the Declarant or its designee, which may include a Board of Directors (the "Board") of the HOA.

1.05 Set-Backs. All Home setbacks are subject to the approval of the Committee, and unless otherwise approved by the Committee in writing the setbacks shall be Eight feet (8') on the sides and Twenty-Five feet (25') on the front and rear of each 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 Committee for a variance from such set-back requirements. Such variances may be granted or rejected by the Committee in its sole and absolute discretion.

1.06 Rearrangement of Lot Lines. Not more than one Home shall be erected or maintained on any one Lot. With the written approval of the Declarant or the Board, contiguous Lots may be combined if the Lots have the same Owner, for the purpose of erecting an approved Home thereon; however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Except as otherwise provided herein, Lots may not be re-subdivided to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

1.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Home, conforming fully to the provision of these 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 erection of a permanent Home. No structure of temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot. No house may be moved from another location to any Lot in this Development.

Neither the foregoing nor any other section of this Declaration shall prevent the Declarant or any builder approved by the Declarant from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other houses within the Development, nor shall the foregoing or any other section of the Declaration prevent the Declarant from designating a Lot or Lots from time to time for the temporary placement of a trailer or other similar structure for use as an office and/or sales center by the Declarant and/or approved builders at the sole discretion of the Declarant.

1.08 Rainwater Drainage. Catch basins in drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person, other than Declarant, the HOA, or the Committee, may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. Declarant hereby reserves for itself, the HOA, and the Committee a perpetual easement across the Property for the purpose of altering drainage and water flow. Silt

fencing and/or straw shall be used during construction to prevent dirt runoff onto roads.
Gravel drives shall be used during construction prior to the paving of the driveway.

1.09 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, sewage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.

1.10 Frontal Appearance. The frontal appearance of each Home must be in keeping with the overall look that is desired for the Development and shall be a part of the "Architectural and Design Review Process" as set out in Article II hereof.

1.11 Building Requirements.

(a) **Foundation.** All foundations and retaining walls above grade level must be covered with brick or stone to compliment the Home. No concrete block, concrete, or stucco finishes shall be exposed to any exterior grade level, except on the rear of the Home.

(b) **Exterior of Front, Side and Rear Elevation.** The exterior of the front, side, and rear elevations of a Home shall be brick, stone veneer, fiber cement siding, and/or stucco and must be approved by the Committee. Unless the front and side elevations of a Home are entirely fiber cement siding, at least forty percent (40%) of the front elevation must be brick or stone. All chimneys shall be brick or stone veneer. Soffits and cornice (friezes, fascia, rakes and trim) shall be constructed of wood or fiber-cement (i.e. Hardie-Soffit) materials. Vinyl side, rear, soffit or brake metal cornice (friezes, fascia, rakes, and trim) must be strictly approved as a part of the Architectural Design and Review Process in advance of construction.

(c) **Windows.** Design, size and placement of windows shall be a part of the Architectural and Design Review Process. With the exception of entry door units and side-lights, all windows shall be insulated double-paned glass. Vinyl windows are acceptable. Interior window treatments must have white or off-white backing on such window treatments or must be approved by Declarant or the Committee

(d) **Awnings.** No metal awnings shall be permitted.

(e) **Roof Pitch.** Roof pitches shall be at least 8/12 pitch. All roof stacks, plumbing vents, etc. shall be placed on the rear slope of the roof, so as not to show from the front elevation. Any exceptions to this must be approved in accordance with Article II of this Declaration.

(f) **Gutters and Downspouts.** Gutters and downspouts shall be painted to match the house or trim color.

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(g) Skylights. Location and design of all skylights must be approved by Declarant or the Committee.

(h) Solar Panels. No solar panels or collectors shall be allowed, unless pre-approved by Declarant or Board

1.12 Fences. All fences, walls and retaining walls must be approved by the Committee. A drawing showing location, height, material and any other pertinent information required by the Committee shall be submitted during the Architectural Design and Review Process. No wire or chain link fences are allowed. Wrought iron or aluminum fences shall be black in color and must be approved by the Committee.

1.13 Driveways and Sidewalks. Driveways and sidewalks shall be considered and treated as part of the landscaping (see Section 1.18). Each driveway shall be a minimum of one (1) foot from any property line. Each Home constructed upon a Lot must be served by a driveway and by walkways constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. All other hard surface materials must be approved in writing by the Committee. Every Lot shall have a forty-eight (48) inch wide sidewalk constructed of concrete and offset from the back of the curb three (3) feet. The sidewalk must be approved as part of the Architectural Review and Design Process. This sidewalk must be from lot line to lot line on each Lot. Sidewalks shall be completed when house is completed, or within one (1) year from purchase of Lot, whichever occurs first. The Committee may grant an extension, if appropriate, in its sole discretion.

1.14 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. 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.

1.15 Signs.

(a) Signs offering a Home or Lot for sale must be in a form approved by the Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Declarant or the Committee. Nothing in the foregoing shall be construed to prevent Declarant from erecting and maintaining signs at the entrance of the Development as provided herein.

(b) All Lots and Homes shall use the Declarant's or the Board's real estate company, if any, and a title insurance company approved by Declarant on selling or re-

selling of any Lot or Home until the subdivision is 100% built or Declarant waives the same, whichever occurs first.

1.16 Service Area. Each Home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from public view by an enclosure that is an integral part of the site development plan (the site development plan being more fully described in paragraph 2.01 (C) hereof), using materials, colors or landscaping that are harmonious with the Home it serves.

1.17 Garages. Each Home shall have at least a double car garage constructed at the same time as the Home, but Town homes or cottages may have a single car garage, so long as it is constructed at the same time as the Home. Detached garages will be allowed only with written approval from the Committee. No carports will be permitted. The Committee may require specific types and/or modifications to the proposed garage doors.

1.18 Landscaping. A landscape plan drawn to a minimum scale of 1/8" = 1'-0" shall accompany every new home application (the new home application being more particularly described in paragraph 2.01 (c) hereof) submitted to the Committee for approval. The Committee may require live trees to be planted as a part of the landscaping plan.

1.19 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot or in any Home at any time except that of the keeping of dogs, cats or other household pets is permitted provided, however, that nothing contained 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 owner shall muzzle any pet which consistently barks. If barking persists, the pet owner shall have the pet removed from the Development, and subject to a \$100.00 fine payable to the HOA. If the pet owner refuses to remove the pet, it shall be deemed an "offensive activity" and a nuisance, and Declarant or the HOA may take all reasonable steps necessary to remove the nuisance at the pet owner's expense, including attorney's fees, expenses, and any court or other costs associated with the termination of the nuisance. Nothing contained herein shall be deemed to permit the keeping of an unreasonable number of pets, or the keeping of any animal deemed to be a danger to other residents. Declarant or the HOA shall, in their sole discretion, have the authority to determine what constitutes an "unreasonable" number or a "dangerous" pet. No dog pens, kennels, or such shall be allowed without the written consent of Declarant or the HOA.

1.20 Zoning. Whether expressly stated in any deed conveying any one or more of the lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.

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1.21 Gardens. No vegetable gardens shall be allowed within view of any street or adjacent property.

1.22 Unightly Conditions. All of the lots must, from the date of purchase, be maintained by the Owner and/or Builder in neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees and other debris being removed as appropriate). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot, including an Owner who is a Builder, fails, of his own volition, to maintain his lot in a neat and orderly condition, Declarant, or its duly appointed agent, or the HOA, or its duly appointed agent, after notice to the Owner and a 10-day opportunity to restore the lot to a neat and orderly condition (in the sole discretion of the Declarant or the HOA), may enter upon said Lot without liability and proceed to put said Lot into an orderly condition and shall bill the Owner two hundred percent (200%) of the cost of such work. All Owners shall keep cars, trucks, and delivery trucks off the curbs of the streets. Only operating, currently registered vehicles shall be allowed on Property.

1.23 Offensive Activity. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done thereon that may be or may become an annoyance, discomfort, embarrassment or nuisance to the Development.

1.24 No Detached Buildings. There shall be no detached garages, outbuildings, or servant quarters constructed without the prior written consent of the Committee.

1.25 Sewage Disposal. Before any Home on any Lot shall be occupied, a connection with the sewer system meeting applicable governmental codes shall be made. There shall not be erected, permitted, maintained, or operated on any Lot any privy, cesspool, vault, or septic system without the written approval of the Declarant or the Board.

1.26 Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, and to maintain unsightly Lots, the Declarant or the Board, or their respective agents, may enter upon any Lot on which a Home has not been constructed and upon which no landscaping plan has been implemented. Such entry may be made by personnel with tractors or such 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 Declarant or the Board detracts from the overall beauty, setting, or safety of the Property or Lots. Such entrance for the purpose of mowing, removing, clearing, cutting, or pruning shall not be deemed a trespass. The Declarant or the HOA or their agents may likewise enter upon a Lot to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this Section shall not be construed as an obligation on the part of the Declarant, the HOA, or their agents to mow, clear, cut, or prune any Lots or to provide garbage or trash removal services. Two Hundred percent (200%) of the expense incurred

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for any of the foregoing shall be chargeable to and recoverable from the Owner of the Lot upon which such work is done.

1.27 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 Home, 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, Homes or from any street. Propane hookups must be buried, unless approved by Declarant.

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

1.29 No Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed upon the exterior portion of any Home or other structure on the Property or any Lot within the Development without the prior written consent of the Committee; nor shall any radio, television or 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 Lot. Without limiting the applicability of the foregoing, the Committee may permit the installation of unobtrusive television reception devices if such devices are attached to the exterior of a Home and are attached in a location approved by the Committee if the location is not in the public view and is not unsightly, regardless of its location. Notwithstanding the foregoing, the provisions of this Section shall not prohibit the Declarant from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Development.

1.30 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 would materially affect the surface grade of a Lot without obtaining the prior written consent of the Declarant or the Committee.

1.31 Sounds 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 Development. The playing of loud music from any balconies or porches shall be offensive, obnoxious activity constituting a nuisance.

1.32 Laundry. No Owner, guest, or tenant shall hang laundry from any area within or outside a Home if such laundry is within the public view, or hang laundry in public view to dry, such as on balcony or terrace railings.

1.33 Mailboxes. Mailboxes and posts shall be selected by the Declarant, and each Builder shall be made aware of the approved mailbox, and where it can be obtained.

1.34 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economic value of all Lots within the Development, each Owner shall have the affirmative duty to rebuild, replace, repair or clear and landscape within a reasonable period of time, any building, structure, improvement, and significant vegetation, which shall be damaged or destroyed by fire or other casualty. Variations and waivers of this provision may be made by Declarant or the Board. Variations to this section are to be strictly construed and the allowance of a variance by the Declarant or the Board shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.

1.35 Vehicle Parking. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designated for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats or other watercraft, boat trailers, and the like shall be parked only in enclosed garages. Stored vehicles and vehicles which are either inoperable or do not have current operating licensing shall not be permitted, except within enclosed garages. Vehicles of any type may not be parked on the street for a period exceeding twenty-four (24) hours. Vehicles of any type also may not be parked on a sidewalk at any time. Notwithstanding the foregoing, service and delivery vehicles may be parked in the driveway of a Lot during daylight hours for such period of time as is reasonably necessary to provide service or make a delivery to a Lot. Any vehicle which is parked in violation of this paragraph may be towed by the Declarant or the Board at the Owner's expense. This paragraph shall not apply to any commercial vehicles providing service or making deliveries to or on behalf of Declarant, the HOA, or their agents. No more than two vehicles shall be parked in the driveway for a length of time exceeding ten (10) consecutive days without moving.

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 Approved Builders. Only Builders who have been approved by the Declarant shall be permitted to construct Homes or additions to existing Homes in the Development. The Declarant may maintain a list of approved Builders which shall be made available to Owners and prospective purchasers. The Declarant may, from time to time, add or delete Builders on this list. The addition or deletion of Builders shall be at the sole discretion of the Declarant. No Builder shall be permitted to construct a Home or addition to an existing Home on a Lot until the Builder has applied for and received written approval of the approved Builder status. This approval shall be at the sole

discretion of the Declarant. Each Builder must be a licensed general contractor in the State of Tennessee.

1.38 Occupancy Before Completion. No Home shall be occupied until the Home has been completed and the Builder or Owner has received a final Certificate of Occupancy. The only exception may be considered in the case of landscaping etc., due to inclement weather or other excusable conditions. Any exception must be approved by the Committee.

1.39 Declarant Reserves the Right. Notwithstanding any other provisions herein to the contrary, the Declarant reserves unto itself, its successors and assigns, the following rights, privileges and powers: to subdivide Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become part of the Common Properties, and to cause portions of the Common Property Lots to become part of any of the lots bordering them.

1.40 Lawn Care. All unimproved Lots (except those owned by the Declarant) and all improved Lots must be kept fully seeded with grass (except where other provisions of this Declaration require sodding) and regularly cut.

1.41 Fireplaces. All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney. The design of, materials, and color of the shroud must be approved in writing by the Declarant or the Planning Review Committee.

1.42 Additional Lot Damage. Any damage done to any adjacent or adjoining Lot or by a Builder employed to build improvements on any Lot will be repaired immediately at the expense of the Owner and/or the Builder. 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 daily and the street must be kept clean during construction.

1.43 Material Quality. Only good quality materials and design will be accepted on any structure built on any Lot. Asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure, except for the rear of the Home, unless said blocks are covered with brick veneer, stone, sto, or other material acceptable to Declarant or the Committee. 1.44 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.

1.45 Sodding and Irrigation. The front of the Home must be sodded on each Lot. Prior occupancy may be approved by the Committee if weather conditions prohibit sodding. Sodding shall be installed in good condition and shall be of a warm-weather turf variety, either Bermuda or Zoysia. Fescue or bluegrass varieties over seeded with rye may be allowed.

1.46 Exterior Finish Materials. All exterior finish materials including, without limitation, siding, roofing, gutters, windows and doors, and any finish applied to such materials including, without limitation, all paints or stains, mortar or cement, must be approved in writing by the Committee.

1.47 No Waterway Use or Dumping. No boat or rafts of any kind shall be permitted upon, nor shall any swimming be permitted in any pond, lake, waterway, etc. on the Common Properties. No garbage, trash or other refuse shall be dumped in any pond, lake, waterway, etc. of the Development. Owners will be assessed a Five Hundred Dollar (\$500.00) fine for each violation of this provision in addition to assessments for the cost of removal. The Declarant shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the property.

1.48 Decks. All exterior wood decks and railings on Homes must be water sealed and/or stained in accordance with the requirements of the Committee. All decks must be enclosed to ground level with lattice, solid paneling or similar material.

1.49 Swimming Pools. No above ground swimming pools will be permitted, unless preapproved by Declarant or Board. All pools shall be in-ground and shall be fenced. Design, placement and construction details shall be submitted to the Committee for approval of in-ground swimming pools. Fencing must also be approved by the Committee.

1.50 Spas and Hot Tubs. Outdoor spas and hot tubs must be submitted for approval by the Committee and must be screened from any street or adjacent property. If placed on decks, screening shall be placed around decking to conceal any motors, pipes, etc.

1.51 Renting or Leasing. No Home may be rented or leased for less than six (6) months. Every Owner shall cause all occupants of a leased Home to comply with these Covenants. Owner shall be responsible for all violations by such occupants.

1.52 Playground Equipment. All playground equipment, swing sets, basketball backboard, or similar equipment on any Lot must be approved by Declarant or the Committee. The Committee shall, in its sole and absolute discretion, determine whether to approve any application and any such approval shall be on a case-by-case basis and the approval of one application shall not be construed as the basis to approve other applications even if they are substantially similar in nature.

1.53 Damaged Structure. Any damaged or destroyed structure shall be promptly repaired or rebuilt to original state. If damage is beyond repair, the owner or insurance company shall make the site safe, and remove all debris and bring the lot back to the original state at their expense within six (6) months.

1.54 Modular, Manufactured or Trailer Homes. No modular, manufactured, prefabricated, or trailer homes shall be allowed. Only on the job stick homes shall be allowed, unless preapproved by Declarant or Board.

1.55 Construction Compliance. Should any contractor not comply with these Covenants, any costs associated with bringing the Home into compliance shall be a lien on the Lot.

1.56 Obligation to Commence and Complete Construction. Each Owner, excepting the Declarant, agrees that within twelve (12) months of the date on which they take title to a Lot, they will commence construction of a Home on that Lot. Once construction is commenced, each Owner shall continuously and diligently pursue such construction until complete, but in no case shall completion be more than twelve (12) months from the date of commencement of construction. "Complete" shall mean that a final inspection and approval is granted by the governmental authority having the power to grant such approval, a builder's or Owner's receipt of a final Certificate of Occupancy, and completion of the landscaping in accordance with the landscape plan as required herein. For good cause shown, the Declarant or the Board may grant an extension by written approval to an Owner who in the opinion of the Declarant or the Board, in their sole and absolute discretion, has made a demonstrable good faith effort to comply with this provision.

An Owner who violates this requirement, and after receipt of notice of such violation from the Declarant or the Board and the passage of a reasonable amount of time to commence or to complete construction, fails to commence, pursue or complete construction shall be liable for a fine of Five Hundred Dollars (\$500.00) for each month said Owner is in violation of this Covenant. Proceeds collected under this provision shall be applied to the annual operation expenses of the Board.

1.57 Violations and Enforcement. In the event of the violation, or attempted violation, of any one of more of the provisions of these Covenants, the Declarant, its successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots to which provisions of this Declaration apply, or the Board, may bring an action or actions against the Owner in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorney's fees incident to any such proceeding, which shall constitute liquidated damages. In the event of a violation of setback lines which may be minor in character, a waiver thereof may be made by the Declarant, its successors or assigns, or the Board. Further, the Declarant or Board may grant variances of the restrictions set forth in this Declaration if such variances do not, in the sole discretion of the Declarant or the Board, adversely affect the purposes to be obtained hereby.

By reason of the right of the enforcement of the provisions of this Section being given unto Owners of Lots (subject to rights of variances reserved by the Declarant and

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the Board), it shall not be incumbent upon the Declarant or the Board to enforce the provisions of these Covenants or to prosecute any violation thereof. Declarant shall not be responsible or liable for any violation of these Covenants by any person other than itself.

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ARTICLE II ARCHITECTURAL CONTROL

2.01 Architectural and Design Review

A. In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain a pleasant and desirable environment, to establish or preserve a harmonious design for the Development, and to promote and protect the value of the Property, the Committee may create a body of rules and regulations covering details of Homes, which shall be available to all Owners or prospective Owners of Lots.

B. The Declarant may appoint a Committee (or Declarant may retain said power) that shall have sole architectural and design review authority for the Board in accordance with the Bylaws, provided, however, that the Declarant may execute and record in the Register's Office of Hamilton County, Tennessee a document stating that the Declarant reserves unto itself, its successors or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive any election or appointment of the Board to succeed the Declarant. Thereafter, the Declarant or the Committee shall continue to exercise the rights thus reserved to it until such time as it shall execute and record in the Register's Office of Hamilton County, Tennessee a document assigning these rights to the Board. Upon such occurrence, the Board shall establish a Committee as soon as is practicable. When such Committee has been established, the Declarant may, in its discretion, transfer reviewing authority to it, as well as any or all of its other authority hereunder.

C. No Home shall be erected, placed, added to remodeled or altered and no trees or shrubs shall be cut or removed and no grading or other improvement shall be made to any Lot nor shall construction be permitted to commence on any Home, other building, structure, fence, exterior lighting, swimming pools, children's play areas, decorative appurtenances, or structures of any type by an Owner or Builder on any Lot, until said Owner or Builder shall submit and receive approval for a new home application or home modification application including:

(i) A site development plan which in addition to other site plan details shall clearly show the proposed location of the Home on the Lot and the location of all improvement or proposed improvements on and to the Lot including but not limited to all driveways, sidewalks, parking areas, patios and decks.

(ii) A detailed landscape plan, drawn at a scale not less than 1/8"=1'0", showing the location of all existing trees with a diameter of five (5) inches or more and indicating which trees, if any, are to be removed, and showing the location and type of all plantings proposed on the Lot. The landscape plan shall indicate the location and materials of all paving, patios, walks and drives on the Lot, all of which shall be in strict compliance with the provisions of the Covenants.

(iii) Proposed building plans and specifications (including height and composition of roof, siding or other exterior materials and finishes) of any improvements proposed to be constructed or located upon any Lot shall be in sufficient detail so as to enable the Committee to determine whether such improvements conform to the provisions of these Covenants, and whether such improvement are suitable and consistent with the intent of these Covenants. In such cases, the determination of the Declarant or the Committee shall be final.

The Committee shall approve or disapprove in writing such plans and shall establish an appropriate level for the Construction compliance Escrow Fund prior to the commencement of any construction.

Every application shall be submitted to the Committee for approval. In addition, any repainting of a substantial portion of the exterior of any structure in a manner not previously approved by the Committee for the subject Home shall be subject to prior approval of the Committee as provided in the preceding sentence.

The Committee shall give written approval or disapproval of the application within fifteen (15) days of submission. However, if written approval or disapproval of the plans is not given within fifteen (15) days of the submission, the plans shall be deemed to have been disapproved. The 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 the Committee.

D. The architectural and design review shall be directed towards preventing excessive or unsightly grading, indiscriminate clearing of the Property, removal of trees and vegetation which could cause disruption of natural water courses, insuring that the locations and configuration of structures are visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon, and insuring that plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots.

2.02 Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under this Article will be withheld unless such plans, location and specifications comply with these Covenants. Approval of the plans and specifications by the Committee is for the mutual benefit of all owners and is not intended to be, and shall not be construed as, and approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.

2.03 Licensing. All Builders, contractors, landscape architects ad others performing work on any Lot must be licensed as may be required by the State of Tennessee or any other governmental authority having jurisdiction in order to construct a Home on a Lot or to perform services for an Owner.

2.04 Declarant has the right, but not the obligation, to transfer all of the above powers to the Board at any time prior to the completion or at the completion of all Homes, and all Covenants shall continue at the discretion of the HOA.

DATED this 1st day of January, 2009

SEVEN LAKES ASSOCIATES LLC

By: Emerson E. Russell

Title: Chief Manager

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this 11th day of February, 2009, before me personally appeared EMERSON E. RUSSELL, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the foregoing instrument for the purposes therein contained.

June Wilkinson
Notary Public

My commission expires; 10-7-2012

