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Sherry Witt
Register of Deeds
Knox County

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
HAYDEN HILL SUBDIVISION

KNOW ALL MEN BY THESE PRESENTS that this Declaration of Covenants, Conditions, and Restrictions of Hayden Hill Subdivision is made and entered into this 30th day of September, 2016, by HARDIN VALLEY FARM DEVELOPMENT, INC., a Tennessee corporation.

WITNESSETH:


WHEREAS, the Developer is the owner of certain real property located in Knox County, Tennessee, as more particularly described in "Exhibit A" to this Declaration, said Exhibit being incorporated herein by reference, and desires to create thereon a residential community with common facilities for the benefit of said community; and

WHEREAS, the Developer desires to place certain covenants, conditions, reservations and restrictions upon the use of the Property for the benefit of owners of the dwellings erected thereon, and to maintain the aesthetic quality of the development;

WHEREAS, the Developer will form or has formed a Tennessee nonprofit corporation to be called the Hayden Hill Homeowners Association, Inc. or a name similar thereto. Each Owner, in accepting a deed for any Lot agrees to and shall become a member of and be subject to the obligations of this Declaration, the duly enacted Bylaws of the Association and any Rules, all as may be amended from time-to-time; and

WHEREAS, the Developer has entered into a Real Estate Purchase Agreement dated February 16, 2016 (as amended, the "**Purchase Agreement**") with CMH Parks, Inc., a Tennessee corporation (together with its successors and assigns, "**CMH Parks**") for the sale of up to one hundred twenty-four (124) Lots.

NOW, THEREFORE, the Developer declares that the Property and any Lots are and shall be purchased, owned, held, transferred, sold, conveyed, encumbered and occupied subject to the covenants, restrictions, bylaws, easements, charges, liens, rules and regulations (sometimes referred to as "**covenants and restrictions**") hereinafter set forth or referenced and incorporated herein, that shall run with the Property and thus be binding on all parties having any right, title or interest in the Property, or any part thereof, including their respective heirs, successors and assigns, and that shall inure to the benefit of each Owner.


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M. TAX: \$0.00 T. TAX: \$0.00
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ARTICLE I
DEFINITIONS

Section 1. “**Assessment**” shall mean one or all of an annual assessment or special assessment described in Article VI.

Section 2. “**Association**” shall mean and refer to Hayden Hill Homeowners Association, Inc., a Tennessee nonprofit corporation, its successors and assigns.

Section 3. “**Board**” shall mean and refer to the Board of Directors of the Association.

Section 4. “**Bylaws**” shall mean the bylaws of the Association.

Section 5. “**Builder,**” with an initial capital letter, shall mean CMH Parks or any other Person who is licensed to construct residential dwellings by the State of Tennessee and who intends to purchase a Lot for the primary purpose of constructing a residential dwelling thereon and selling the same for a profit.

Section 6. “**Building**” shall mean and refer to any and all houses, town houses, garages, outbuildings and/or other buildings constructed, erected, placed or maintained on the Property.

Section 7. “**Class A Members**” shall have the meaning set forth in Article III, Section 2(a) of this Declaration.

Section 8. “**Class B Members**” shall have the meaning set forth in Article III, Section 2(b) of this Declaration.

Section 9. “**CMH Parks**” shall have the meaning set forth in the Recitals above.

Section 10. “**Committee**” shall have the meaning set forth in Article IX, Section 1 of this Declaration.

Section 11. “**Common Area**” shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or other property designated by the Developer for the common use and enjoyment of all Owners, including, but not limited to, the open space areas, storm water retention/detention ponds areas including storm water discharge structures and storm water bio-swale areas.

Section 12. “**Common Expenses**” shall mean and refer to the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board.

Section 13. “**Declaration**” shall mean the covenants, conditions, restrictions, and easements and all other provisions herein set forth in this entire document, as may from time to time be amended.



Section 14. “**Developer**” shall mean and refer to Hardin Valley Farm Development, Inc. or any successor-in-title or any successor-in-interest to Hardin Valley Farm Development, Inc. to all or any portion of the Property, provided the instrument of conveyance to any such successor-in-title or interest expressly designates such successor-in-title as the “Developer” hereunder.

Section 15. “**Dwelling**” shall mean and refer to any house, town house, garage apartment or other Building that is properly constructed and properly authorized for human residential occupation.

Section 16. “**Improvement**” shall mean and refer to (a) any thing or object, whether temporary or permanent, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration but not limitation, any Building, Dwelling or part thereof, garage, porch, gazebo, structure, shed, greenhouse or bathhouse, covered or uncovered patio, swimming pool, tennis court, basketball goal, fence, screen, curbing, paving, driveway, walkway, tree house, playhouse, swing set, playground equipment, wall, tree, shrub, sign, signboard, mailbox, driveway, (b) any excavation, grading, fill, ditch, diversion dam or other thing, object or device which affects or alters the natural flow of surface waters from, upon, or across any Lot; and (c) any change in grade at any point on a Lot of more than twelve (12) inches, whether or not subsection (b) of this Section 16 applies to such change.

Section 17. “**Lot**” shall mean and refer to any parcel of land shown upon any recorded plat of the Property upon which a single-family residence may be constructed.

Section 18. “**Occupant**” shall mean and refer to any Owner, any family member, guest, tenant, agent, servant, employee or invitee of an Owner or an Owner’s family member, or any other person who occupies any Dwelling or is present upon any Lot or Common Area.

Section 19. “**Owner**” shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of any obligation.

Section 20. “**Party Fence**” shall have the meaning set forth in Article VIII, Section 11 of this Declaration.

Section 21. “**Person**” shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

Section 22. “**Property**” shall mean and refer to that certain real property identified and described in Exhibit A hereto, by reference made a part hereof, together with such additional real property as may by subsequent amendment be added to and subjected to this Declaration.

Section 23. “**Purchase Agreement**” shall have the meaning set forth in the Recitals above.

Section 24. “Rules” shall have the meaning set forth in Article VIII, Section 3 of this Declaration.

ARTICLE II
PROPERTY SUBJECT TO DECLARATION

Section 1. The Property. The Property shall be subject to this Declaration and the covenants, restrictions, terms and provisions set forth herein. The Property may include such additional property as may be added to the Property from time to time by the Developer in accordance with Section 3 of this Article II.

Section 2. No Public Rights in Common Area. The dedication of any portion of the Property to public ownership or use shall not mean that the public at large acquires any right or easement in or to any other part of the Property, including any Common Area.

Section 3. Additional Property. At any one or more times and without the consent of the Association or any other Person, the Developer (or any other person with the written consent of the Developer) shall have the right, privilege and option (but not the obligation) to add to the Property all or any part of any additional property. Any such addition shall have the effect of making the added property part of the Property and extending the provisions of this Declaration to such added property. Any addition shall be effective upon the filing for record of an amendment describing such added property, unless a later effective date is provided therein. Provided, however, if other land owned by the Developer is not subjected to this Declaration, the Developer shall have no obligation whatsoever to impose any covenants and restrictions similar to those contained herein upon such other property, nor shall the Developer have any obligation whatsoever to limit or restrict the use to which such other property may be put by the Developer or any subsequent owner thereof, regardless of whether such uses are consistent with the covenants and restrictions imposed hereby.

ARTICLE III
THE ASSOCIATION

Section 1. Formation. The Developer shall have the Association established as a “mutual benefit,” nonprofit Tennessee corporation. The Association shall be governed by its Charter, Bylaws, this Declaration and the Rules. To the extent of any conflict in the terms and provisions of this Declaration and the Association’s Charter or Bylaws, the terms of this Declaration shall control.

Section 2. Membership. Every Owner, including the Developer and any Builder, shall be a member of the Association. The foregoing is not intended to include any Person who holds an interest merely as security for the performance of an obligation. Each Owner’s membership shall terminate upon the sale or other disposition by such member of his Lot, at which time the new Owner shall automatically become a member of the Association. The Association shall have two classes of membership:



(a) **Class A Members.** “Class A Members” shall be all Owners, except for the Developer and CMH Parks. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership pursuant to this Section 2. If the Owner of a Lot is more than one (1) Person, all such Persons shall be members of the Association, but only one (1) vote shall be cast by such Persons, as Owner, with respect to their jointly owned Lot.

(b) **Class B Members.** “Class B Members” shall be the Developer and CMH Parks. Each Class B Member shall be entitled to one (1) vote for each Lot in which it holds the interest required for membership by this Section 2; provided, however, that any action taken by the members of the Association shall require the affirmative votes of the Class B Members. Class B membership shall not be transferable, except from the Developer to CMH Parks. Upon the earlier to occur of the following events, the Association shall cease to have Class B Members and shall have only Class A Members: (i) the Developer and CMH Parks both cease to be Owners of any Lots on the Property; or (ii) the Developer and CMH Parks mutually determine that it is in their or the Association’s interest to terminate Class B membership, which termination shall be evidenced by a Notice of Termination executed by the Developer and CMH Parks recorded in the Knox County Register’s Office. In the event the Association ceases to have Class B Members as a result of subsection (b)(ii), and provided that Developer and/or CMH Parks continue to be Owners, or thereafter become Owners, their membership interests shall automatically convert to Class A membership interests with respect to those Lots of which they are or become Owners.

Section 3. Commencement of Operations. The Association shall commence its operation and business affairs on the date of its initial organizational meeting called by the Developer in accordance with the Bylaws. Such date shall be determined by the Developer, but shall be not later than ninety (90) days following the date upon which all Lots have been sold by the Developer.

ARTICLE IV **GRIEVANCE PROCEDURE**

Section 1. Submission to Board. Any grievance or complaint which an Owner shall have against any other Owner for violation of the provisions of this Declaration, the Bylaws, or the Rules, or for any other reason, shall first be submitted to the Board for arbitration by the Board.

Section 2. Administration of Grievance. All such grievances shall be submitted in writing to the Board outlining the Owner or Owners complaining, the Owner or Owners complained against, the nature of the complaint, the date of all relevant facts, and the specific violations, if any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days. Said hearing shall be held only after five (5) days written notice to all parties and shall afford all parties an opportunity to present evidence and question any other party or witness. Owners shall not be represented by attorneys at this hearing. If the Board decides adversely to the complaining party

or fails to act within thirty (30) days of submission of the complaint, then the complaining party shall have the right to resort to any other legal remedies which may be available to them.

Section 3. Other Legal Remedies. No Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.

ARTICLE V
PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Subject to the provisions herein, every member of the Association shall have a right and easement of use and enjoyment in and to the Common Area, including, without limitation, the right of access, ingress and egress to and from his Lot over those portions of the Common Area from time to time designated for such purposes, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

(a) The right of the Association to adopt and publish rules and regulations governing the use of the Common Area.

(b) The right of the Association to suspend an Owner's voting rights and rights to use the Common Area for any period during which any Assessment against said Owner's Lot remains unpaid.

(c) The right of the Developer or the Association, acting through the Board and without a vote of the Owners, to dedicate or grant licenses, permits, easements or rights-of-way over, under and through the Common Area to government entities or any quasi-governmental agency or to any utility company or cable television company; provided that no such license, right-of-way or easement shall be unreasonably and permanently inconsistent with the rights of the Owners to the use and enjoyment of the Common Area.

(d) The right of the Developer or the Association to dedicate or grant the streets, roads, parking areas, sidewalks, easements and/or rights-of-way as shown and designated on any plat to any governmental authority having jurisdiction over the Property without the necessity of any approval by the Owners.

(e) The right of the Developer or the Association to alter the size, location, designation of (including deletion of any Common Area), inclusion of or other specifics of any Common Area.

(f) All other rights of the Association, the Developer, Builders and Owners set forth in this Declaration or in any deed conveying Common Area to the Association.

(g) All encumbrances and other matters shown by the public records affecting title to the Property.



Section 2. Delegation of Use. Any Owner may delegate his right of use and enjoyment in and to the Common Area and the Improvements thereon, if any, to the members of his family, guests and invitees, subject to this Declaration, the Charter, the Bylaws and the Rules.

Section 3. Title to Common Area. The Developer may from time to time convey to the Association, at no expense to the Association, real and personal property for the common use and enjoyment of the Owners. The Association hereby covenants and agrees to accept from the Developer all such conveyances of real and personal property. Notwithstanding any legal presumption to the contrary, the fee simple title or easement to such real and personal property designated as Common Area or for public use, together with all rights therein, shall be reserved to the Developer until such time as the real and/or personal property is conveyed to the Association or to any municipality or other governmental body, agency or authority.

Section 4. No Partition. Other than as provided for in Article XI, Section 2, there shall be no judicial partition of the Property or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the provisions of this Declaration.

ARTICLE VI
ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual or special assessments, such assessments to be levied and collected as hereinafter provided. The Assessments, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge and continuing lien upon the Lot against which each such assessment is made. The foregoing notwithstanding, the lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust, first purchase money security deed, or security deed representing a first lien on said property. The sale or transfer of any Lot pursuant to foreclosure of a first mortgage or deed of trust or proceeding in lieu thereof shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer; provided, however, no sale or transfer by foreclosure shall relieve any subsequent Owner of such Lot from liability for any Assessment thereafter becoming due or from the lien thereof. The Association has the right to suspend an Owner's voting rights and rights to use the Common area during any period during which any Assessment against said Owner's Lot remains unpaid.

Section 2. Lien Foreclosure. For the purpose of rendering unnecessary court proceedings for the enforcement of the lien for the nonpayment of any Assessments, and for the consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Owner, by accepting an interest in the title to a Lot, whether or not it shall be so expressed in the deed or other instrument transferring such an interest, hereby bargains, sells, transfers and conveys to John G. Brock, Esq., as Trustee, his successors and assigns, his interest in his Lot, together with all the appurtenances, estate, rights, title and interests thereto belonging upon the use and trusts set forth in this Section 2. If the Owner shall pay the Assessments when due, then this trust conveyance shall be of no further

force or effect with respect to such Owner's Lot. If the Assessments with respect to any Lot are not paid within thirty (30) days when due, this trust conveyance shall remain in full force and effect and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, of general circulation published in Knox County, Tennessee, to sell said Lot at the front door of the north entrance to the Knox County Courthouse (City-County Building) to the highest bidder for cash, at public outcry, free from the equity of redemption and statutory right of redemption, and all exemptions of every kind and nature, all of which are hereby expressly waived, and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid and become the purchaser at any sale. The Association may, at any time after default in the payment of any Assessment, enter and take possession of said Lot and shall only be liable for accounting for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Lot, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In the case of sale hereunder, the proceeds shall be applied by the Trustee, or his successor in trust, as follows:

- (a) First, to the payment of all costs, charges, and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;
- (b) Second, to the payment of all taxes which may be unpaid with respect to such Lot;
- (c) Third, to the payment of all unpaid Assessments with respect to such Lot; and
- (d) Fourth, the residue, if any, will be paid to the Owner, or to his order.

Section 3. Purpose of Assessments. The Assessments shall be used exclusively for promoting the health, safety, pleasure and welfare of the Owners of the Lots and the costs and expenses incident to the operation of the Association, including, without limitation, the maintenance and repair of the Common Area and Improvements thereon, the maintenance of services furnished by the Association, if any, payment of all taxes, insurance premiums and all costs and expenses incidental to the operation and administration of the Association, and establishment and maintenance of a reasonable reserve fund or funds.

Section 4. Computation of Annual Assessments. Subject to the provisions of Section 7 of this Article VI regarding the Developer's right to establish the initial rate of the annual assessment, if the Association incurs ongoing Common Expenses, it shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year; such budget shall include a capital contribution or reserve account in accordance with the capital

needs of the Association as and if established by the Board. The budget and proposed annual assessments to be levied against each Lot shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. The annual assessments shall be equally divided among the Lots so that the annual assessments shall be the same to each Lot. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (i) the Developer, so long as the Developer owns any Lot; or (ii) a vote of a majority of the Owners voting in person or by proxy at such meeting. In the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the most recently approved annual budget and annual assessments shall continue for the succeeding year. If a budget at any time proves inadequate for any reason, the Board may call a special meeting of the Owners for the approval of a special assessment.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including roads and sidewalks, provided that any such assessment shall be approved by a vote of a majority of the Owners (and by the Developer so long as the Developer owns any Lot). Special assessments may also be levied by the Association if for any reason the annual assessments prove inadequate to defray the expenses of the Association in fulfilling its duties and obligations hereunder, subject to the consent of the members as set forth above.

Section 6. Notice and Quorum for any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action by the Association authorized under Sections 4 and 5 of this Article VI shall be sent to all Owners not less than ten (10) days nor more than two (2) months in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast fifty percent (50%) of all of the votes of the members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 7. Initial Rate of Assessment. The Developer shall establish the initial rate of the annual assessment based on actual or estimated expenses. Annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual, semi-annual or quarterly basis by the Developer, initially, and thereafter by the Association Secretary/Treasurer as established by the Board.

Section 8. Date of Commencement of Annual Assessment Due Dates. The first annual assessment shall become due and payable on the first day of the month following the date of the sale of the first Lot, such date to be when the deed for said Lot is recorded in the Register's Office for Knox County, Tennessee. Thereafter, as each person becomes an Owner, such new Owner's assessment for the current year shall be a pro rata part of the annual assessment as of the first day of the month following the date such Person becomes a member of the Association. Upon a Person ceasing to be a member of the Association, such member shall not be entitled to any refund of his annual Assessment. Unless required as a matter of law or as

otherwise set forth in this Article, neither the Developer nor CMH Parks shall, at any time, be subject to any Assessment; provided, however, that for a three (3) year period or until a time when ninety (90) Lots are sold, the Developer will subsidize, to the extent reasonably necessary, maintenance of the Common Area.

Section 9. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner a budget or 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 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 any shortfall may be assessed retroactively by the Association.

ARTICLE VII **MAINTENANCE**

Section 1. Association's Responsibility. Except as otherwise provided for herein, the Association shall maintain and keep in good repair all portions of the Common Area and Improvements thereon, if any. The Association's responsibility with respect to the Common Area shall be deemed to include the maintenance, repair and replacement of (i) all roads, driveways, walks, parking areas and walls and other Improvements, if any, situated within the Common Area; (ii) such utility lines, pipes, plumbing, wires, conduits and systems which are a part of the Common Area; (iii) all lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Common Area (including street trees and landscaping within street right-of-ways); and (iv) all storm water retention/detention pond areas including storm water bio-swale areas.

Section 2. Owner's Responsibilities. Each Owner of a Lot, other than the Developer or any Builder, whether such Lot is vacant or occupied, shall keep and maintain his Lot and the exterior of any and all Improvements located thereon in a neat, attractive and safe condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and care for roofs, gutters, down spouts, building surfaces, trees, shrubs, grass, walks and other exterior Improvements. Should any Owner of a Lot fail to maintain his Lot or the Improvements thereon as set forth hereinabove, the Board, its agents and representatives, may, but shall not be required to, after fifteen (15) days written notice to the Owner of such Lot, enter upon his Lot for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, or other unsightly growth, for removing garbage or trash, or for performing such exterior maintenance as the Board, in the exercise of its reasonable discretion, deems necessary or advisable. Such Owner shall be personally liable to the Association for the direct and indirect cost of such maintenance, which costs shall be added to and become part of the Assessment to which such Owner and his Lot are subject.

ARTICLE VIII **GENERAL COVENANTS AND RESTRICTIONS**

The following covenants and restrictions shall apply to all Lots and to all Improvements erected or placed thereon:



Section 1. Residential Use. All Lots shall be restricted exclusively to single-family residential use. No Lot, or any portion thereof, shall at any time be used for commercial, business or professional purpose; provided, however, that nothing herein shall be construed to prohibit or prevent the Developer or any Builder from using any Lot owned by the Developer or Builder for the purpose of carrying on business related to the development, improvement and sale of Lots.

Section 2. Common Area. The Common Area shall be used only by the Owners and their agents, servants, family members, invitees and licensees for access, ingress and egress from their respective Lots and for such other purposes as may be authorized by the Association.

Section 3. Rules. The Board may, from time to time, without a vote of the Owners, adopt, promulgate, modify or delete rules and regulations applicable generally to the uses and improvement of the Property (the “**Rules**”). Such Rules shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupant invitees until and unless overruled, canceled or modified by a majority of all of the Owners and with the consent of the Developer. No such Rules shall be construed as a waiver of any provision of this Article or any other provision or requirement of this Declaration. The Rules, as amended from time to time, are incorporated herein by reference and shall be effective and binding upon Owners as if set forth herein verbatim.

Section 4. Nuisances.

(a) No unlawful, noxious or offensive activities shall be carried on in any Lot, or upon the Common Area, nor shall anything be done therein or thereon which, in the judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others or unreasonably interferes with other Owners’ use of their Lots and/or the Common Area.

(b) No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of a Lot so as to render the same unsanitary, unsightly or offensive. No nuisance shall be permitted to exist upon any portion of the Property. Without limiting the generality of any of the foregoing, no horns, whistles, or bells, except security devices used exclusively for security purposes, shall be located, used or placed on the Property or any portion thereof.

Section 5. Tents, Trailers and Temporary Structures. Except as may be required during initial construction on any Lot, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Lot or any part of the Property; provided, however, notwithstanding the foregoing or any other terms set forth in this Declaration, CMH Parks, for so long as it owns any Lot, shall be permitted to place a temporary trailer or other structure on a Lot close to the main entrance of the Property for purposes of operating a sales center, which structure shall not be required to conform to those restrictions set forth in Article IX, Section 4, but shall be professionally landscaped and maintained and clearly marked as a sales office.

Section 6. Signs. No signs, billboards or posters whatsoever (including but not limited to commercial and similar signs) shall be erected or displayed on any Lot or on any

portion of the Property, except for (and notwithstanding any other provision of this Declaration to the contrary): (a) a sign, not to exceed three (3) square feet, erected by an Owner upon that Owner's Lot to advertise the sale or lease of that Lot; (b) street signage, other directional or informational signage throughout the Property, and subdivision entrance signs at the entrance to the Property, as may be installed or approved by the Developer or by the Association; (c) work safety signage approximately four (4) feet by eight (8) feet in size which CMH Parks may reasonably require near the entrance of the Property in order to comply with all Occupational Safety and Health Administration requirements and other worker safety laws and regulations which may be applicable to it; and (d) a sales sign approximately four (4) feet by eight (8) feet in size on Common Area bordering Sam Lee Road advertising the sale or lease of the Lots and Dwellings. With respect to that signage contemplated in (c) and (d) of the foregoing sentence, the exact location of such signage shall be mutually agreed upon by Developer and CMH Parks in good faith and, in the event CMH Parks elects not to exercise its option to purchase the "Phase II Lots" as such term is defined in Section 30(a) of the Purchase Agreement, CMH Parks shall remove such signage.

Section 7. Recreational Vehicles and Trailers. Recreational vehicles, boats, and trailers must be parked on paved surfaces, and these vehicles must be screened from sight. Screening must be in an attractive and first class manner. No vehicle in an inoperative condition shall be kept in an area open to the view of the public or other Owners for a period in excess of fifteen (15) days. In the event of violation of this item, such vehicle may be removed by the Association at the expense of the Owner of the Lot on which the vehicle is located.

Section 8. Satellite Dish. Any antennae, satellite dish or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic/wave or radiation shall be erected, used or maintained only in the backyard of any Lot.

Section 9. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that a reasonable number of dogs, cats or other usual and common household pets are permitted in each Lot. No pets are permitted to roam free. Pets that endanger the health of the Owners of other Lots, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or of any portion of the Property shall not be allowed and shall be removed. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times, whenever they are outside, be confined on a leash held by a responsible person. All dog kennels shall be kept to the rear of the Lot and shall be concealed by privacy screening or shrubbery. No wild animals shall be permitted.

Section 10. Drainage and Sewer Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No one other than the Developer may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Developer hereby reserves a perpetual easement across the Property for the purpose of altering drainage and water flow.

Section 11. Fences.

(a) General. An Owner shall be permitted to erect or have erected a fence on his Lot provided such fence is constructed with wood, no more than six (6) feet in height, approved by the Committee, is not situated beyond the front of the primary Dwelling located on the Lot and is situated as close as reasonably possible to, but (subject to Section 11(b) below) not beyond, the property line dividing such Lot from any adjoining Lots. There shall only be one (1) fence constructed between adjoining Lots, and any fence constructed between adjoining Lots shall be deemed a “**Party Fence**”. An Owner whose Lot is separated from an adjoining Lot by a Party Fence shall be permitted to connect a fence to such Party Fence at any time. Any Owner that connects a fence on his Property to a Party Fence shall be deemed to be “making use” of such Party Fence for purposes of this Section 11. To the extent not inconsistent with the provisions of this Section 11, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Fence that is built and any replacement(s) thereof.

(b) Easement. In the event a Party Fence, once constructed, inadvertently encroaches upon or protrudes onto an adjoining Lot, provided such encroachment or protrusion does not materially interfere with the use and enjoyment of the adjoining Lot by the Owner thereof, and absent gross negligence or willful misconduct on the part of the Owner of the other Lot making use of such Party Fence, the Owner of such adjoining Lot shall be conclusively deemed to have granted a perpetual easement to the Owner of the other Lot making use of such Party Fence for the maintenance and use thereof, and shall not be permitted to maintain any action for the removal of such fence or any action for damages as a result of such encroachment or protrusion. The foregoing shall also apply to any replacements of any Party Fences, if the same are constructed in substantial conformance with the original Party Fence.

(c) Sharing of Repair and Maintenance. The reasonable cost of repair and maintenance of a Party Fence shall be shared equally by the Owners who are making use of the Party Fence.

(d) Destruction by Fire or Other Casualty. If a Party Fence is destroyed or damaged by fire or other casualty, each Owner who was making use of such Party Fence immediately prior to such event shall be jointly responsible for the restoration of the same, subject, however, to the right of any such Owner to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts as omissions. An Owner who, by his negligent or willful act, causes any Party Fence to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 12. Outbuildings. No permanent storage building, shack, barn, or other outbuilding shall be erected or placed upon any Lot, unless such outbuilding is (i) erected, constructed and maintained in the backyard of the primary Dwelling located on such Lot and is screened from view; (ii) is no larger than 150 square feet; (iii) is of the nature, kind, shape, height, and materials harmonious to the surrounding Buildings, including, but not limited to, the Dwelling on the Lot; (iv) is not used, at any time, in whole or in part, as a residence; and (v) is approved by the Committee.



ARTICLE IX
ARCHITECTURAL REVIEW COMMITTEE

Section 1. Architectural Review Committee. It shall be a requirement that the construction, placement, installation, erection, modification, alteration, or movement of any Improvement upon any portion of the Property be first approved by an Architectural Review Committee (hereinafter, the “Committee”).

Section 2. Appointment. The members of the Committee shall be comprised of three (3) natural persons, one (1) of whom shall be appointed by the Developer, and two (2) of whom shall be appointed by CMH Parks. The members of the Committee need not be members of the Association. The member of the Committee appointed by the Developer shall serve at the pleasure of the Developer and may be removed by the Developer or may resign from the Committee at any time, and the members of the Committee appointed by CMH Parks shall serve at the pleasure of CMH Parks and may be removed by CMH Parks or may resign from the Committee at any time. The Developer and CMH Parks, respectively, shall no longer have the right to appoint any members of the Committee upon the earlier of (a) the date which is thirty (30) days after the Developer or CMH Parks, as applicable, no longer owns a Lot, or (b) the date upon which the Developer or CMH Parks, as applicable, no longer desires its appointed member(s) to serve on the Committee. At such time, such member(s) of the Committee shall be appointed by the Board. The members of the Committee chosen by the Board shall serve at the pleasure of the Board and may be removed by the Board or may resign from their positions at any time.

Section 3. Length of Validity of Approval. All approvals given by the Committee shall be valid for a period of six (6) months from the date given. In the event the construction, erection, installation, alteration, affixing, modification or placement of any Improvement shall take longer than six (6) months, an additional approval or an extension of the previous approval must be obtained for the approved activities to be in compliance with the provisions of this Declaration.

Section 4. Dwelling Restrictions. Notwithstanding the foregoing provisions of this Article IX:

(a) In addition to any requirements that may be enacted by the Committee, all Dwellings erected on the Lot shall:

i. Conform to floor plans which are mutually agreed upon in good faith by Developer and CMH;

ii. Have all street-facing sides be comprised of brick, stone or Hardie-type siding or some combination thereof;

iii. Have a mailbox that is reasonably approved by Developer and which is consistent in appearance and materials with the other mailboxes on the Property;

- iv. Have a concrete driveway; and
- v. Have a 30-year dimensional shingle roof.

(b) An Owner may make such renovations, repairs and installations to the interior portions of his Dwelling without the prior approval or consent of the Committee so long as said renovations, repairs and installations (i) do not affect the exterior appearance of his Dwelling, (ii) are made in accordance with the remaining provisions of this Declaration, and (iii) are made in accordance with all applicable laws, rules, regulations and ordinances.

Section 5. Submittals. In order to obtain the approval of the Committee, as required under Section 1 of this Article IX, the Person requesting approval shall submit such drawings, plans, specifications, elevations, surveys and other plans, specifications, samples and documents as the Committee shall request, together with a non-refundable application fee of Five Hundred Dollars (\$500.00). The purpose of the application fee shall be to defray the costs and expenses incurred by the Committee in reviewing the submittals. In the event the submittals are not approved, the Committee shall have the right to require such additional submittals and such additional non-refundable application fees as may be necessary to defer the costs of reviewing the resubmitted plans, etc.

Section 6. Approval of Builders. In addition to the preceding approval requirements, any Person who desires to perform any work on any Lot which work will have a material impact on the exterior appearance of the Lot must, even if such Person is the Owner of the Lot, first be approved by the Committee as to its financial stability, building or landscaping experience and ability to build or landscape structures or grounds of the class and type of those which are to be built on the Lot. Such approval shall be within the sole discretion of the Committee. No Person shall be approved as a builder or landscaper unless such person obtains his income primarily from construction or landscaping of the type which the proposed builder or landscaper is to perform upon the Lot.

Section 7. Powers. The Committee shall have all the powers and rights to do each and every thing reasonably necessary, suitable, convenient or proper for, or in connection with or incidental to the accomplishment of its duties under this Article IX, including, without limitation, the power to hire or contract with attorneys, architects, engineers, general contractors, subcontractors, and other professionals and non-professionals to carry out its purpose and charge the costs and fees charged by the same to the Owner necessitating such costs; provided, that in the event the Developer or CMH Parks incurs any such charges, costs or fees in connection with the performance of its duties hereunder, it shall also be entitled to be reimbursed by the Association for the same. In addition to the foregoing, the Committee shall also be entitled to bring suit against any Person violating the provisions of this Article IX and obtain an injunction, damages and such other relief as the court deems appropriate, as well as all costs, fees and expenses (including court costs, reasonable attorneys' fees and litigation costs) which it expends in prosecuting the same.

Section 8. Right of Inspection. In addition to the other powers and rights granted to them in this Declaration, the Committee and its members, officers, employees, contractors,

agents and representatives, shall have the right during reasonable hours to enter upon and inspect any Lot and Improvement thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Improvement or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the Committee shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection.

Section 9. Violations.

(a) If any Improvement shall be constructed, erected, installed, affixed, placed, maintained or altered upon any Lot in a manner that is not in accordance with the plans and specifications approved by the Committee pursuant to the provisions of this Article IX, such construction, erection, installation, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article IX and without the approval required herein and shall be authorized to exercise any or all of the powers granted to it herein.

(b) Notwithstanding the foregoing, prior to initiating any litigation or other enforcement proceeding, the Committee shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Committee shall have the right to take any action permitted herein or by law to abate the same. Likewise, the Board of Directors, upon being informed of such violation by the Committee, shall be entitled to seek equitable relief to enjoin such construction.

Section 10. Responsibility for Contractors and Agents. All Owners shall be held responsible for all the acts of their contractors, employees, subcontractors, suppliers and other persons or parties involved in construction or alteration of an Improvement. By way of example and not limitation, each Owner shall be responsible for each of the following:

(a) Ensuring that his Lot is kept in a reasonable clean, safe and neat condition which is free from debris, waste materials and stockpiles of unused materials during the performance of all the construction on his Lot;

(b) Prohibiting the consumption of alcoholic beverages, illegal drugs or other intoxicants that could hamper the safety or well-being of other personnel located on or in the vicinity of the Lot, or which could affect the quality of workmanship;

(c) Ensuring that all Persons performing work on the Lot, including but not limited to the Owner, are properly insured;

(d) Ensuring that all Persons performing work or delivering materials to the Lot do not commit any violation of this Declaration or the Rules and Regulations;

(e) Ensuring that all temporary driveways on the Lot are sufficiently graveled, that a portable toilet is available and used by all Persons performing work or supplying materials to the Lot, and that any mud or any debris caused by any construction activities are

removed from the adjoining roadways as soon as reasonably possible;

(f) Ensuring that all silt fences are installed and maintained as may be required or reasonably necessary to keep silt, mud, and other debris off of the street, adjoining Lots and any watercourses located on or adjacent to the Lot; and

(g) Ensuring that no Person performing work on or supplying materials in connection with the improvement of the Owner's Lot utilizes any other Lot during the construction of the Dwelling on his Lot such as, by way of example and not limitation, parking vehicles, storing materials or dumping rubbish, waste or trash on any adjacent Lot.

Section 11. No Modification of Legal Requirements. Nothing contained herein abrogates, modifies, or changes the applicability of any ordinances, statutes, codes, rules and regulations of Knox County or any other governmental unit, as applicable; nor abrogates, modifies, or changes the necessity of obtaining a building permit, inspection or otherwise complying with applicable provisions of governmental codes, statutes, ordinances, rules and regulations.

Section 12. Approval Not a Guarantee. No approval of any documents, plans, specifications, materials or other items submitted to the Committee, no notes or modifications made to any submitted materials by the Committee, and no publication of any rules, regulations, guidelines, policies or procedures by the Committee shall be construed as representing or implying that the materials so submitted will, if followed, result in properly designed and constructed Improvements without any defects in any part of the submitted materials which are revised or approved pursuant to this Article IX, (ii) any losses or damages to any Person arising out of the approval or disapproval of any of the submitted materials, (iii) any losses or damages arising from the noncompliance of the submitted materials, as submitted and/or revised, with any ordinances, laws or regulations of any governmental body, or (iv) any defects in construction undertaken pursuant to the submitted documents, whether as submitted and/or revised.

ARTICLE X **TAXES**

Section 1. Owners. Each Owner shall be responsible for the payment of and shall promptly pay all ad valorem taxes and special assessments assessed on or against such Owner's Lot, Dwelling and other Improvements on the subject Lot and any personal property thereon.

Section 2. Association. The Association shall pay the ad valorem taxes and special assessments assessed on or against the Common Area and the Association's other assets and personal property.

ARTICLE XI **GENERAL PROVISIONS**

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations,

easements, liens and charges now or hereafter imposed by the provisions of this Declaration, the Charter, the Bylaws or the Rules. Failure by the Association or any Owner to enforce any such covenant or restriction shall in no event be deemed a waiver of the right to do so thereafter. The remedies contained in this Section shall be construed as cumulative of all other remedies now or hereafter provide by law. If the Association or any Owner shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of these covenants or restrictions, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

Section 2. Developer's Rights and Reservations.

(a) No provisions in the Association's Charter, the Bylaws, the Rules, or this Declaration shall limit, and no Owner nor the Association shall interfere with, the rights of the Developer to subdivide or re-subdivide any portions of the Property or to annex additional property into the Property; to relocate or alter any Lot size or the boundaries of any Lot owned by the Developer prior to sale; to relocate or alter the size of any Common Area; to complete or alter Improvements to or on the Common Area or any portion of the Property owned by the Developer; to alter the construction plans and designs, or construct such additional Improvements or add future phases, as the Developer deems advisable during development of the Property and any adjacent or nearby property; to install and maintain such structures, displays, signs, billboards, flags and sales offices as may be reasonably necessary for the conduct of the Developer's or any Builder's business or completion of the work and disposition of the Lots, and/or any Improvements thereon, by sale, lease or otherwise; to modify access points to the Property; to change the site plan for the Property and any and all Improvements shown thereon, as well as any off-site Improvements; to develop all or any part of adjoining property for any uses (including, without limitation, affordable housing, housing for the elderly, and any other type of multi-family housing), locations, and densities as may be allowed by law; to rezone all or any part of adjoining property in any way the Developer deems reasonable or desirable; and to use the Common Area, including, without limitation, storm water detention/retention areas for the Developer's commercial purposes.

(b) Without the approval of the Developer, no Owner or Occupant shall file with any governmental entity having jurisdiction over the Property or any part thereof any application or petition for zoning, rezoning, special use permit, or zoning variance, any subdivision plan, plat or application, any request for annexation, or any similar filing affecting the use of any portion of the Property. No Owner shall oppose the Developer if the Developer seeks to obtain a zoning change, modification or variance for any property owned by the Developer adjacent to or near the Property.

(c) Each Owner, by accepting a deed or other conveyance document to a Lot, hereby acknowledges that the activities of the Developer and the Builders may temporarily or permanently constitute an inconvenience or nuisance to the Owners or may be inconsistent with this Declaration, and each Owner hereby consents to such inconvenience, nuisance, or inconsistency and waives any right to contest same. Each Owner acknowledges that there will be traffic relating to construction, as well as noise relating to construction from time to time. This



Declaration shall not limit the right of the Developer at any time prior to acquisition of title to a Lot by a purchaser from the Developer to establish on that Lot or the Common Area additional licenses, covenants, easements, reservations and rights of way, to itself, to utility companies, or to others, as may from time to time be reasonably necessary for the proper development and disposal of the Property. Neither the Developer nor any Builder shall be required to seek or obtain Board approval of any use of the Property or any Dwelling or Improvement constructed or placed by the Developer or any Builder on any portion of the Property. The rights of the Developer under this Declaration may be assigned by the Developer to any Person, and the Developer may assign in any interest or portion of the Developer's interest in any portion of the Property by a recorded written assignment.

(d) The Developer and CMH Parks shall each be entitled to the nonexclusive use of the Common Area, without further cost, for access, egress, ingress, and use in order to show the Property to prospective purchasers or lessees and to dispose of the Property as provided herein. Each Owner hereby grants, by acceptance of the deed to such Owner's Lot, an irrevocable, special power of attorney, coupled with an interest, to the Developer and CMH Parks to execute and record all documents and maps necessary to allow the Developer and CMH Parks to exercise its rights under this Article XI. This Article XI shall be applicable for so long as the Developer or CMH Parks owns any Lot or portion of the Property.

Section 3. Rights and Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 4. Assignment or Transfer. Any or all of the rights and powers, titles, easements and estates reserved or given to the Developer in this Declaration may be assigned to any one or more corporations or assigns which will agree to assume said rights, powers, duties, and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers, and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Developer and the Developer shall thereupon be released therefrom.

Section 5. Incorporation by Reference on Resale. In the event that any Owner sells or otherwise transfers any Lot or interest in a Lot, any deed or assignment purporting to effect such transfer shall contain a provision incorporating the provisions of this Declaration by reference. Provided, however, the failure to include such a provision shall not invalidate or in any way render the provisions of this Declaration inapplicable.

Section 6. Occupants Bound. All provisions of this Declaration, the Bylaws, and the Rules, which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants. Each Owner shall be responsible for ensuring that the invitees of such Owner strictly comply with all provisions of this Declaration, the Bylaws and the Rules.

Section 7. Amendment.

(a) By the Developer. The Developer hereby reserves the right in its absolute discretion at any time to annul, waive, change, or modify any of the restrictions conditions or covenants contained in this Declaration; provided, however, that (i) CMH Parks shall have approved any such action by the Developer in writing, and (ii) the Developer's rights under this Section 7(a) shall lapse at such time as the Developer no longer owns any real property subject to this Declaration.

(b) By the Owners. This Declaration may also be amended at any time and from time to time by an agreement signed by at least seventy-five percent (75%) of the Owners of the Lots; provided however, such amendment by the Owners shall not be effective unless also signed by the Developer and CMH Parks, to the extent the Developer and/or CMH Parks are owners of any real property then subject to this Declaration. Any such amendment shall not become effective until the instrument evidencing such change has been recorded by the Knox County Register of Deeds. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that this Declaration may be amended as provided in this Section.

Section 8. Gender. Whenever the context requires, the male gender shall include all genders, and the singular shall include the plural.

Section 9. Exhibits. All Exhibits which are referred to in this Declaration are made a part of and incorporated into this Declaration by reference.

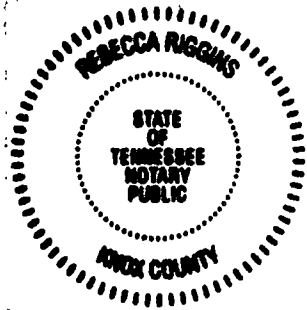
Section 10. Severability. If any provision of the Declaration, or any paragraph, subparagraph, article, section, sentence, clause, phrase, word or the application thereof in any circumstance is held invalid, the validity of the remainder of this Declaration and the application of any such provision, paragraph, subparagraph, article, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration shall be construed as if such invalid part was never included therein.

Section 11. Headings. The headings of Articles and Sections in this Declaration are for convenience of reference only and shall not in any way limit or define the content or substance of such Articles or Sections.

[Signature on following page]



IN WITNESS WHEREOF, the parties hereto have executed this Declaration as of the date first above written.



HARDIN VALLEY FARM
DEVELOPMENT, INC.

By: _____

Name: J. Ed Campbell

Title: President

STATE OF TENNESSEE
COUNTY OF Knox

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, personally appeared J. Ed. Campbell, 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 PRESIDENT of HARDIN VALLEY FARM DEVELOPMENT, INC., the within named bargainer, a Tennessee corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said company by himself as such officer.

Witness my hand and seal at office this 29 day of September, 2016.

Rebecca Riggins
Notary Public

My Commission Expires: 5.27.20

CMH PARKS, INC.

By:

[Handwritten Signature]

Name:

MIKE RUTHERFORD

Title:

PRESIDENT

STATE OF TENNESSEE

COUNTY OF BLOUNT

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, personally appeared MIKE RUTHERFORD, 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 PRESIDENT of CMH PARKS, INC., the within named bargainer, a Tennessee corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said company by himself as such officer.

Witness my hand and seal at office this 4TH day of OCTOBER, 2016.

[Handwritten Signature: Sharon Corn]
Notary Public

My Commission Expires: _____
My Commission Expires July 20, 2019

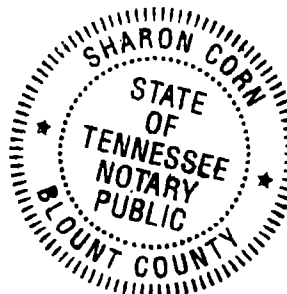


EXHIBIT A

Property Description

SITUATED, LYING AND BEING in the 6th Civil District of Knox County, Tennessee and without the corporate limits of any municipality, property being more particularly bounded and described as follows:

BEGINNING on an iron pin set in the southern right-of-way of Sam Lee Road (30 feet from centerline), pin being 1,022.4 feet more or less west of the centerline of Solway Road, pin also being the corner common to Linda Carrol Smith; thence leaving the southern right-of-way of Solway Road and with Smith, South 28 degrees 20 minutes East, 216.82 feet to an iron pin found, corner common to George A. Jr. and Gena J Windle; thence leaving Smith and with Windle the following four (4) calls: South 28 degrees 20 minutes East, 489.93 feet to an iron pin found; thence South 60 degrees 01 minute East, 497.89 feet to an iron pin set; thence North 45 degrees 31 minutes East, 156.40 feet to an iron pin found; thence South 40 degrees 15 minutes East, 227.96 feet to an iron pin found, corner common to the Preserve at Hardin Valley HI, LLC (Plat Recorded as Inst. # 201508240012497); thence leaving Windle and with the Preserve at Hardin Valley the following two (2) calls: South 40 degrees 09 minutes East, 37.01 feet to an iron pin set; thence South 40 degrees 17 minutes East, 76.26 feet to an iron pin set in the northwest right-of-way of Greystone Summit Drive (25 feet from centerline); thence leaving the Preserve at Hardin Valley and with the northwest right-of-way of Greystone Summit Drive the following three (3) calls: with a curve to the left, having a chord bearing South 46 degrees 07 minutes West, a chord distance 28.17 feet, an arc length 28.18 feet, and a 225.00 foot radius to an iron pin found; thence South 42 degrees 34 minutes West 58.65 feet to an iron pin found; thence with a curve to the right having a chord bearing South 71 degrees 53 minutes West, a chord distance 49.17 feet, an arc length 51.37 feet, and a 50.29 foot radius to an iron pin found, corner common to the Greystone Summit Knoxville, LLC; thence leaving the northwest right-of-way of Greystone Summit Drive and with Greystone Summit Knoxville, LLC the following six (6) calls: North 46 degrees 08 minutes West, 49.56 feet to an iron pin found; thence North 46 degrees 09 minutes West, 149.79 feet to an iron pin found; thence North 70 degrees 48 minutes West, 118.23 feet to an iron pin found; thence North 60 degrees 01 minute West, 514.86 feet to an iron pin found; thence North 28 degrees 22 minutes West, 35.56 feet to an iron pin found; thence South 51 degrees 39 minutes West, 1,188.72 feet to a point; thence leaving Greystone Summit Knoxville, LLC and with the severance line the following fourteen (14) calls: thence North 70 degrees 25 minutes West, 336.47 feet to a point; thence South 89 degrees 56 minutes West, 128.05 feet to a point; thence North 85 degrees 59 minutes West, 112.31 feet to a point; thence North 62 degrees 53 minutes West, 122.51 feet to a point; thence North 45 degrees 50 minutes West, 89.47 feet to a point; thence North 79 degrees 47 minutes West, 239.10 feet to a point; thence North 34 degrees 02 minutes West, 75.03 feet to a point; thence South 57 degrees 31 minutes West, 132.75 feet to a point; thence South 60 degrees 32 minutes West, 50.07 feet to a point; thence South 57 degrees 31 minutes West, 120.35 feet to a point; thence South 15 degrees 40 minutes East, 180.90 feet to a point; thence South 49 degrees 02 minutes West, 207.12 feet to a point; thence North 82 degrees 13 minutes West, 115.91 feet to a point; thence South 52 degrees 00 minutes West, 183.80 feet to an iron pin set in the east right-of-way of Sam Lee Road (30 feet from centerline); thence with the right-of-way of Sam Lee Road the following twenty-five (25) calls: North 20 degrees 02 minutes West, 4.53 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 04 degrees 55 minutes West, a chord distance 219.07 feet, an arc length 221.64 feet and a 420.00 foot radius to an iron pin set; thence North 10 degrees 12 minutes East, 154.24 feet to an iron pin set; thence with a curve to the left, having a chord bearing North 04 degrees 21 minutes East, a chord distance 159.04 feet, an arc length 159.32 feet, and a 780.00 foot radius to an iron pin set; thence North 01 degree 30 minutes West, 306.01 feet to an iron pin set; thence with a curve to the left, having a chord bearing North 02 degrees 15 minutes West, a chord distance 26.90 feet, an arc length 26.91 feet and a 1030.00 foot radius to an iron pin set; thence North 03 degrees 00 minutes West, 286.45 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 05 degrees 54 minutes East, a chord distance 145.45 feet, an arc length 146.04 feet and a 470.00 foot radius to an iron pin set; thence North 14 degrees 48 minutes East, 16.04 feet to an iron pin set; thence with a curve to the right having a chord bearing North 37 degrees 06 minutes East, a chord distance 235.24 feet, an arc length 241.28 feet and a 310.00 foot radius to an iron pin set; thence North 59 degrees 24 minutes East, 11.61 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 79 degrees 53 minutes East, a chord distance 189.02 feet, an arc length 193.11 feet, and a 270.00 foot radius to



an iron pin set; thence South 79 degrees 37 minutes East, 7.23 feet to an iron pin set; thence with a curve to the right having a chord bearing South 71 degrees 39 minutes East, a chord distance 102.53 feet, an arc length 102.86 feet and a 370.00 foot radius to an iron pin set; thence South 63 degrees 42 minutes East, 111.29 feet to an iron pin set; thence with a curve to the right, having a chord bearing South 59 degrees 13 minutes East, a chord distance 167.03 feet, an arc length 167.20 feet and a 1070.00 foot radius to an iron pin set; thence South 54 degrees 44 minutes East, 132.18 feet to an iron pin set; thence with a curve to the right having a chord bearing South 46 degrees 26 minutes East, a chord distance 135.83 feet, an arc length 136.31 feet and a 470.00 foot radius to an iron pin set; thence South 38 degrees 07 minutes East, 119.32 feet to an iron pin set; thence with a curve to the left, having a chord bearing South 70 degrees 05 minutes East, a chord distance 259.37 feet, an arc length 273.33 feet, and a 245.00 foot radius to an iron pin set; thence North 77 degrees 57 minutes East, 246.79 feet to an iron pin set; thence with a curve to the left having a chord bearing North 60 degrees 11 minutes East, a chord distance 216.75 feet, an arc length 220.26 feet and a 355.00 foot radius to an iron pin set; thence North 40 degrees 14 minutes East 255.73 feet to an iron pin set; thence with a curve to the right having a chord bearing North 58 degrees 53 minutes East, a chord distance 365.49 feet, an arc length 372.06 feet and a 570.00 foot radius to an iron pin set; thence North 77 degrees 35 minutes East 162.96 feet to an iron pin set, the POINT OF BEGINNING, and containing 54.968 Acres according to a survey by Batson, Himes, Norvell & Poe dated December 7, 2015 and bearing Drawing Number 23973-B-Phase.

THIS INSTRUMENT PREPARED BY:
Ortale Kelley Law Firm (JHC)
330 Commerce Street, Suite 110
P. O. Box 198985
Nashville, Tennessee 37201

Nick McBride
Register of Deeds
Knox County

**FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR HAYDEN HILL SUBDIVISION**

THIS FIRST AMENDMENT (“First Amendment to A&R Declaration”) TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HAYDEN HILL SUBDIVISION is entered into and made effective as of the 19th day of June, 2020, by HAYDEN HILL HOMEOWNERS ASSOCIATION, INC., a Tennessee not-for-profit corporation, for itself, and its successors, grantees, and assigns (“Association”) and Harden Valley Farm Development, Inc., a Tennessee corporation (hereinafter referred to as the “Declarant”).

WITNESSETH:

WHEREAS, Declarant previously established certain covenants, conditions, and restrictions for property located in Knox County, Tennessee, pursuant to the Declaration of Covenants, Conditions, and Restrictions (the “Original Declaration”) for Hayden Hill Subdivision of record in Instrument 201610050022382, in the Register’s Office for Knox County, Tennessee (the “Register’s Office”) by which the Declarant created the Hayden Hill Subdivision (hereinafter referred to as “Hayden Hill” or the “Subdivision”); as amended pursuant to the First Amendment to the Declaration of Covenants, Conditions, and Restrictions (the “First Amendment to the Original Declaration”) for Hayden Hill Subdivision of record in Instrument 201812140036893, in the Register’s Office; s amended pursuant to the Amended and Restated the Declaration of Covenants, Conditions, and Restrictions (the “A&R Declaration”) for Hayden Hill Subdivision of record in Instrument 201908220013297, in the Register’s Office (The Original Declaration, First Amendment to the Original Declaration, A&R Declaration, together with this First Amendment to the A&R Declaration, may be collectively referred to herein as the “Declaration”); and

WHEREAS, pursuant to Article XVIII, Section 2 of the Declaration, the Declaration may be amended by affirmative vote (in person or by proxy) or written consent of at least 67% of the total allocated votes of the Association and the written approval of the Declarant; and

WHEREAS, the Secretary of the Association has certified that the requisite number of votes necessary to amend the Declaration has been obtained; and

WHEREAS, the Declarant, being the Class “B” Member as defined in the Declaration, hereby approves this First Amendment to the A&R Declaration

NOW THEREFORE, for and in consideration of these premises and other and valuable consideration, the Association hereby amends the Declaration as follows:

1. Article XII, Section 2 of the Declaration shall be amended by substituting and replacing the first sentence of Article XII, Section 2 with the following:

Section 2. Parking and Garages. At any time, an Owner or Occupant shall only be permitted to park one vehicle in said Owner or Occupant's driveway per number of garage spaces on Owner or Occupant's Lot. For instance, if the Lot only has a one-car garage, then said Owner or occupant shall not park more than one vehicle in said driveway; if the Lot has a two-car garage, then said Owner or occupant shall not park more than two vehicles in said driveway; and if the Lot has a three-car garage, then said Owner or occupant shall not park more than three vehicles in said driveway.

2. Article XII, Section 2 of the Declaration shall be amended by substituting and replacing the third paragraph of Article XII, Section 2 with the following:

No vehicle that does not have a current license tag or is inoperable may be parked on or within the Subdivision. Recreational vehicles, boats, and trailers must be parked on paved surfaces, and these vehicles must be screened from sight. Screening must be in an attractive and first class manner. No vehicle in an inoperative condition, nor recreational vehicles, boats, and trailers, shall be kept in an area open to the view of the public or other Owners for a period in excess of seven (7) days. In the event of violation of this item, such vehicle may be removed by the Association at the expense of the Owner of the Lot on which the Vehicle is located. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Area during normal business hours for the purpose of serving any Lot or the Common Area; provided, however, no such vehicle shall remain on the Common Area overnight or for any purpose unless prior written consent of the Board is first obtained. Notwithstanding any provision to the contrary above, all emergency response and local, state, and federal law enforcement vehicles may be parked on the Subdivision property so long as they are either owned by an Owner or occupant or they are parked on the Subdivision property in furtherance of emergency response or law enforcement purposes.

3. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Declaration, as modified, supplemented and amended from time to time.

4. This First Amendment to A&R Declaration shall take effect and be applied prospectively as of the date that it is recorded in the Register's Office for Knox County, Tennessee.

5. All other items not heretofore amended shall remain in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Secretary of the Association, being authorized to do so, certifies that, as of the day and year first above written, this Amendment was approved by the requisite number of allocated votes of the Association.

HAYDEN HILL HOMEOWNERS ASSOCIATION, INC., a Tennessee Not-For-Profit Corporation

By: *Jo Lee Collins*

Name: JO LEE COLLINS
(Printed or typed)

Its: Secretary

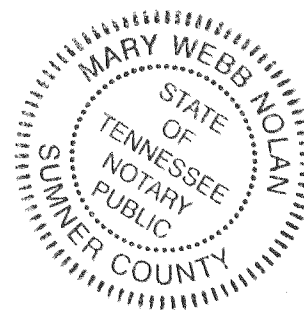
STATE OF TENNESSEE)
COUNTY OF Sumner)

Personally appeared before me, Mary Webb Nolan, a Notary Public in and for said County and State, Jo Lee Collins, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained and who further acknowledged that he/she is Secretary of Hayden Hill Homeowners Association, Inc., a Tennessee nonprofit corporation, and is authorized to execute this instrument on behalf of Hayden Hill Homeowners Association, Inc.

Witness my hand and seal this 17th day of June, 2020.


Mary Webb Nolan
NOTARY PUBLIC

My Commission Expires: 7/24/2020



CERTIFICATE OF AUTHENTICITY

I, the undersigned, do hereby make oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

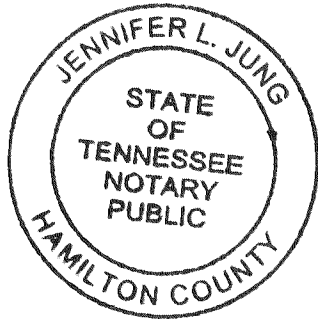


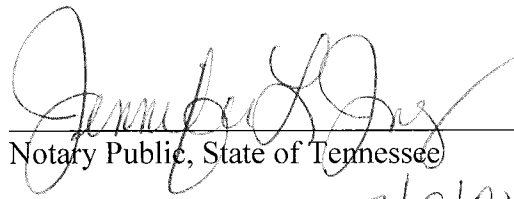
Jeremy H. Cherry

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public, for this state, Jeremy H. Cherry, who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.






Notary Public, State of Tennessee
My Commission Expires: 7/9/2022

Nick McBride
Register of Deeds
Knox County

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HAYDEN HILL SUBDIVISION**

Prepared by:
ORTALE KELLEY LAW FIRM (PHP)
330 COMMERCE STREET, SUITE 110
NASHVILLE, TN 37201


Knox County Page: 1 of 65
REC'D FOR REC 08/22/2019 3:07:25PM
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M. TAX: \$0.00 T. TAX: \$0.00
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**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
HAYDEN HILL SUBDIVISION**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HAYDEN HILL SUBDIVISION (the "Declaration") is made effective as of the 22nd day of August, 2019, by Hardin Valley Farm Development, Inc., a Tennessee corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant previously established certain covenants, conditions, and restrictions for property located in Knox County, Tennessee, pursuant to the Declaration of Covenants, Conditions, and Restrictions of Hayden Hill Subdivision (the "Original Declaration") of record in Instrument 201610050022382, in the Register's Office for Knox County, Tennessee (the "Register's Office") by which the Declarant created the Hayden Hill Subdivision (hereinafter referred to as "Hayden Hill" or the "Subdivision"); as amended pursuant to the First Amendment to Declaration of Covenants, Conditions, and Restrictions of Hayden Hill Subdivision (the "First Amendment") of record in Instrument 201812140036893 in the Register's Office; and

WHEREAS, the real property described in Exhibit "A", incorporated by reference herein and attached hereto, has been, or by way of this Declaration shall be, annexed and subjected to the Declaration; and

WHEREAS, pursuant to Article XI, Section 7(a) of the Original Declaration, Declarant with the approval of Clayton Properties Group, Inc., a Tennessee corporation (formerly named CMH Parks, Inc.), now desires to amend and fully restate the Original Declaration and First Amendment as set forth herein.

NOW, THEREFORE, the Original Declaration First Amendment are hereby amended and restated to be read, in their entirety, as follows:

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Areas, together with those areas, if any, which by the terms of this Declaration or by contract become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Subdivision, or any public rights-of-way within or adjacent to the Subdivision, may be part of the Area of Common Responsibility.

Section 2. "Assessments" shall mean and refer to any Assessments levied upon the Lots pursuant to the terms and provisions herein, including the Base Assessments, Supplemental Assessments as applicable, and any Special Assessments.

Section 3. "Association" shall mean and refer to Hayden Hill Homeowners Association, Inc., a Tennessee nonprofit corporation, and its successors and assigns.

Section 4. "Base Assessment" shall mean and refer to Assessments levied against all Lots in the Subdivision to fund Common Expenses.

Section 5. "Board" or "Board of Directors" shall be the elected governing body of the Association having its normal meaning under Tennessee corporate law.

Section 6. "Builder(s)" shall mean any Person, including Goodall, holding fee simple title to a Lot for purposes of development and construction of a Unit and other improvements thereon to be sold to a third-party purchaser; provided, however, that Declarant shall not be considered a Builder for purposes of the Assessment obligations imposed upon Builders under Article X, Section 10 and the insurance obligations imposed upon Builders under Article V, Section 2 herein.

Section 7. "Bylaws" shall mean and refer to the Bylaws of Hayden Hill Homeowners Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 8. "Charter" shall mean and refer to the Charter of Hayden Hill Homeowners Association, Inc., as filed with the Secretary of State of the State of Tennessee and as it may hereafter be amended. A copy of the Charter of the Association as of the date hereof is attached hereto as Exhibit "B".

Section 9. "Class "B" Control Period" shall mean and refer to the period of time during which the Declarant, as the Class "B" Member, is entitled to appoint at least a majority of the members of the Board of Directors, as provided in Article III, Section 2(b), of this Declaration, and Article III, Section 2 of the Bylaws.

Section 10. "Common Area(s)" shall mean all real and personal property, including the Properties, but excluding Residential Lots (as defined below), components thereof and easements appurtenant thereto, now or hereafter owned by the Association for common use and enjoyment of the Owners, including, but not limited to, all lawns, any and all streets, roads, bridges, parking areas, drainage facilities, open spaces, community swimming pool(s), playgrounds, clubhouses, walking trails, or other common amenities (if any) and all related facilities, ponds, waterways, fences, structures, sidewalks, curbs, signs, lights, common utilities, and other improvements and elements (other than the Lots) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Subdivision.

Section 11. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Areas, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Charter of the Association.

Section 12. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Subdivision. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Committee.

Section 13. "Declarant" shall mean and refer to Hardin Valley Farm Development, Inc., a Tennessee corporation, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit "A" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 14. "Documents" shall mean and refer to this Declaration, any exhibits or supplements thereto, including the Bylaws and Charter of the Association, the Architectural Guidelines, as well as the rules and regulations adopted by the Association, all of which as may be amended and/or supplemented from time to time.

Section 15. "Goodall" shall mean Clayton Properties Group, Inc., a Tennessee corporation d/b/a Goodall Builders.

Section 16. "Member" shall mean and refer to a Person or entity entitled to membership in the Association, as provided herein.

Section 17. "Mortgage" shall mean and refer to a first lien mortgage, a deed of trust, a deed to secure debt, or any other form of security deed encumbering one (1) or more Lots.

Section 18. "Mortgagee" shall mean and refer to any Person that is an institutional lender and that holds a bona fide Mortgage encumbering a Lot, which has notified the Association, in writing, of its name and address, and that it holds a Mortgage with respect to a Lot(s). The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

Section 19. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 20. "Owner" shall mean and refer to one (1) or more Persons or entities, including Declarant who holds fee simple title to any Residential Lot which is part of the Subdivision, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Lot is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 21. "Person" means a natural person, a corporation, a limited liability company, a partnership, a trustee, a fiduciary, or other legal entity.

Section 22. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 23. "Residential Lot" or "Lot" shall mean a portion of the Subdivision, whether developed or undeveloped, intended for the development, use, and occupancy as a single family residence. The term shall include all portions of the Lot owned, including any structure thereon. A Residential Lot shall include all easement rights appurtenant to such Lot as set forth herein or as shown on the final subdivision plat for the respective phase or section of Hayden Hill (the "Plat").

Section 24. "Residential Unit" or "Unit" shall mean and refer to improvements situated upon any Lot designated and intended for use and occupancy as a residence by a single family.

Section 25. "Special Assessments" shall mean and refer to Assessments levied in accordance with Article X, Section 4 of this Declaration.

Section 26. "Supplemental Assessments" shall mean and refer to Assessments levied in accordance with Article X, Section 3 of this Declaration

Section 27. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Section 28. "Townhome Lots" shall mean and refer to any Lots within the Subdivision on which are located Townhome Units.

Section 29. "Townhome Units" shall mean and refer to any single-family attached Units within the Subdivision located upon Townhome Lots.

Article II Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the Owner's lessee.

Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of property within the Subdivision then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Hayden Hill desired to be effectuated by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Hayden Hill. To the extent that any property to be removed from the Subdivision is owned by a Person other than Declarant, such Person's consent must be obtained to said removal, as evidenced by such Person's signature affixed to the Declaration amendment.

Article III Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws. The membership rights of a Lot owned by a corporation, limited liability company, or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the Bylaws.

Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership, but any transfer by Declarant of title to a Residential Lot shall automatically transfer the membership in the Association appurtenant thereto, free and clear from such assignment.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and

Class "B", as follows

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Members, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof. There shall be only one (1) vote per Lot.

In any situation in which more than one (1) Person holds the interest in a Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Members shall be the Declarant and Goodall and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" Members shall originally be entitled to Five Hundred votes (500) votes plus an additional One Hundred (100) votes for each Residential Lot owned. The rights of the Class "B" Members, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. Notwithstanding the foregoing, pursuant to the authority set forth under Article XIV, Section 1 of this Declaration, the Declarant, as the sole Class "B" Member of the Association, hereby transfers and assigns its right to appoint the members of the Board of Directors of the Association during the Class "B" Control Period to Goodall. The Class "B" Members shall be entitled to, in their sole discretion, appoint the members of the Board of Directors during the Class "B" Control Period, subject only to the Bylaws. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier occurrence of:

(i) six (6) months following the date on which one hundred percent (100%) of the Lots with respect to all phases of Hayden Hill have been conveyed to Owners other than the Declarant or Builders; or

(ii) twenty (20) years after the date on which the first Lot has been conveyed to an Owner other than the Declarant or Builders; or

(iii) when, in its discretion, Goodall permits Class "A" Members to be eligible to hold Director positions.

From the happening of this event, the Class "B" Members shall be deemed to be Class "A" Members entitled to one vote for each Residential Lot in which it holds the interest required for membership under section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the Bylaws for special meetings, to advise the membership of the termination of Class "B" status.

Notwithstanding any provisions to the contrary contained in this Declaration or the Bylaws, during the Class "B" Control Period, any action, policy or program of the Association requiring approval by the vote of the Members of the Association shall not be taken or adopted until also approved in writing by the Class "B" Members.

Maintenance

Section 1. Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Common Areas, as further described in Article IX, Section 1 herein, with such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. Maintenance may also include such portions of any additional property included within the Subdivision as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Lots as part of the Base Assessment.

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

The Association shall not be liable for any damage, including personal injury or property damage, caused by or stemming from the Association's failure to maintain or repair, or properly maintain or repair, any item for which it has the maintenance and or repair obligation as set forth herein.

(b) In addition to the operation, maintenance, and management duties of the Association set forth in subsection (a) above, the Association shall provide for the maintenance, care, repair, and replacement of the following portions of the Townhome Lots, and improvements located thereon: the exterior landscaping (except such landscaping installed by, or on behalf of, the Lot Owner and such landscaping enclosed by a fence), as well as walkways, patios, and porches located upon or about each Townhome Lot, with the exception of elevated decks, and/or balconies. The Association shall have the right, however, to contract with the respective Lot Owner for the maintenance of such elevated decks and balconies, and for the maintenance of such other areas and items as the Board may deem appropriate. The Association also shall maintain the exterior of each Townhome Unit as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including siding, roofs, gutters, downspouts, replacement of trim, caulking, and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Residential Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall not include glass surfaces (including, without limitation, windows or sliding glass doors), HVAC equipment, storm doors, front or rear entry doors, screens, or patio covers. The balance of the Townhome Units and other improvements located on the respective Lots shall be maintained by the Owner of the particular Townhome Lot involved.

Notwithstanding the foregoing, if the need for exterior maintenance and repair by the Association as required by this paragraph is caused by the willful or negligent conduct or act an Owner, his/her family, guest, invitees, or other Persons using or occupying his/her Townhome Unit with his/her express or implied permission, the cost of such repair or maintenance shall be assessed against such Owner and shall be due and payable thirty (30) days from the date of notice thereof, such Assessment to be collected and enforced as provided in Article X of this Declaration. Such Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which any such assessment is levied shall be entitled to notice, a hearing, and an opportunity to do the corrective work required, as provided by Article X, Section 4 hereof, prior to an Assessment being levied against such Owner in accordance with the provisions of this paragraph. For the sole purpose of performing the exterior maintenance upon each Townhome Unit required by



this subsection (b), the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon any SF Attached Lot and into any Townhome Unit at reasonable hours of any day except Sunday. Moreover, if, during the course of performing the maintenance of a Townhome Lot, the Association discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at Owner's expense without prior notice to the Owner.

(c) In addition to the operation, maintenance, and management duties of the Association set forth in subsection (a) and (b) above, the Association shall provide for the maintenance, care, repair, and replacement of any retaining wall located on Property within the Subdivision, which has been initially installed by the Declarant or Builder. Any retaining wall(s) installed by, or on behalf of, the Lot Owner shall be the sole responsibility of the Lot Owner.

(d) In addition, the duly authorized agents or employees of the Association shall have the right to enter in or upon any Residential Unit or into any structure located on a respective Lot, without notice to the Owner thereof, when, in the judgment of the Association, acting through its Board of Directors, such entrance is necessary to prevent damage to such Residential Unit or surrounding Residential Units or Common Areas by fire, criminal act, natural disaster, or other similar emergency.

Section 2. Owner's Responsibility.

(a) Except as otherwise provided below with respect to Townhome Lots, each Owner shall maintain his or her Lot, as well as the Residential Unit and all other structures or improvements thereon, including exterior surfaces of the residence, parking areas, fences and other improvements located on the Lot in a manner consistent with the Community-Wide Standard and all applicable provisions of the Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association.

(b) With respect to Townhome Lots, all maintenance of the interior portions of the Residential Unit, all structural components of the Townhome Unit, entry doors, doorways and doorsteps, windows, window casings, glass, decks, balconies, patios, utility boxes, and other improvements not maintained by the Association, including, but not limited to, fencing, driveways, garages, garage doors, air conditioning units, as well as any landscaping, planting beds, bushes and trees installed or planted by or on behalf of a Lot Owner, shall be the sole responsibility of the Owner thereof.

(c) If the Board determines that any Owner has failed or refused to properly maintain and keep in good repair and free of debris and rubbish, the Owner's Lot and Unit, and otherwise generally perform his or her maintenance responsibility, then the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days and diligently pursue such maintenance or repair to completion. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, then, the Association may perform it and assess all costs incurred by the Association against the Lot and the Owner thereof, in accordance with Article X, Section 4 of this Declaration, which assessment shall be a lien against said Lot and Owner. If, during the course of performing the



maintenance of an Owner's Lot, the Association discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and such maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform such work on behalf of the Owner and at Owner's expense without prior notice to the Owner. The Board may alternatively enforce this Section through monetary fines against the Owner or Lot and each day the maintenance, repair, or replacement is not completed shall constitute a separate violation for which fines may be assessed on a daily basis.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained, including coverage for vandalism and malicious mischief. Insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction of said improvements in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Two Million (\$2,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article 1 and as more particularly described in Article X, Section 1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

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

(b) All policies shall be for the benefit of the Association and its Members and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Subdivision shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any,

related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Knox County, Tennessee, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the actions of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' Assessments on all Lots, 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 thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. Except as otherwise provided under Section 3 below with respect to Townhome Lots, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Units and all other improvements built upon the Lot(s) meeting the same requirements as set forth in Section 1 of this Article V for insurance on the Common Area. In addition, each Owner shall carry liability insurance covering the Owner's Lot and Unit for all damage or injury, including bodily injury, death, and property damage, arising from any condition or occurrence on the Owner's Lot or in the

Owner's Unit. The Board shall upon request make available for review by Owners a copy of the Association's insurance policies to allow Owners to assess their personal insurance needs. Each Builder (other than the Declarant) shall, in addition to the other insurance requirements set forth herein, carry liability insurance with coverage limits reasonably satisfactory to Declarant and the Association for all damage or injury, including bodily injury, death and property damage, arising from the exercise of the Builder Construction Easement granted by Declarant in Article XVII, Section 2. Prior to exercising any rights granted pursuant to said Builder Construction Easement, each Builder shall deliver to the Declarant and the Association a certificate of insurance (i) evidencing that the aforementioned insurance coverage has been obtained and (ii) naming the Declarant and the Association as Additional Insureds.

Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of the Unit and other improvements located upon said Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the Community-Wide Standard. The provisions of this paragraph shall not apply to the Townhome Lots.

Section 3. Insurance for Townhome Lots. Notwithstanding any provisions to the contrary of Section 2 above, in addition to casualty insurance on the Common Area, the Association shall, as a Common Expense, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, and if not reasonably available, fire and extended coverage, in such form as the Board of Directors deems appropriate for one hundred (100%) percent of the replacement cost of the Townhome Units, excluding the replacement of any fixtures, cabinets, appliances, flooring, improvements installed or supplied by the Owners, or their tenants, or personal property of the Owners, or their tenants, guests, and invitees located within said Townhome Units or upon the Townhome Lots. The deductible shall be a maintenance expense to be paid by the Person or Persons who would be liable for the loss or repair in the absence of insurance. If the loss affects more than one Townhome Lot, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected party's portion of the total cost of repair, or otherwise as the Board determines equitable. Notwithstanding the foregoing, if the insurance policy provides that the deductible will apply to each Townhome Lot separately or to each occurrence, each Owner shall be responsible for paying any deductible pertaining to his or her Townhome Lot. If any Owner fails to pay the deductible when required hereunder, then the Association may pay the deductible and assess the cost to the Owner. Notwithstanding anything to the contrary herein, in the event of an insured loss under the Association's policy for which the Association receives from the insurer payment for a loss sustained by an Owner who is delinquent in the payment of any Assessment or charge owed to the Association, then the Association may retain and apply such proceeds to the delinquency. Any surplus remaining after application of the proceeds to any delinquency shall be paid by the Association to the affected Owner.

Each Townhome Lot Owner may, at such Owner's expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, appliances, flooring, fixtures, cabinets, improvements installed or supplied by the Owners, or their tenants, personal effects, and other property belonging to such Owner which is not covered under the insurance policy discussed in this section. The Board shall, upon request, make available for review by Townhome Lots Owners

a copy of the Association's insurance policy(ies) covering such Owners' respective Townhome Lots to allow such Owners to assess their personal insurance needs.

Section 4. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with filing and adjusting all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed portion of the Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least eighty (80%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. Any damage or destruction to the Townhome Units shall be promptly repaired or reconstructed unless the Members representing one hundred (100%) percent of the total vote of the Owners of the Townhome Units within each building of connected damaged or destroyed Townhome Units, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. In the event of substantial damage or destruction to a Townhome Unit(s), each Mortgagee shall be entitled to written notice of the damage, and nothing in the documents provided shall be construed to afford a priority to any Owner with respect to the distribution of proceeds to any such Townhome Unit. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

(b) Notwithstanding any provision in the Documents to the contrary, if the damage or destruction to the Common Area is to be repaired or reconstructed, and such insurance proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Base Assessments. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

(c) If, after a fire or other casualty causing damage to the Townhome Units, the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against the Owners of the Townhome Units damaged in proportion to the damage suffered. If there are surplus funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as

directed by the Board. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Subdivision was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications as approved by the Board. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

(d) Encroachments upon or in favor of Lots which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose Lot such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Subdivision was originally constructed. Such encroachment shall be allowed to continue in existence for so long as the reconstructed structure shall stand.

Section 5. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made to any portion of the Common Area, any proceeds remaining, after making such settlement as is necessary with the Mortgagee, shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made to any Lot or Unit, any proceeds remaining, after making such settlement as is necessary with the Mortgagee, shall be paid to the respective Owner(s).

Section 6. Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from Assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair as set forth in this Article to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction designated by the Board.

Article VI No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Subdivision or any part thereof seek any judicial partition unless the Subdivision have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII Condemnation

Whenever all or 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 two-thirds (2/3) of the total Association vote and the Declarant, as long as

the Declarant owns any property subjected to and encumbered by this Declaration) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. 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, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" or seventy-five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until the date that is twenty (20) years from the date on which the first Lot is conveyed to an Owner other than the Declarant or Builders (the "Declarant Annexation Period"), subject to the provisions of this Declaration and the jurisdiction of the Association, to annex any other real property not described on Exhibit "A" attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the Register's Office of Knox County, Tennessee, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner thereof if such owner is not the Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association, after the expiration of the Declarant Annexation Period, may annex real property other than that described on Exhibit "A" to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require (i) the affirmative vote of Members representing a majority of the Class "A" votes of the Association present at a meeting duly called for such purpose and (ii) the affirmative vote of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the Register's Office of Knox County, Tennessee, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by: (i) the Declarant and/or by an officer of the Association, as applicable pursuant to Article XVIII, Section 2 herein, and (ii) by the owner of the property being annexed, if such owner is not the Declarant, and any such annexation shall be

effective upon filing unless otherwise provided therein. The relevant provisions of the Bylaws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the Subdivision which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant during the Class "B" Control Period.

Article IX
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the maintenance of the Townhome Lots as set forth in Article IV, Section 1 and exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Water and Other Utilities in Common Areas Only. The Association shall be responsible for acquiring, providing, and/or paying for, water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Areas and all utility services to enable the Association to maintain the Area of Common Responsibility

Section 3. Taxes and Assessments. The Association shall be responsible for paying all real and personal property taxes and Assessments separately levied upon or assessed against the Association and/or of the property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association; provided that they are paid or a bond in an amount at least equal such taxes and Assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or Assessments.

Section 4. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Subdivision conveyed to it by the Declarant.

Section 5. Enforcement in General.

(a) Enforcement of the standards as specified in this Declaration may be by any proceedings at law or in equity against any person or persons violating or attempting or threatening to violate a covenant or restriction, either to restrain a violation or to recover damages. In addition, the Association may establish monetary fines as well as suspend voting rights and usage of the Common Areas for any violations of the restrictions and provisions set forth in the



Documents. Any failure by the Declarant, the Association or Owner to enforce any restriction or other provisions herein contained shall in no event be deemed a waiver of the rights to do so thereafter nor constitute an acquiescence in or an estoppel against enforcing any, actual or future, breaches or violations of these covenants and restrictions.

(b) In the event any cost or expenses including attorneys' fees and any costs of litigation, are incurred by the Declarant or Association in connection with the action to correct or abate any violation or breach of the provisions hereof, the Owner or occupant of a Unit located upon such Owner's Lot shall pay any such costs or expenses, and provided that reasonable notice to the Owner of the subject Lot(s) has been given, such cost and expenses shall be a lien against the Lot(s) of such Owner and such charges shall be subject to the provisions for lien rights and collection as specified in Section 6 below. No such cost or expenses shall be a lien when the nonexistence of a violation or breach hereof has been established by a court of competent jurisdiction.

Section 6. Covenant and Creation of the Lien of Personal Obligation for Court Ordered Violation in Section 5. The Declarant for each Lot owned by him within the subdivision hereby covenants and agrees, and each owner of any Lot by acceptance of a deed therefore whether or not it shall be so expressed in such deed as the conveyance shall be deemed to covenant and agree, to pay any court ordered violation cost and other costs or expenses incurred in Section 5 above, together with such interest thereon and cost of collection thereof, including attorneys' fees, as provided herein, and shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such obligation is made. It shall also be the personal obligation of each Person who was an Owner of such property at the time of the violation.

Section 7. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Subdivision, which rules and regulations shall be consistent with the rights and duties established by this Declaration. In addition, the Association may promulgate rules and regulations applicable only to the Townhome Lots. Sanctions may include monetary fines, which if unpaid, shall constitute a lien on such Owner's Lot subject to enforcement as provided under Article X hereunder, as well as suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Such rules and regulations, as amended, shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Members representing a Majority of the total Class "A" votes in the Association and with the consent of the Class "B" Members, so long as such membership shall exist.

The Association, acting through the Board by contract or other agreement, shall have the right to enforce county ordinances or permit Knox County, Tennessee, to enforce ordinances on the Subdivision for the benefit of the Association and its Members.

Section 8. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege, including, but not limited to:

- (a) imposing monetary fines and suspending use and voting privileges;
- (b) granting permits and licenses, utility easements and other easements, permits or licenses under, through or over the Common Areas;
- (c) sell, transfer or convey portions of the Common Area, but only upon approval of

two-thirds (2/3) of the total eligible votes of the Association.

Article X
Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of Assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association as described in Section 2 below; (b) Supplemental Assessments as described in Section 3 below; and (c) Special Assessments as described in Section 4 below.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Base Assessment and any applicable Supplemental Assessments for delinquents, including Owners delinquent in the payment of fines imposed in accordance with Article IX, Section 5 of this Declaration as well as Article III, Section 21, of the Bylaws. Unless the Board otherwise provides, the Base Assessment and any applicable Supplemental Assessments shall be paid in monthly installments.

No Owner, except for the Declarant during the Class "B" Control Period and a Builder during the Builder Exception Period as discussed in Section 11 below, may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner, and each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these Assessments. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Base Assessments: Computation. Base Assessments shall be levied equally on all Lots, except as otherwise provided under Section 10 below with respect to Common Area and Section 11 below with respect to Declarant and any Builders. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Lot subject to Assessment shall be computed by dividing the budgeted Common Expenses by the total number of Lots subject to Assessment as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and Assessment shall become effective unless disapproved at a meeting of the members by the vote of Members representing at least a majority of the total Class "A" vote in the Association, 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 Article II, Section 4, of the Bylaws.



Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Supplemental Assessments for Townhome Lots. In addition to the Base Assessments authorized in Section 2 above, the Association shall levy Supplemental Assessments for Townhome Lots to cover the cost of Lot maintenance of those Townhome Lots and other maintenance as may exceed the type and scope of maintenance of the rest of the Subdivision, and any additional administrative costs incurred by the Association as a result of its maintenance and oversight activities on behalf of the Townhome Lot Owners. The Supplemental Assessments shall be included in the budget prepared by the Association pursuant to Section 2 above. The Owners of Townhome Lots may elect a subcommittee (the "Townhome Lot Subcommittee") of the Board of the Association that shall report to and be under the authority of the Board of the Association. The Townhome Lot Subcommittee shall be an advisory committee to the Board concerning matters affecting Owners of Townhome Lots, but the Board shall have final authority over all matters of the Association including matters affecting the Owners of Townhome Lots. All Townhome Lot Owners shall have full access to all amenities and Common Areas in Hayden Hill and shall pay regular Base Assessments to the Association in the same amount as other Owners in Hayden Hill and shall also pay the Supplemental Assessments as discussed herein.

Section 4. Special Assessments. In addition to the other Assessments authorized in this Article, the Association may levy a Special Assessment or Special Assessments from time to time; provided, however, that such Assessment shall have the affirmative vote or written consent of Members representing at least fifty-one (51%) percent of the total vote in the Association and the 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, if the Board so determines.

The Board may also levy a Special Assessment against any Member, without the necessity of a vote of the Members, to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of the Documents, and any amendments thereto, and to pay the deductible provided in Article V, Section 1, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 5. Lien for Assessments; Power of Sale to Enforce Lien.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Areas and the Limited Common Areas, the assumption of the obligations of Owners set forth in this Declaration by grantees as required hereunder, the receipt of which is hereby acknowledged, and to secure the payment of Assessments, interest, late charges and attorneys' fees as provided herein (hereinafter collectively referred to as the "Secured Charges"), a lien is expressly retained in favor of the Association on each and every Owner's Lot and pro rata interest in the Common Areas.

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of One Dollar (\$1.00) paid in cash, receipt of which is

acknowledged, the Owners, their respective heirs, successors, administrators, and assigns (hereinafter sometimes referred to, collectively, as "Trustors" and individually as "Trustor") hereby transfer and convey unto Jeremy H. Cherry, Trustee, of Williamson County, Tennessee, his successors and assigns, their respective Lots with the appurtenances, estates, titles and interests thereto belonging, upon the uses and trusts set forth in this Section 4.

(c) Each Trustor agrees (i) to pay the Secured Charges attributable to such Trustor's Lot when due, as provided in this Declaration; (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against its Lot and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to comply with all of the terms and conditions of the Documents; and (iv) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Declaration and Bylaws or any rule and regulation of the Association. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of those things, and the amounts so paid shall bear interest at the highest rate allowed under applicable law in effect from time to time from the date of payment and shall become a part of the Secured Charges secured hereby.

(d) If the Secured Charges with respect to any Lot are not paid promptly when due, then the Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in Knox County, Tennessee, to sell said Lot at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, the statutory right of redemption, homestead, dower and all exemptions of every kind, all of which are hereby expressly waived; and the Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any of the Secured Charges, enter and take possession of the Lot, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Lot, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

- (1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing the lien herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;
- (2) Second, to the payment of all taxes which are due but unpaid with respect to such Lot;
- (3) Third, to the payment of all unpaid Secured Charges with respect to such Lot;
- (4) Fourth, the residue, if any, will be paid to the Owner of such Lot, its order, representatives or assigns;

(e) The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the

period in which a Lot is owned by the Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no Assessment shall be assessed or levied on it; and (iii) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

(f) In the case of the death, absence, inability, or refusal to act of the Trustee, or if the Board so decides in its sole discretion, at any time when action under the foregoing power and trusts may be required or for any other reason, the Association is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument in writing to be recorded in the Register's Office for Knox County, Tennessee, and the title and rights herein conveyed to the above named Trustee shall be vested in said successor.

Section 6. Capital Budget and Contribution The Board of Directors may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by Assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within the Base Assessment and/or Supplemental Assessment, as applicable, and distributed with the budget, as provided in Section 2 of this Article.

Section 7. Date of Commencement of Assessments & Effect of Nonpayment of Assessments.

(a) Except as otherwise agreed to in writing by the Association, the Assessments provided for herein shall commence as to all Lots (except as otherwise provided in Section 11 below) upon conveyance of the first Lot to an Owner other than the Declarant. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first Assessments levied by the Association shall be adjudged according to the number of days remaining in the fiscal year at the time Assessments commence on the Lot.

(b) All Assessments, together with interest at a rate not to exceed ten (10%) percent or the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees (including post-judgment attorneys' fees from a prior judgment, if any), shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. No first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to acquisition of title, unless otherwise provided under applicable laws.

(c) The Association shall, within a reasonable time upon written request, furnish to any Owner, Mortgagee or Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, a certificate in writing signed by an officer of the Association setting forth the amount of Assessments due and unpaid, including any late charges, interest, fines or other charges against a Lot, if any. Such certificate shall be conclusive evidence of payment to the Association of such Assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Seventy-Five

(\$75.00) Dollars for the issuance of such certificate.

Section 8. Subordination of the Lien to First Mortgages. The lien of Assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage, or by a deed in lieu of foreclosure, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any Assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of common expenses or Assessments shall be deemed to be common expenses collectible from Owners of all the Lots, including such acquirer, its successors and assigns.

Section 9. Capitalization of Association; Working Capital Fund; Amenity Fund.

(a) Capitalization of Association; Working Capital Fund. In conjunction with the acquisition of record title to any Lot by the purchaser thereof, other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser at the closing of the purchase of the Lot to the working capital of the Association in an amount as determined in the Board's discretion, but in any event, shall not be greater than an amount that is equal to twice the annual Base Assessment per Lot as determined by the Board for the year in which the respective closing occurs. This amount shall not be considered an advance payment on the Base Assessment and shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use to cover capital and operating expenses, capital repairs or improvements, and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws. Moreover, when control of the Association is transferred from the Declarant to the Owners as provided in the Documents, said fund and any remaining proceeds thereof shall be transferred to the Association to be used for the same aforementioned purposes.

(b) Amenity Fund. In conjunction with the acquisition of record title to a Lot by the purchaser thereof, other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser at the closing of the purchase of the Lot to the Association in an amount as determined in the Board's discretion, but in any event, shall not be greater than an amount that is equal to twice the annual Base Assessment per Lot as determined by the Board for the year in which the respective closing occurs. This amount may be deposited into the Association operating account or a segregated account or fund and shall be used exclusively by the Association to cover any of its obligations with respect to the operating expenses, capital repairs or improvements, any rent and other lease obligations, and any and all other expenses incurred by the Association with respect to the use, maintenance and operation of, and any capital improvements to any amenities located within the Subdivision.

Section 10. Exempt Property. Notwithstanding anything to the contrary herein, all Common Area and property dedicated or otherwise conveyed to and accepted by any governmental authority or public entity, shall be exempt from payment of Assessments.

Section 11. Obligation of Declarant and Builders for Assessments. Until the expiration of the Class "B" Control Period, the Declarant and Goodall shall not be liable for the payment of Assessments on its unsold Lots. However, until the expiration of the Class "B" Control Period, Goodall shall be obligated for the difference between the amount of Assessments levied on all Lots subject to

assessment and the amount of actual expenditures required to operate the Association during the fiscal year, and any such payments by Goodall shall be considered a subsidy to the Association (a "Subsidy"). Any Subsidy may be treated, in Goodall's discretion, as either (i) a voluntary contribution, (ii) a prepayment of Assessments due from Goodall for unsold Lots owned after the expiration of the Class "B" Control Period, if any, or (iii) a loan from the Goodall to the Association. A Subsidy may be evidenced by one or more promissory notes from the Association in favor of the Goodall.

In addition, no Assessments shall be levied on Lots owned by any other Builder until the earlier to occur of: (i) the date that the Lot is conveyed from such Builder to a third-party purchaser holding title to the Lot for purposes permitted herein other than the development and construction of a Unit and other improvements thereon: (i) completion of construction of a Unit and other improvements thereon, or (ii) the expiration of six (6) months after the Builder obtains a building permit issued by the applicable governmental authorities for the construction of a Unit on the respective Lot (the "Builder Exception Period").

Section 12. Transfer Fees. In conjunction with the acquisition of record title to a Lot by the purchaser thereof, other than the Declarant or any Builder, a reasonable contribution shall be made by or on behalf of the purchaser at the closing of the purchase of the Lot to the management company or Association, as applicable, to cover certain administrative costs related to establishing the new Owner's account with the Association.

Article XI Architectural Standards

No Owner, occupant of an Owner's Lot, or any other Person, other than the Declarant, may: (i) make any exterior change, alteration, modification, or construction on a Lot; (ii) erect, place or post any thing or object which may affect the appearance of a Lot; or (iii) change the grade or slope of a Lot without first obtaining the written approval of the Architectural Review Committee. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Architectural Review Committee established in Section 1 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land or Lot subject to this Declaration or subject to annexation to this Declaration.

The Declarant at the time of sale and/or the plat is recorded for each phase/section of Hayden Hill has the right to establish additional restrictions and/or design-standards with respect to improvements constructed upon the Lots in that particular phase/section of Hayden Hill.

Section 1. Architectural Review Committee. The Architectural Review Committee ("ARC") shall have exclusive jurisdiction over all original construction on any portion of the Subdivision as well as modifications, additions, or alterations made on or to existing Lots or structures and improvements thereon, as well as the Common Areas. The ARC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and review procedures (the "Architectural Guidelines"). Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. Copies shall be available from the ARC for review. The Architectural Guidelines shall be those of the Association, and the ARC shall have sole and full authority to prepare and to amend the Architectural Guidelines). A copy of the Architectural Guidelines, as well as any amendment, supplement, or modification thereto, shall be provided to all Owners, including any Builders, and developers who seek to engage in development of or construction upon all or any portion of the Subdivision, and



such Owners, Builders and developers shall conduct their operations strictly in accordance therewith.

Until one hundred (100%) percent of the Lots with respect to all phases as shown on the master plan of the Subdivision, as may be revised or amended from time to time, have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the ARC, which shall consist of at least three (3), but no more than five (5), persons, and Declarant hereby transfers and assigns its right to appoint said members of the ARC during this period to Goodall. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant and Goodall. Upon the expiration of such right, the Board of Directors shall appoint the members of the ARC.

In addition to the foregoing, plans and specifications showing the nature, kind, shape, color, size, materials, and location of any initial construction, modifications, additions, or alterations, for all improvements on the Lots, including, but not limited to, any structure, building, fence, wall, driveway, path, or landscaping shall be submitted, prior to any construction, to the ARC for its written approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. The Board, the ARC, or the Association may establish a reasonable processing and review fee related to the consideration of any submitted architectural review requests. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of the residence located upon such Owner's Lot, or to paint the interior of such Owner's residence any color desired. In the event that the ARC fails to approve or to disapprove such plans or to request additional information reasonably required within sixty (60) days after submission, the plans shall be deemed approved, unless such construction, modification or improvement otherwise is in violation of the Declaration, the Bylaws, the Architectural Guidelines, the Association's rules and regulations, or applicable zoning ordinances.

The ARC shall be the sole arbiter of the application and may withhold approval for any reason whatsoever, including purely aesthetic considerations. The Association, acting through the Board shall be entitled to stop any construction or modification which is not in conformance with approved plans. In the event that the ARC disapproves any application or part thereof, an Owner shall have the right to appeal the ARC's decision to the Board of Directors, in writing by certified mail. Said notice of appeal must be received by the Board within fourteen (14) days from the date of the ARC's notice to Owner of its decision, otherwise the decision of the ARC shall be final. The Board shall rule on the appeal with thirty (30) days of receiving written notice requesting an appeal from the Owner; and all decisions of the Board shall be final.

Neither the Board nor the ARC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Declarant, Association, the Board, the ARC or any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design, or quality of approved construction on or modifications to any Lot, nor may any action be brought against the Declarant, Association, the Board, the ARC, or any member thereof, for any such injury, damage or loss.

Section 2. No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters



whatsoever subsequently or additionally submitted for approval or consent.

Section 3. Variance. The ARC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, 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 the restrictions set forth in the body of this Declaration, or (c) estop the Committee 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, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 4. Enforcement of Architectural Standards. Any construction, alteration, or other work done in violation of this Article, the Declaration, the Bylaws, the design standards or any applicable zoning ordinances, codes, or regulations shall be deemed non-conforming, and upon written request from the Board, such non-conforming construction, alteration, or other work shall be removed at the sole expense of the Owner and the Lot shall be restored to substantially the same condition as existed prior to such construction, alteration or work. Should the Owner fail to do so, the Board or its designees shall have the right, in addition to other remedies provided under Article IX of the Declaration as well as the rules and regulations of the Association, to enter the Lot and remove the violation and restore the Lot, or obtain a court order compelling the violating Owner to do so. All costs thereof, including reasonable attorney's fees, may be assessed against such Lot, regardless of whether or not litigation is filed. The remedies under this Section 5 shall be in addition to, and not in substitution for, any other remedies provided under the Documents, or at law or in equity.

Article XII Use Restrictions

Section 1. Signs and Flagpoles. No sign of any kind shall be erected or placed within the Subdivision without the written consent of the Board of Directors, except (i) that an Owner may place one (1) sign on such Owner's lot advertising the sale thereof; (ii) for political or campaign posters or signs as permitted pursuant to under the "Tennessee Freedom of Speech Act of 2017" as codified under Tenn. Code Ann. § 2-7-143, as may be subsequently amended, or any other applicable federal, state, or local laws; and (iii) as otherwise permitted under Article XIV with respect to Declarant and Builders. Notwithstanding the foregoing, the Board of Directors shall have the right to erect signs as it, in its sole discretion, deems appropriate. No flagpoles shall be erected on any Lot, except for (i) Lots owned by the Declarant or any Builder where Units or improvements located thereon are used as models and sales offices or trailers; and (ii) flagpoles permitted under the "Freedom to Display the American Flag Act of 2005" as codified under 4 U.S.C. § 5 (Executive Order 10834, Section 3), as may be subsequently amended, or any other applicable federal, state, or local laws.

Section 2. Parking and Garages. No Owner or occupant shall keep more than two (2) vehicles parked in said Owner's driveway at any time; provided, however, that if the Lot only has a one-car garage, then said Owner or occupant shall not park more than one vehicle in said driveway. All other vehicles must be parked in garages, designated parking spaces, or other areas authorized in writing by the Board. Vehicles shall not be parked on any lawn, yard, private street or alley. There shall also be designated parking spaces located upon the Common Area, which shall be utilized for guest parking as well as special parking permits issued by the Board. Parking upon any public streets or dedicated right-of-ways of the Subdivision shall be in compliance with applicable laws, ordinances, codes, and regulations of Knox County. The Board may also adopt reasonable rules and regulations

regarding parking within the Subdivision, which shall be in compliance with this section.

Garage doors shall remain closed at all times, except for necessary use, ingress, and egress. Each garage should be maintained in such a manner that parking for the maximum number of motor vehicles for which it was originally designed to hold is allowed and possible with the exception of a garage temporarily converted to a sales center by the Declarant or any Builder.

No vehicle that does not have a current license tag or is inoperable may be parked on or within the Subdivision. Recreational vehicles, boats, and trailers must be parked on paved surfaces, and these vehicles, boats, and trailers must be parked on paved surfaces and these vehicles must be screened from sight. Screening must be in an attractive and first class manner. No vehicle in an inoperative condition shall be kept in an area open to the view of the public or other Owners for a period in excess of fifteen (15) days. In the event of violation of this item, such vehicle may be removed by the Association at the expense of the Owner of the Lot on which the Vehicle is located. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Area during normal business hours for the purpose of serving any Lot or the Common Area; provided, however, no such vehicle shall remain on the Common Area overnight or for any purpose unless prior written consent of the Board is first obtained. Notwithstanding any provision to the contrary above, all emergency response and local, state, and federal law enforcement vehicles may be parked on the Subdivision property so long as they are either owned by an Owner or occupant or they are parked on the Subdivision property in furtherance of emergency response or law enforcement purposes.

If any vehicle is parked on any portion of the Subdivision property in violation of this subsection or in violation of the Association's rules and regulations, a Board member or other agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or other agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle. If a vehicle is parked in a fire lane or a space designated for handicapped parking, is blocking another vehicle or access to another parking space, is obstructing the flow of traffic, is parked in a parking space which has been assigned as exclusively serving another Lot, or otherwise creates a hazardous condition or is an obstruction to the safety or health of other persons on the Subdivision property, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed or booted in accordance with this subsection or if a vehicle is seized or towed by any other Person that is not an employee or agent of the Association, then neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the seizure or towing activity. Also, the Association, and its officers or agents, shall not be liable for any vehicle that is stolen or otherwise unlawfully removed from property within the Subdivision by a third party. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions under the rules and regulations or remedies at law or in equity, rather than exercise its authority to tow or boot.

Section 3. Occupants Bound. All provisions of the Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot Owner.

Section 4. Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept in or on any portion of the Subdivision, except as otherwise provided below. Dogs, cats, or other usual and common household pets not to exceed a total of three (3) may be permitted with respect to each Lot. Pets are not permitted to roam free, and in the sole discretion of the Association, any pets which endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Subdivision shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board and turned over to the appropriate agency for keeping or disposal. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a residence be confined on a leash held by and under the physical control of a responsible person. Local laws governing leashing, control, etc., of animals shall apply to the residents of Hayden Hill. Homeowners shall be responsible to clean-up after their pet. Any Owner or occupant who keeps or allows any pet on a portion of the Subdivision shall be deemed to have indemnified and agreed to hold the Association, its, directors, officers, and agents free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping, maintaining, or allowing such pet within the Subdivision.

Section 5. Governmental Laws and Nuisance. No portion of the Subdivision shall be used, in whole or in part, in violation of any applicable local, state, or federal laws, statutes, regulations, codes, or ordinances ("Governmental Laws"). In the event that any provision of applicable Governmental Laws conflicts with the provisions of this Declaration, the more restrictive provision shall apply.

No portion of the Subdivision shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. Moreover, no substance, thing, or material shall be kept upon any portion of the Subdivision that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Subdivision, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Subdivision. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Subdivision.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Subdivision.

Section 7. Basketball Goals, Clotheslines, Garbage Cans, Irrigation Systems. Intentionally Omitted.

Section 8. Guns. Intentionally Omitted.

Section 9. Lighting. Intentionally Omitted.

Section 10. Leasing.

(a) Definition. "Leasing" for purposes of this Declaration, is defined as regular, exclusive occupancy of a residence located upon a Lot by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) General. Lot residences may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of residences or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in any residence or other improvements located upon the Lots. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Documents. The Association, or managing agent of the Association, may charge the Owner a reasonable review and processing fee with respect to the lease submitted under this subsection.

(c) Compliance with Declaration, Bylaws and Rules and Regulations. Every Owner shall cause all occupants of his or her residence to comply with the Documents, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a residence are fully liable and may be sanctioned for any violation of the Documents.

Section 11. Amenities. Any amenities (including, but not limited to parks, playground equipment, walking trails, community pool(s), and clubhouse) provided by the Association or erected within the Subdivision, if any, shall be used at the risk of the user, and the Association shall not be held liable to any person for any claim, damage, or injury occurring thereon or related to use thereof. The Board may promulgate additional rules and regulations governing the use of such amenities.

Section 12. Residential Use Only. Each Lot shall be used for residential purposes only and no trade or business may be conducted in or from any Lot located within Hayden Hill, except that an Owner, or lessee or other occupant of a residence, may conduct business activities within the residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the residence; (b) the business activity conforms to all zoning requirements for the Subdivision; (c) the business activity does not involve persons coming onto the Subdivision who do not reside in the Subdivision or door-to-door solicitation of residents of the Subdivision, provided however, this provision shall not preclude delivery of materials or items by U S Postal delivery or by other customary parcel delivery services (UPS, Fed Ex, etc.); and (d) the business activity is consistent with the residential character of the Subdivision and does not increase traffic, does not increase insurance premiums paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage, and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the sole discretion of the Board.

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 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 residence located on a Lot in accordance with Section 10 of this Article or the leasing of a model home or a sales trailer on a Lot by the Declarant or a Builder shall not be considered a trade or business within the meaning of this section.

Section 13. Garage Sales. Intentionally Omitted.

Section 14. Antennas and Satellite Dishes. All television antennas, satellite dishes, dishes which receive video programming services via multipoint distribution services and any other device used for the reception of television broadcast signals, direct broadcast satellite services or multi-channel multipoint distribution (wireless cable) services must be twenty-four (24) inches or less in diameter, must be located to the rear of the residence located on the Lot and not visible from the street (unless such location would preclude reception of an acceptable quality signal) and may not be affixed to any portion of the Common Areas. Television antennas must be located to the rear of the roof ridgeline, cable or centerline of the principal dwelling. Freestanding antennas must be attached to and located behind the rear wall of the main residential structure. No antenna may be erected on a wooden pole. Any deviation from this policy must be approved in advance by the Board of Directors. To the extent that any of the foregoing provisions of this Declaration or provisions of the rules and regulations adopted by the Board with respect to satellite dishes and antennas is not permitted under the Federal Communications Commission ("FCC") rules and regulations, the remaining portion of this Section 14 shall survive independently to the extent permissible under the FCC rules and regulations.

Section 15. Swimming Pools. Intentionally Omitted.

Section 16. Tents, Trailers and Temporary Structures. Except as otherwise permitted with respect to the Declarant and Builders under Article XIV hereunder, no tent, utility, shed, shack, trailer or other structure of a temporary nature shall be placed upon a Lot or any part of the Subdivision.

Section 17. Drainage and Septic Systems. Catch basins and 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 may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Septic systems are prohibited upon or within the Subdivision.

Section 18. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of: (a) the Board of Directors of the Association, whose approval shall not be unreasonably withheld or delayed, and (b) the local governmental authorities. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations. Moreover, any two or more Lots that are combined into one or more Lots by Owners, other than the Declarant, shall continue to be responsible for the Base Assessments and Special Assessments allocated to said Lots as if the combination of Lots had not taken place.

Section 19. Playground Equipment. Intentionally Omitted.

Section 20. Sight Distance at Intersections. Intentionally Omitted.

Section 21. Artificial Vegetation; Yard and/or Outdoor Decorations. Intentionally Omitted.

Article XIII
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Lots in the Subdivision. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. A Mortgagee shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Subdivision or which affects any Lot on which there is a Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Mortgagee, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (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 Mortgagees.

Section 2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of a Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 3. 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 Lot.

Section 4. Amendment by Board. Should the U.S. Department of Housing and Urban Development/Federal Housing Administration, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 5. 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, Bylaws, or Tennessee law for any of the acts set out in this Article.

Section 6. 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 sixty (60) days of the date of the Association's request.

Section 7. Inspection of Books. The Association shall permit any holder, insurer, or guarantor of a Mortgage with respect to a Lot, or any Owner to inspect the project documents, including the

Documents, as amended, as well as the records, books, and financial statements of the Association during normal business hours.

Section 8. Financial Statements. The Association shall provide any holder, insurer, or guarantor of a Mortgage with respect to a Lot which submits a written request with a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association, and any cost associated with the preparation of said financial statement shall be borne by said holder, insurer, or guarantor of the Mortgage.

Section 9. Conformity with Federal Guidelines. Notwithstanding anything to the contrary contained in the Declaration and Bylaws, all terms, conditions, and regulations now existing, or which may be promulgated from time to time, by the U.S. Department of Housing and Urban Development/Federal Housing Administration, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation pertaining to planned unit developments are hereby incorporated as terms and conditions of this Declaration and such shall be governing upon the Subdivision, so long as such conditions are not inconsistent with the laws of the State of Tennessee and do not impinge on any substantial property rights of individual Lot Owners.

Section 10. Conflicts. This Article XIII is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict, the provisions of this Article XIII shall control.

Article XIV Declarant's Rights

Section 1. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or its Bylaws may be transferred or assigned in whole or in part to any other Person, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Register's Office of Knox County, Tennessee.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and the initial sale of Lots shall continue, it shall be expressly permissible for Declarant and any Builder to maintain and carry on upon portions of the Subdivision, including any Lot, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model homes, and sales offices or trailers, and the Declarant and such Builder(s) shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right of Declarant to use designated portions of the Common Area and Lots owned by the Declarant and the right of any Builder to use Lots owned by Builder, as models and sales offices or trailers, respectively.

No Person shall (1) institute legal or equitable proceedings involving the alleged defective design or construction of any Unit, structure, or improvement within the Subdivision or (2) retain an expert for the purpose of inspecting the design or construction of any Unit, structure, or improvement within the Subdivision in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction, unless Declarant and the respective Builder have been first notified in writing and given an opportunity to meet with the Owner of the Lot to discuss the Owner's concerns and conduct their own inspection(s). Declarant and the respective Builder(s) reserve the right for themselves and others designated to inspect, monitor, test, redesign and correct any Unit, improvement or condition which may exist on any

portion of the Subdivision, including the Lots and Common Area, and a perpetual easement of access through the Subdivision for such purposes. No entry into a Unit shall be permitted without the express consent of the Owner. Any Person exercising this right shall promptly repair, at such Person's expense, any damage resulting from the exercise thereof.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Subdivision without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 2. This Article may not be amended, and the rights contained herein may not be terminated, waived, or released, without the express written consent of the Declarant and any Builder, as long as such Builder(s) owns any Lots within the Subdivision.

ARTICLE XV Professional Management

The Association may, but shall not be required to, hire a professional management agent or agents, at a reasonable compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. Except for agreements entered into with the Declarant during the Class "B" Control Period, any agreement for professional management of the Subdivision and Association shall not have a term greater than three (3) years.

Article XVI Non-liability of Declarant

The Declarant is the developer of the Subdivision with respect to the residential project contemplated herein. However, Declarant may sell all or portions of the Subdivision to other parties for purposes of constructing individual residences to be located on the Lots. Consequently, all Owners acknowledge and affirm that the Declarant shall not be liable for any claims or causes of action of any kind whatsoever in law or in equity arising from or in any way relating to the construction of improvements upon the Lots that was performed by parties other than Declarant, its agents, employees, subsidiaries or other affiliated entities.

To the extent that a claim(s) may be asserted against the Declarant or its affiliates by the Association or by Owners with respect to the design, construction, sale, maintenance, habitability or, condition of any Lots or the Common Areas of the Development, said claim(s) shall be resolved by a final and binding arbitration hearing conducted in Knoxville, Tennessee by a panel of no more than three (3) arbiters with a company actively involved in the dispute resolution business and mutually agreeable to all parties, but if no agreement can be reached, then the hearing will be conducted by a company chosen by the Declarant. The Association is hereby authorized to act as the exclusive representative of all Owners in asserting any such claims and causes of action relating to the Common Areas of Hayden Hill. Each Owner does hereby appoint the Association to exclusively act as its power of attorney (which power shall be irrevocable) with respect to the above-referenced claims and causes of action including the right to compromise and settle the same. No Owner shall assert a claim or cause of action relating to the Common Areas except through the Association. Any arbitration award may be confirmed and enforced in any court of competent jurisdiction, and the legal principles of *res judicata* and collateral estoppel

shall be applicable to any arbitration award. Any attempt by any such person or entity to enforce this arbitration provision shall constitute conclusive evidence of its intent to be bound hereby. Any portion of this provision that may be held to be unenforceable shall be severable from the balance of this provision so that the remainder of this provision shall remain in full force and effect.

Article XVII Easements

In addition to, and without limitation of, any other easements or rights reserved elsewhere in this Declaration, the following rights and easements are hereby reserved:

Section 1. Easements for Utilities, etc. There is hereby reserved unto Declarant and any Builder, so long as the Declarant and such Builder(s) owns any property described on Exhibit "A" or any Additional Property subsequently annexed to the Subdivision, the Association, and the designees or grantees of each (which may include, without limitation, Knox County, Tennessee, Knoxville Utility Board, Lenoir City Utility Board, West Knoxville Utility District and any other public or private utility), blanket easements upon, across, over, and under all, or a portion, of the Common Areas, Lots, and any Units located thereon, for ingress, egress, installation, replacing, altering, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity. Notwithstanding anything to the contrary contained in this Article, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Subdivision except as may be approved by the Association's Board of Directors or as provided by Declarant, or any Builder with respect to utilities to be installed or located upon such Builder's Lot(s). Within these easements, no structure, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Any portion of Hayden Hill property that has been subjected to, or encumbered by, easements granted pursuant to this Declaration or as shown on the Plat(s) for Hayden Hill shall be maintained by, and at the expense of, the Association. Should any entity furnishing a service covered by the general easements herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Subdivision without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Subdivision.

Section 2. Declarant and Builder Easements. (a) Until completion of Declarant's intended development of the Property, an easement is reserved to the Declarant for signage and ingress and egress generally across the Property, including any Lot, at reasonable places, for the purpose of completing Declarant's intended development of the Properties, provided that said easement shall be reasonable and shall not interfere with the construction of improvements on a Lot nor the use and enjoyment of a Lot by a Lot Owner. Declarant, any Builder, and the Association also reserve any and all easements reasonably required to allow completion, repair and maintenance of any and all utility areas, or improvements. Declarant hereby grants and conveys to any Builder an easement for ingress and egress generally across the Properties reasonably required to allow completion, repair and maintenance of any and all utility areas or improvements upon any Lots owned by Builder. In addition, Declarant hereby grants and conveys



to any Builder a temporary construction easement, 5 feet in width along the side yard boundary lines of any Lot for the purpose of facilitating home construction on an adjacent Lot owned by such Builder (the "Builder Construction Easement"), which temporary construction easement shall automatically terminate upon the issuance of a certificate of occupancy for the Unit constructed on the adjacent Lot by Builder. Builder shall indemnify, defend, and hold harmless the Declarant, the Association, and the Owner upon whose Lot the Builder Construction Easement is located from and against any and all claims, damages, demands, penalties, costs, liabilities, losses, and expenses (including reasonable attorneys' fees and expenses at the trial and appellate levels) that may result from Builder's use of the Builder Construction Easement.

(b) Until completion of Declarant's intended development of the Property, an easement is reserved to the Declarant to enter the Common Areas and to maintain thereon such facilities and perform such operations as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the intended development of the Property by the Declarant.

(c) Until the expiration of the Class "B" Control Period, Declarant may grant such easements over and across the Common Areas and/or any Lots owned by Declarant as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the intended development of the Subdivision by the Declarant.

Section 3. Easements for Maintenance, Repair, Emergency, and Other Purposes. A perpetual nonexclusive easement is granted and reserved to the Association, its officers, agents, employees, including employees of any management company having a contract with the Association, police, firemen, ambulance personnel and similar emergency personnel in the performance of their duties, over, across, and upon the Common Area and the Lots for emergency, security, safety and for other purposes reasonably necessary for proper maintenance, operation and repair of the Subdivision, including the maintenance of any utilities for which an easement has been granted, and to prevent damage to the Common Area or any Lot or Unit situated thereon. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or Occupant. This right of entry shall include the right of the Association to enter a Lot to cure any violation of the Documents and any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board. The Association shall have the authority to grant easements over the Common Areas for such other purposes as may be determined by the Association, which do not unreasonably interfere with the Owners' use of the Common Areas.

Section 4. Entrance Signage and Landscaping Easement. The Declarant reserves the right to build the entrance sign(s) and landscaping at the entrance(s) for the Subdivision, together with any utility or water lines serving the entrance features. Once constructed, the entrance sign and landscaping and utility or water lines shall become the property of the Association, together with the sole liability for maintenance, repair and replacement thereof. The Declarant reserves all rights of ingress and egress onto said Common Area as may be necessary to construct said entrance sign. Additionally, the Association shall have an easement over any portion of a Lot on which any entrance feature, including, but not limited to, the Subdivision sign and landscaping are located, including utility and waterlines across the Lot to the entrance features.

Section 5. Fence Easement. Declarant hereby reserves an easement to itself, any Builder, and the Association across any Lot which borders the perimeter of the Subdivision and any Lot that borders or contains a portion of any water facility, detention pond, or retention pond for the purpose of erecting a fence. The Owner of a Lot on which any portion of a fence is located

shall be responsible for the maintenance and repair of the fence as part of the Owner's maintenance obligation; provided however, the Declarant or the Association may, but are not obligated to, repair and maintain any fence installed by or on behalf of Declarant or any Builder, and any expenses or costs associated therewith, including reasonable attorney's fees, may be assessed against such Lot, regardless of whether or not litigation is filed.

Section 6. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Townhome Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Townhome Lots due to trees or the unintentional placement or settling or shifting of the Townhome Units or other improvements constructed, reconstructed, or altered thereon (in accordance with this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Townhome Lot and the adjacent portion of the Common Area or as between adjacent Townhome Lots, as the case may be, along a line perpendicular to such boundary at such point.

Article XVIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Subdivision, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Subdivision subject to this declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment.

(a) Prior to the conveyance of the first Lot, Declarant may unilaterally amend this Declaration so long as Goodall has provided written approval. After such conveyance and except as otherwise provided under Article XIII, Section 4 herein, the Declarant may unilaterally amend this Declaration so long as it has the unilateral right to annex Additional Property pursuant to Article VIII, Section 1 of this Declaration and so long as the amendment has no material adverse effect upon any right of any Owner. Such amendment shall only be effective if Goodall has provided written approval. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes of the Association, and the written approval of the Class "B" Members so long as the Class "B" membership exists. However, 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.

(b) If an Owner consents to any amendment to this Declaration or the Bylaws, 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.

(c) 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.

(d) Notwithstanding any provision to the contrary in this Section 2, amendments of a material nature must be approved by Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association, by fifty-one (51%) percent of Mortgagees, and the written approval of the Class "B" Members so long as the Class "B" membership exists. A change to any of the provisions governing the following will be considered an amendment of a material nature:

- (1) Voting rights;
- (2) Increases in Assessments that raise the previously assessed amount by more than 25%, Assessment liens, or the priority of Assessment liens;
- (3) Reductions in reserves for maintenance, repair, and replacement of Common Areas;
- (4) Responsibility for maintenance and repairs of the Common Areas;
- (5) Convertibility of Lots into Common Areas or vice versa;
- (6) Hazard, liability or fidelity insurance requirements;
- (7) Restrictions on the leasing of residences located on the Lots;
- (8) A decision by the Association to establish self-management if professional management had been required previously by the Declaration, Bylaws, or by a holder of a Mortgage with respect to a Lot;
- (9) Restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in the Documents;
- (10) Any provisions that expressly benefit holders, insurers, or guarantors of a Mortgage with respect to a Lot.

The failure of a Mortgagee to respond within sixty (60) days after notice of any written request of the Association for approval of an addition or amendment to the Declaration or Bylaws has been provided shall constitute an implied approval of the addition or amendment.

(e) A copy of each amendment shall be certified by the Association as having been duly adopted and shall be effective when recorded in the Register's Office of Knox County, Tennessee.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member of the Association. 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 by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and

effect.

Section 5. Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Lot, as well as residences located thereon, for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner. This right of entry shall include the right of the Association to enter onto any Lot, as well as residences located thereon, 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 upon request by the Board.

Section 6. 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 (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 7. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent 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 X hereof, (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 made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 8. Use of the Words "Hayden Hill" No Person shall use the words "Hayden Hill" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term "Hayden Hill" in printed or promotional matter where such term is used solely to specify that particular property is located within the Subdivision.

Section 9. Disclosures. Each Owner acknowledges the following:

(a) The Subdivision is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

(b) The views from an Owner's Unit may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

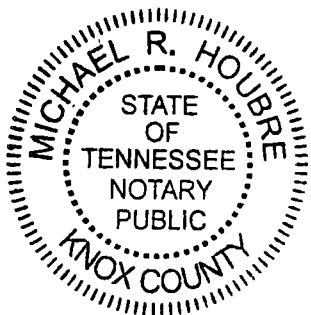
(d) No representations are made regarding the schools that currently or may in the future serve the Subdivision or any Unit.

(e) Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Subdivision that an Owner may find objectionable and that it shall be the sole responsibility of the Owners to become acquainted with neighborhood conditions that could affect the Unit.

All Owners acknowledge and understand that Declarant and Builders will be constructing/renovating portions of the Subdivision and engaging in other construction activities related to the construction of Common Areas and improvement of Units. Such construction activities may, from time to time, produce certain conditions on the Subdivision, including, without limitation: noise or sound that is objectionable because of its volume, duration, frequency or shrillness; smoke; noxious, toxic, or corrosive fumes or gases; obnoxious odors; dust, dirt or flying ash; unusual fire or explosion hazards; temporary interruption of utilities; and/or other conditions that may threaten the security or safety of persons on the Subdivision. Notwithstanding the foregoing, all Owners agree that such conditions on the Subdivision resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned, on behalf of the Declarant, has executed this A&R Declaration as of the day and year first above written.



HARDIN VALLEY FARM DEVELOPMENT, INC.,
a Tennessee corporation

By: [Signature]
Name: Ed Campbell
Its: Member

STATE OF TENNESSEE)
)
COUNTY OF Knox)

Before me, the undersigned, a Notary Public in and for State and County aforesaid, personally appeared Ed Campbell, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of Hardin Valley Farm Development, Inc., a Tennessee corporation the within named bargainer, and that he, as President of the limited liability company, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Company by himself as President.

WITNESS my hand and official seal at Knox County, Tennessee, this 22nd day of August, 2019.

[Signature]
NOTARY PUBLIC

My commission expires: 10/2/2021



IN WITNESS WHEREOF, the undersigned, has executed this A&R Declaration as of the day and year first above written.

CLAYTON PROPERTIES GROUP, INC., a Tennessee corporation d/b/a Goodall Builders

By: [Signature]
Name: Robert Goodall
Its: AUTHORIZED OFFICER

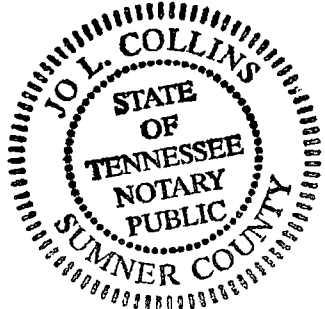
STATE OF TENNESSEE)
)
COUNTY OF SUMNER)

Before me, the undersigned, a Notary Public in and for State and County aforesaid, personally appeared Robert Goodall with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be AUTHORIZED OFFICER of Clayton Properties Group, Inc., a Tennessee corporation d/b/a Goodall Builders the within named bargainor, and that he, as AUTHORIZED OFFICER of the limited liability company, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Company by himself as AUTHORIZED OFFICER.

WITNESS my hand and official seal at GALLATI, Tennessee, this 21st day of AUGUST, 2019.

[Signature: J. L. Collins]
NOTARY PUBLIC

My commission expires: 5/23/23



INDEX OF EXHIBITS

<u>Exhibit "A"</u>	Legal Description for Property
<u>Exhibit "B"</u>	Charter of Hayden Hill Homeowners Association, Inc.
<u>Exhibit "C"</u>	Bylaws of Hayden Hill Homeowners Association, Inc.

EXHIBIT "A"

Legal Description

PHASE 1:

SITUATED, LYING AND BEING in the 6th Civil District of Knox County, Tennessee and without the corporate limits of any municipality, property being more particularly bounded and described as follows:

BEGINNING on an iron pin set in the southern right-of-way of Sam Lee Road (30 feet from centerline), pin being 1,022.4 feet more or less west of the centerline of Solway Road, pin also being the corner common to Linda Carrol Smith; thence leaving the southern right-of-way of Solway Road and with Smith, South 28 degrees 20 minutes East, 216.82 feet to an iron pin found, corner common to George A. Jr. and Gena J Windle; thence leaving Smith and with Windle the following four (4) calls: South 28 degrees 20 minutes East, 489.93 feet to an iron pin found; thence South 60 degrees 01 minute East, 497.89 feet to an iron pin set; thence North 45 degrees 31 minutes East, 156.40 feet to an iron pin found; thence South 40 degrees 15 minutes East, 227.96 feet to an iron pin found, corner common to the Preserve at Hardin Valley HI, LLC (Plat Recorded as Inst. # 201508240012497); thence leaving Windle and with the Preserve at Hardin Valley the following two (2) calls: South 40 degrees 09 minutes East, 37.01 feet to an iron pin set; thence South 40 degrees 17 minutes East, 76.26 feet to an iron pin set in the northwest right-of-way of Greystone Summit Drive (25 feet from centerline); thence leaving the Preserve at Hardin Valley and with the northwest right-of-way of Greystone Summit Drive the following three (3) calls: with a curve to the left, having a chord bearing South 46 degrees 07 minutes West, a chord distance 28.17 feet, an arc length 28.18 feet, and a 225.00 foot radius to an iron pin found; thence South 42 degrees 34 minutes West 58.65 feet to an iron pin found; thence with a curve to the right having a chord bearing South 71 degrees 53 minutes West, a chord distance 49.17 feet, an arc length 51.37 feet, and a 50.29 foot radius to an iron pin found, corner common the Greystone Summit Knoxville, LLC; thence leaving the northwest right-of-way of Greystone Summit Drive and with Greystone Summit Knoxville, LLC the following six (6) calls: North 46 degrees 08 minutes West, 49.56 feet to an iron pin found; thence North 46 degrees 09 minutes West, 149.79 feet to an iron pin found; thence North 70 degrees 48 minutes West, 118.23 feet to an iron pin found; thence North 60 degrees 01



minute West, 514.86 feet to an iron pin found; thence North 28 degrees 22 minutes West, 35.56 feet to an iron pin found; thence South 51 degrees 39 minutes West, 1,188.72 feet to a point; thence leaving Greystone Summit Knoxville, LLC and with the severance line the following fourteen (14) calls: thence North 70 degrees 25 minutes West, 336.47 feet to a point; thence South 89 degrees 56 minutes West, 128.05 feet to a point; thence North 85 degrees 59 minutes West, 112.31 feet to a point; thence North 62 degrees 53 minutes West, 122.51 feet to a point; thence North 45 degrees 50 minutes West, 89.47 feet to a point; thence North 79 degrees 47 minutes West, 239.10 feet to a point; thence North 34 degrees 02 minutes West, 75.03 feet to a point; thence South 57 degrees 31 minutes West, 132.75 feet to a point; thence South 60 degrees 32 minutes West, 50.07 feet to a point; thence South 57 degrees 31 minutes West, 120.35 feet to a point; thence South 15 degrees 40 minutes East, 180.90 feet to a point; thence South 49 degrees 02 minutes West, 207.12 feet to a point; thence North 82 degrees 13 minutes West, 115.91 feet to a point; thence South 52 degrees 00 minutes West, 183.80 feet to an iron pin set in the east right-of-way of Sam Lee Road (30 feet from centerline); thence with the right-of-way of Sam Lee Road the following twenty-five (25) calls: North 20 degrees 02 minutes West, 4.53 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 04 degrees 55 minutes West, a chord distance 219.07 feet, an arc length 221.64 feet and a 420.00 foot radius to an iron pin set; thence North 10 degrees 12 minutes East, 154.24 feet to an iron pin set; thence with a curve to the left, having a chord bearing North 04 degrees 21 minutes East, a chord distance 159.04 feet, an arc length 159.32 feet, and a 780.00 foot radius to an iron pin set; thence North 01 degree 30 minutes West, 306.01 feet to an iron pin set; thence with a curve to the left, having a chord bearing North 02 degrees 15 minutes West, a chord distance 26.90 feet, an arc length 26.91 feet and a 1030.00 foot radius to an iron pin set; thence North 03 degrees 00 minutes West, 286.45 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 05 degrees 54 minutes East, a chord distance 145.45 feet, an arc length 146.04 feet and a 470.00 foot radius to an iron pin set; thence North 14 degrees 48 minutes East, 16.04 feet to an iron pin set; thence with a curve to the right having a chord bearing North 37 degrees 06 minutes East, a chord distance 235.24 feet, an arc length 241.28 feet and a 310.00 foot radius to an iron pin set; thence North 59 degrees 24 minutes East, 11.61 feet to an iron pin set; thence with a curve to the right, having a chord bearing North 79 degrees 53 minutes East, a chord distance 189.02 feet, an arc length 193.11 feet, and a 270.00 foot radius to an iron pin set; thence South 79 degrees 37 minutes East, 7.23 feet to an iron pin set; thence with a curve to the right having a chord bearing South 71 degrees 39 minutes East, a chord distance 102.53 feet, an arc length 102.86 feet and a 370.00 foot radius to an iron pin set; thence South 63 degrees 42 minutes East, 111.29 feet to an iron pin set; thence with a curve to the right, having a chord bearing South 59 degrees 13 minutes East, a chord distance 167.03 feet, an arc length 167.20 feet and a 1070.00 foot radius to an iron pin set; thence South 54 degrees 44 minutes East, 132.18 feet to an iron pin set; thence with a curve to the right having a chord bearing South 46 degrees 26 minutes East, a chord distance 135.83 feet, an arc length 136.31 feet and a 470.00 foot radius to an iron pin set; thence South 38 degrees 07 minutes East, 119.32 feet to an iron pin set; thence with a curve to the left, having a chord bearing South 70 degrees 05 minutes East, a chord distance 259.37 feet, an arc length 273.33 feet, and a 245.00 foot radius to an iron pin set; thence North 77 degrees 57 minutes East, 246.79 feet to an iron pin set; thence with a curve to the left having a chord bearing North 60 degrees 11 minutes East, a chord distance 216.75 feet, an arc length 220.26 feet and a 355.00 foot radius to an iron pin set; thence North 40 degrees 14 minutes East 255.73 feet to an iron pin set; thence with a curve to the right having a chord bearing North 58 degrees 53 minutes East, a chord distance 365.49 feet, an arc length 372.06 feet and a 570.00 foot radius to an iron pin set; thence North 77 degrees 35 minutes East 162.96 feet to an iron pin set, the POINT OF BEGINNING, and containing 54.968 Acres according to a survey by Batson, Himes, Norvell & Poe dated December 7, 2015 and bearing Drawing Number 23973-B-Phase.

Being a part of that property conveyed to Hardin Valley Farm Development, Inc. by Special Warranty Deed from Campbell Properties LLC #2, a Tennessee limited liability company, dated April 8, 2016 and recorded as Instrument No. 201604110058356, in the Knox county Register of Deeds Office.

PHASE 2A

SITUATED, LYING AND BEING in the Sixth (6th) Civil District of Knox County Tennessee and without the corporate limits of any municipality, property being more particularly bounded and described as follows:

BEGINNING on an iron pin found in the northwest right of way of Sugarberry Road (25 feet from centerline) pin being 153.7 feet more or less southeast of the centerline of Hunters Knoll Lane, corner also common to Lot 198 of Hayden Hill Subdivision Phase 1B (Recorded as Instrument Number 201610060022603), thence leaving the northeast right of way of Sugarberry Road and with Lot 198, North 57 degrees 31 minutes East, 132.75 feet to an iron pin found, corner common to Lot 199 of Hayden Hill Subdivision Phase 1C (Recorded as Instrument Number 2017020700048931); thence leaving Lot 198 and with Lot 199, South 34 degrees, 02 minutes East, 75.03 feet to an iron pin found; thence continuing with Lot 199 and with Lots 200-202, South 79 degrees 47 minutes East, 239.10 feet to an iron pin found, corner common to Lot 206; thence leaving Lot 202 and with Lots 206 & 207, South 45 degrees 50 minutes East, 89.47 feet to an iron pin found; thence continuing with Lot 207, South 62 degrees 53 minutes East, 122.51 feet to an iron pin found; thence continuing with Lot 207 and with Lot 208, South 85 degrees 59 minutes East, 112.31 feet to an iron pin found; thence continuing with Lot 208 and with Lots 209 & 213, North 89 degrees 56 minutes East, 128.05 feet to iron pin found, corner common to Lot 214; thence leaving Lot 213 and with Lots 214 & 215, South 70 degrees 25 minutes East, 184.35 feet to an iron pin found, corner common to Lot 216; thence leaving Lot 215 and with Lot 216, South 69 degrees 42 minutes East, 150.95 feet to an iron pin found, corner common to Greystone Summit Knoxville, LLC; thence leaving Lot 216 and with Greystone Summit Knoxville, LLC the following two (2) calls: South 51 degrees 39 minutes West, 45.20 feet to an iron pin found; thence South 38 degrees 24 minutes East, 407.52 feet to an iron pin set, corner common to Hayden Hill Subdivision Phase 3; thence leaving Greystone Summit Knoxville, LLC and with Hayden Hill Subdivision Phase 3, South 54 degrees 02 minutes West, 390.89 feet to an iron pin set, corner common to Hayden Hill Subdivision Phase 2B; thence leaving Hayden Hill Subdivision Phase 3 and with Hayden Hill Subdivision Phase 2B the following five (5) calls: North 39 degrees 46 minutes West, 299.54 feet to an iron pin set; thence North 48 degrees 12 minutes West, 53.15 feet to an iron pin set; thence North 73 degrees 57 minutes West, 126.97 feet to an iron pin set; thence North 79 degrees 50 minutes West, 590.97 feet to an iron pin set; thence North 82 degrees 13 minutes West, 339.93 feet to an iron pin found, corner common to Lot 58 Hayden Hill Subdivision Phase 1C; thence leaving Hayden Hill Subdivision Phase 2B and with Lots 58 & 59, North 49 degrees 02 minutes East, 207.12 feet to an iron pin found; thence continuing with Lot 59, North 15 degrees 40 minutes West, 180.90 feet to an iron pin found, corner common to Lot 60; thence leaving Lot 59 and with Lot 60, North 57 degrees 31 minutes East, 120.35 feet to an iron pin found in the southwest right of way of Sugarberry Road; thence crossing the southeastern terminus of Sugarberry Road, North 60 degrees 32 minutes East, 50.07 feet to an iron pin found, the POINT OF BEGINNING and containing 14.271 Acres according to a survey by Batson, Himes, Norvell & Poe dated February 28, 2018 and bearing Drawing Number 23973-PHASE.

Being a part of that property conveyed to Hardin Valley Farm Development, Inc. by Special Warranty Deed from Campbell Properties LLC #2, a Tennessee limited liability company, dated Aril 8, 2016 and recorded as Instrument No. 201604110058356, in the Knox county Register of Deeds Office.

EXHIBIT "B"

CHARTER OF THE ASSOCIATION

[SEE ATTACHED]



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Hayden Hill Homeowners Association, Inc.
5000 CLAYTON RD
MARYVILLE, TN 37804-5550

February 13, 2017

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000888589	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	02/13/2017
Filing Date:	02/13/2017 2:42 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2018
Duration Term:	Perpetual	Image # :	B0337-1315
Public/Mutual Benefit:	Mutual		
Business County:	BLOUNT COUNTY		

Document Receipt

Receipt # : 003115878	Filing Fee:	\$100.00
Payment-Check/MO - CFS-1, NASHVILLE, TN		\$100.00

Registered Agent Address:
CLAYTON PROPERTIES GROUP, INC.
ATTN: PRESIDENT
5000 CLAYTON RD
MARYVILLE, TN 37804-5550

Principal Address:
5000 CLAYTON RD
MARYVILLE, TN 37804-5550

Congratulations on the successful filing of your **Charter for Hayden Hill Homeowners Association, Inc.** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Tre Hargett
Secretary of State

Processed By: Alex Maxfield

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FILED

**CHARTER
OF
HAYDEN HILL HOMEOWNERS ASSOCIATION, INC.**

The undersigned natural person, having capacity to contract and acting as incorporator of Hayden Hill Homeowners Association, Inc. (the "Corporation"), a nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation.

1. The name of the corporation is Hayden Hill Homeowners Association, Inc.
2. The Corporation is a mutual benefit corporation.
3. The Corporation is not a religious corporation.
4. The name and address of the initial registered agent of the Corporation in the state of Tennessee is:

Clayton Properties Group, Inc.
 5000 Clayton Road
 Maryville, Tennessee 37804
 Attn: President
 Blount County, Tennessee

5. The name and address of the incorporator is:

John G. Brock, Esq.
 Gentry, Tipton & McLemore, P.C.
 900 South Gay Street, Suite 2300
 Knoxville, Tennessee 37902
 Knox County, Tennessee

6. The address of the principal office of the initial principal office of the Corporation is:

5000 Clayton Road
 Maryville, Tennessee 37804
 Blount County, Tennessee

7. The Corporation is not for profit.

8. The Corporation will have members. Only owners of a platted lot (as applicable, a "Lot") in the Hayden Hill development in Knox County, Tennessee ("Hayden Hill"), shall be qualified to be a member. Members shall not include persons or entities holding an interest merely as security for the performance of an obligation. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of a Lot in Hayden Hill. The



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membership of each member shall be terminated when such member ceases to be an owner of a Lot in Hayden Hill; and upon the sale, transfer or other disposition of any such ownership interest in a Lot in Hayden Hill, any such member's membership in the Corporation shall be automatically transferred to the new owner succeeding to such ownership interest. The Bylaws of the Corporation may provide for any number of membership classes having different rights and obligations.

9. Upon the dissolution of the Corporation, after paying or making provision for the payment of all liabilities of the Corporation then outstanding and unpaid, the Board shall distribute the assets of the Corporation to the members in accordance with their respective interest in the Corporation.

10. The affairs of the Corporation shall be managed by a Board of Directors (the "Board") pursuant to the Declaration of Covenants, Conditions, and Restrictions for Hayden Hill, recorded in the Register's Office for Knox County, Tennessee (the "Declarations") and the Bylaws of the Corporation. The Board shall consist of not less than three (3) and not more than seven (7) individuals.

11. The purpose or purposes for which the Corporation is organized are:

(a) To serve as the association of the Lot owners of Hayden Hill and, in such capacity, to manage, operate and administer the property and affairs of Hayden Hill and the common elements thereof.

(b) To promote the health, safety, and welfare of the Lot owners of Hayden Hill.

12. The Corporation shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized and shall likewise have the powers provided for nonprofit corporations by the Tennessee Nonprofit Corporation Act, set forth at Tennessee Code Annotated Sections 48-51-101, *et seq.*, or as the same shall hereafter be amended.

13. In order to carry out the purposes for which the Corporation has been formed, the Corporation shall, except as otherwise provided under this Charter or its Bylaws, have all of the powers granted nonprofit corporations under the laws of the State of Tennessee and all powers necessary to carry out the purposes and objectives for which the Corporation has been formed, including, but not limited to, the following:

(a) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation.

(b) To dedicate, sell, or otherwise transfer all or any part of the common elements or facilities of the Corporation to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members of the

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Corporation. No such dedication or transfer shall be effective unless an instrument has been signed by a majority in interest of the members of the Corporation.

(c) To exercise any and all of the powers set forth in the Bylaws of the Corporation.

14. No person who is or was a director of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as "Director"), shall be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a Director. However, this provision shall not eliminate or limit the liability of a Director: (a) for any breach of a Director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, and (c) under Tennessee Code Annotated Section 48-58-302. No repeal or modification of the provisions of this Charter, either directly or by the adoption of provisions inconsistent with the provisions of this Charter, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

15. No person who is or was a Director of the Corporation shall be personally liable to the Corporation or its members for monetary damages for any action taken, or any failure to take any action, as a director, except liability for (a) the amount of a financial benefit received by the director to which the director is not entitled; (b) an intentional infliction of harm; (c) a violation of § 48-58-302; or (d) an intentional violation of criminal law.

16. The Corporation shall indemnify and hold harmless each of its Directors for liability to any person for any action taken, or any failure to take any action, as a Director, except liability for (a) receipt of a financial benefit to which the Director was not entitled; (b) an intentional infliction of harm; (c) a violation of Tennessee Code Annotated Section 48-58-302; and (d) an intentional violation of criminal law.

17. The incorporator, members, and Directors of the corporation shall have the right to take any action required or permitted by vote without a meeting on written consent pursuant to the provisions of Tennessee Code Annotated Section 48-57-104(b) and Section 48-58-202.

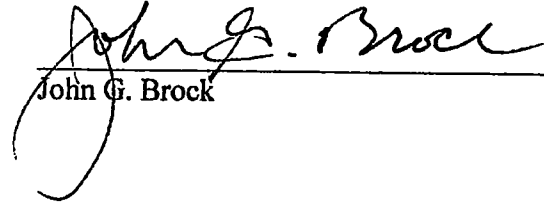
18. The provisions of this Charter may be amended, altered or repealed from time to time to the extent and in the manner prescribed by the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated Sections 48-51-101, et seq., and any additional provisions so authorized may be added hereto; provided that the provisions of this Charter shall not be changed, modified, repealed or expanded in such a manner as to be inconsistent with the purposes for which the Corporation has been formed.

19. This Charter is the instrument which forms the "Association" as contemplated under the Declaration. Certain aspects of the Corporation are described in and to be governed in accordance with the terms and provisions of the Declaration, especially as they relate to certain rights given to Clayton Properties Group, Inc., and its successors and assigns, particularly with respect to further developing Hayden Hill and unilaterally amending the Declaration during such time as it owns any real property subject to the Declaration. The terms and provisions of this

Charter are subject to the effect of the terms, provisions, conditions and authorizations contained in the Declaration. The terms and provisions of such Declaration are incorporated herein by reference and shall be controlling wherever the same may be in conflict herewith.

Dated this 13th day of February, 2017.

INCORPORATOR:



John G. Brock

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EXHIBIT "C"

AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION

[SEE ATTACHED]



Page: 50 OF 65

201908220013297

**AMENDED AND RESTATED BYLAWS
FOR
HAYDEN HILL HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDED AND RESTATED BYLAWS FOR HAYDEN HILL HOMEOWNERS ASSOCIATION, INC. (the "Bylaws") is made effective as of the 21st day of August, 2019, by Hayden Hill Homeowners Association, Inc., a Tennessee nonprofit corporation (hereinafter referred to as the "Association").

WITNESSETH:

WHEREAS, the Association previously adopted certain Bylaws on behalf of the Association on February 15, 2017 (the "Original Bylaws"); and

WHEREAS, pursuant to Section 10.1 of the Original Bylaws, the Declarant and the Owners of the Association, now desire to amend and fully restate the Original Bylaws, and the requisite number of allocated votes of the Association have been obtained for purposes of amending and restating the Original Bylaws as set forth herein.

NOW, THEREFORE, the Original Bylaws are hereby amended and restated to be read, in its entirety, as follows:

**Article I
Name, Principal Office, and Definitions**

Section 1. Name. The name of the Association shall be HAYDEN HILL HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Tennessee shall be located in the County of Knox. 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.

Section 3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in that Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Hayden Hill Subdivision (as amended, renewed, or extended from time to time, hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**Article II
Association: Membership, Meetings, Quorum, Voting, Proxies**

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as is more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 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.

Section 3. Annual Meetings. The First annual meeting of the Association shall be held within thirty (30) days from the expiration of the Class "B" Control Period, as provided under Article III, Section 2 of the Declaration. Meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by the resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least twenty-five (25%) percent of the total votes of the Association. The notice of any special meetings shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meetings of the Members shall be delivered, either personally or by regular or electronic mail, to each Member entitled to vote at 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 required by statute or these Bylaws, 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 sent by regular mail, 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 thereon prepaid. If sent by electronic mail, the notice of a meeting shall be deemed to be delivered upon receipt of a delivery receipt notice by the sender.

Section 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 shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 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, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the previously adjourned meeting shall be on the agenda for said meeting. 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 Members to leave less than a quorum, provided that Members or their alternates representing at least fifteen (15%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Members may vote by proxy, provided the proxy is signed, dated and filed with the Secretary prior to the meeting for which it is valid.

Section 10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing twenty percent (20%) of the total vote of the Association shall constitute a quorum at all meetings of the Association, and the votes of a majority of the Members, present or by proxy, at a meeting at which a quorum is present shall constitute the decision of the Members on all business voted upon at such meeting, unless a higher percentage of Members' votes is required under the Declaration or these Bylaws. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 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.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may 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 votes that would be necessary to authorize or take such action at a meeting shall be the act of the Members. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each Member entitled to vote on the action in one (1) or more counterparts, indicating each signing Member's vote or abstention on the action and delivered to the Association for inclusion in the minutes or filing with the corporate records.

Article III

Board of Directors: Number, Powers, Meetings



A. Composition and Selection

Section 1. Governing Body, Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Declarant, 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 an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. Pursuant to the transfer and assignment of special rights of the Declarant set forth under Article III, Section 2(b) of the Declaration, the Directors shall be selected by Clayton Properties Group, Inc., a Tennessee corporation d/b/a Goodall Homes within the Subdivision ("Goodall"), acting in its sole discretion, during the Class "B" Control Period subject only to Article III, Section 6, hereof, and shall serve at the pleasure of Goodall until the first to occur of the following:

(a) Six (6) months following the date when One Hundred (100%) percent of the Lots planned with respect to all phases of Hayden Hill have been conveyed to Persons other than the Declarant or Builders;

(b) Twenty (20) years after the conveyance of the first Lot to an Owner other than Declarant or Builders; or

(c) When, in its discretion, Goodall permits Class "A" Members to be eligible to hold Director positions.

Within thirty (30) days thereafter, Goodall shall cause the Board to call a meeting, as provided in Article II, Section 3, of these Bylaws for an annual meeting, to advise the membership of termination of the Class "B" Control Period and to elect Directors from Class "A" Members.

Section 3. Declarant Participation/Control of Board and Architectural Review Committee. This Section 3 may not be amended without the express, written consent of the Declarant.

(a) As provided under Article XI, Section 1 of the Declaration, until one hundred (100%) percent of the Subdivision has been developed and conveyed to purchasers in the normal course of development and sale, Goodall retains the right to appoint all members of the ARC. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant and Goodall. Upon the expiration of such right, the Board of Directors shall appoint the members of the ARC.

(b) After termination of the Class "B" Control Period, the Declarant and Goodall shall have the right to participate in the decision-making process and the right to disapprove all actions of the Board, as is more fully provided in this Section. These rights shall be exercisable only by the Declarant and Goodall, and their successors, and assigns that specifically take this power in a recorded instrument, and shall terminate one (1) year from the date of termination of the Class "B" Control Period. During this one-year period, no action authorized by the Board of Directors shall become effective, nor shall any action,

policy, or program be implemented until and unless the Declarant and Goodall has been allowed to participate as follows:

(i) The Declarant and Goodall shall have been given written notice of all meetings and proposed actions approved at meetings of 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 Article III, Sections 8, 9, and 10, of these Bylaws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(ii) The Declarant and Goodall 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 to be implemented by the Board, any committee thereof, or the Association. The Declarant and Goodall, directly or through their representatives or agents shall make its concerns, thoughts and suggestions known to the members of the subject committee thereof, or the Association. The Declarant and Goodall shall have the right to disapprove any policy or program authorized by the Board of Directors or any committee thereof, and any action to be taken by the Board, any committee thereof, the Association, or any individual member of the Association, if Board, committee, or Association, or any individual member of the Association approval is necessary for such action. This right may be exercised by the Declarant and Goodall, directly or through their representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Notwithstanding any provision herein to the contrary, the Declarant and Goodall shall not have the right to require any action or counteraction on behalf of any committee, the Board or the Association, and shall not exercise its rights hereunder 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.

Section 4. Number of Directors. The number of directors in the Association shall be at least three (3), but no more than five (5) persons.

Section 5. 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 (3) or more Members of the Association. The nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) 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. Nominations shall also be permitted from the floor.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the termination of the Class "B" Control Period, the Association shall call a special meeting to be held at which Class "A" Members shall elect five (5) directors, who shall serve as at-large directors. The directors elected by the Class "A" Members shall not be subject to removal by the Declarant acting alone and three (3) shall be elected for a term of one (1) year and two (2) for a term of two (2) years.

(b) At the first annual meeting of the membership after the termination of the Class "B" Control Period and at each annual meeting of the membership thereafter, the directors shall be selected by vote of the membership. Each Class "A" Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled.

At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The Directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members representing 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. A director who was elected at large solely by the votes of Class "A" Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Class "A" Members. Upon removal of a director, a successor shall then and there be elected by the Class "A" 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 Class "A" Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting, at which 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, a vacancy may be declared by the Board and it may appoint a successor.

B. Meetings

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter; provided, however, that the aforementioned requirements regarding meetings of the Board shall not apply during the Class "B" Control Period. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) 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.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by a majority of 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 one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by 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) by 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 (4) days before the time set up for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meetings 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 shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. 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. 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 who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. 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.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such unless as proved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided, any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. 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, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 15. Action Without a Formal Meeting. An 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 all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken.

C. Powers and Duties

Section 16. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as directed by the Declaration, the Charter, or these Bylaws to be done and exercised exclusively by the Members or the membership generally.

The Board of Directors shall 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.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Lot's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

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

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of Common Responsibility 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) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer 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 other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws and the rules and regulations 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 insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(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 affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Charter of the Association, the Bylaws, rules and regulations governing the Subdivision, and all other books, records, and financial statements of the Association; and

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

Section 17. Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subsections (a), (b), (f), (g), and (i) of Section 16 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of three (3) years and must permit termination by either party without cause and without termination fee on not more than ninety (90) days' written notice.

Section 18. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise;

(a) 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, finders fees, service fees, prizes, gifts, or otherwise; anything 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 Lot 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 a cash 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 the monthly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors);

(g) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; and (2) an operating (income) statement.

Section 19. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 20. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Charter and Bylaws of the Association, the



Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, or cooperatives, and other owners or residents associations, both within and without the Properties; provided, however, that any such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) unless such contract, lease or other agreement contains a right to termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days' written notice to the other party. Notwithstanding the foregoing, said restrictions shall not apply to any contract, lease, or other agreement entered into by the Declarant on behalf of the Association during the Class "B" Control Period.

Section 21. Enforcement. The Board shall have the power to impose reasonable fines against Owners or occupants, which shall be an assessment on the Lot, shall constitute a lien upon the property of the violating Owner, and may be collected in the same manner provided for the collection of assessments in Article X of the Declaration. The Board also shall have the authority to suspend an Owner's right to vote, or to use the Common Area, and may seek any other available remedy at law or in equity for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder; provided, however nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of the residence located upon a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the Board may choose, at the Board's sole discretion, to collect the fine from the occupant or the respective Owner. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right, of the Board to do so thereafter.

(a) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations) or 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.

Article IV

Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to 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 from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. 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 herein set forth in Article III. 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.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 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 from time to time 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.

Section 5. Resignation. Any officer may resign at any time given 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.

Section 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 (2) officers, unless the Board has specifically designated an officer(s) or other person by resolution of the Board members.

Article V **Committees**

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions in the Declaration, these Bylaws, 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 Article III of these Bylaws.

Article V **Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 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 Charter of the Association, the Declaration, or these Bylaws.

Section 3. Conflicts. If there are conflicts between the provisions of Tennessee law, the Charter of the Association, the Declaration, and these Bylaws, the provisions of Tennessee law, the Declaration, the Charter of the Association, and the Bylaws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and Bylaws, membership register, books of account, and minutes of meetings of the Members, the Board and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe, provided that the cost of any such copies shall be paid by the requesting party.

(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 the 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 extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws 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 Lot of such Member; or

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

Section 6. Amendment. Prior to the conveyance of the first Lot, Declarant may unilaterally amend these Bylaws. After such conveyance, the Declarant may unilaterally amend these Bylaws so long as it has the right to annex Additional Property pursuant to Article VIII, Section 1 of the Declaration and so long as the amendment has no material adverse effect upon any right of any Owner. Thereafter and otherwise, these Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes of the Association, and the written approval of the Class "B" Members so long as the Class "B" membership exists. However, 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. Notwithstanding the foregoing, any amendments of a "material nature" as set forth under Article XVIII, Section 2 of the Declaration shall require the approval of Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association and by fifty-one (51%) percent of Mortgagees. No amendment shall be effective until recorded in the Register of Deed's Office of Knox County, Tennessee.

[CERTIFICATION PAGE TO FOLLOW]

CERTIFICATION

The foregoing Bylaws are hereby adopted as the Bylaws of HAYDEN HILL HOMEOWNERS ASSOCIATION, INC., a Tennessee nonprofit corporation, by the undersigned as of this the 21st day of AUGUST, 2019.



Jo Lee Collins, SECRETARY


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