

**SECOND
DECLARATION
OF
AMENDED AND RESTATED
RESTRICTIVE COVENANTS
FOR
GRAND VALLEY LAKES SUBDIVISION
HARDEMAN COUNTY, TENNESSEE**

**ADOPTED
MARCH 28, 1998**

**AND
AMENDED
APRIL 15, 2006**

This instrument prepared by:

**GEORGE R. FUSNER, JR., ATTORNEY
116 Wilson Pike Circle, Suite 210
Brentwood, Tennessee 37027**

RECORDED

REGISTER'S OFFICE FOR HARDEMAN COUNTY, TENNESSEE

IN

DEED BOOK 23, PAGES 759-783

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FOR
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HARDEMAN COUNTY, TENNESSEE
AS ADOPTED
MARCH 28, 1998
AND
AMENDED
APRIL 15, 2006**

These Amended and Restated Restrictive Covenants for Grand Valley Lakes Subdivision (the "Second Amended Covenants" or "Declaration") are made as of March 28, 1998, and amended April 15, 2006 by Grand Valley Lakes Property Owners Association, Inc., a Tennessee not for profit corporation (the "Association") after affirmative vote of the required number of members and lot owners as described below;

WITNESSETH:

WHEREAS, Grand Valley Lakes Subdivision is a residential real estate development located in Hardeman County, Tennessee, whose construction was commenced in the early 1970's by Grand Valley Lakes, Inc. (the "Developer"); and

WHEREAS, the real property known as Grand Valley Lakes Subdivision and all lots thereof are depicted and described on Plats of record in Plat Book 3, Pages 11, 12, 21, 22, 26, 27, 33, 37, 40, 44, 46, 47, 48, 49, 50, 66, 68, and 70 all of the Register's Office (many of the Register's "Page" references actually consisting of several sheets of plats of various sections with all pages of record being collectively the "Plats") (all real property depicted as individual lots on the Plats being referred to as "Lots" and all real property shown on the Plats referred to as the "Property"); and

WHEREAS, the Developer caused to be placed of record documents entitled "Restrictions GRAND VALLEY LAKES SUBDIVISION-HARDEMAN COUNTY, TENNESSEE," which instruments are at least of record in Plat Book 3, pages 12, 21, 22, 26, 33, 40, 44, and 46, and the Association caused to be filed slightly modified versions

thereof in Deed Book E-13, page 417, and Deed Book P-14, Page 331 all of the Registers Office (collectively the "Original Restrictions"); and

WHEREAS, the Developer caused to be placed of record in Plat Book 3, Page 66 Registers Office a document entitled "GRAND VALLEY LAKES MOBILE HOME RESTRICTIONS" (the "Mobile Home Restrictions"); and

WHEREAS, the Developer caused to be placed of record in Deed Book P-5, Pages 1 through 66 a series of instruments entitled "AMENDMENT TO THE TOTAL NUMBER OF LOTS IN SECTION 5 OF THE GRAND VALLEY LAKES SUBDIVISION AND THE WITHDRAWAL OF AN EXPERIMENTAL CENTRAL SEWER SYSTEM IN THE SAID SECTION" (the "Withdrawal Documents"); and

WHEREAS, the Developer further caused to be placed of record in Plat Book 3, Page 68 Registers Office a document entitled "GRAND VALLEY LAKES CAMPER AND TRAILER LOTS RESTRICTIONS" (the "Camper Lot Restrictions"); and

WHEREAS, due to differing order of recording, and places of recording the Original Restrictions, the Mobile Home Restrictions, and the Camper Lot Restrictions, as well as the Withdrawal Documents, and the attempted withdrawal of certain lots from the Plats and applicable restrictions, there is confusion and uncertainty as to what restrictions apply to what lots; and

WHEREAS, it is to the benefit of all Lot Owners to clarify the restrictions and covenants applicable to the Property; and

WHEREAS, the Original Restrictions allowed amendment by the Association at a meeting called for the purposes of amending those Restrictions and a vote by a majority of the members of the Association; and

WHEREAS, a special meeting of the members of the Association was called for March 21, 1998 for the stated purpose of amending the Original Restrictions, the Mobile Home Restrictions, and the Camper Lot Restrictions; and

WHEREAS, on March 21, 1998 a quorum of members were present and all members present voted to adjourn the meeting to March 28, 1998; and

WHEREAS, at the meeting of the Association on March 28, 1998 a majority of the members of the Association voted in favor of the Declaration of Amended and Restated Restrictive Covenants For Grand Valley Lakes Subdivision Hardeman County, Tennessee ("Amended Covenants"), thus adopting them as the Restrictive Covenants governing the use and occupancy of all the Lots and Property described on the Plats; and

WHEREAS, at the annual Meeting of the Association on April 15, 2006, the requisite number of Members present in person or by proxy adopted a resolution amending the Amended Covenants; and

WHEREAS, the Amended Covenants shall remain in full force and effect as amended on April 15, 2006 as set forth below; and

WHEREAS, it is to the benefit, interest, and advantage of the Association and each an every person or other entity owning, or hereafter acquiring, any of the Lots that certain covenants, conditions, restrictions, dues, assessments (annual, monthly, regular, or special) and liens governing and regulating the use and occupancy of the Property be established, fixed, and set forth and declared to be covenants running with the land; and

WHEREAS, the Association now desires and is empowered to supersede any restrictions that may presently exist with respect to the Lots, and/or the Property, including but not limited to the Original Restrictions, the Mobile Home Restrictions, and the Camper Lot Restrictions and to establish restrictions applicable to such property in accordance with the terms of these Amended Covenants; and

NOW, THEREFORE, in consideration of the premises, the Association declares that the Property shall be hereafter subjected to the following restrictions, covenants, conditions, assessments, and liens (collectively, the "Restrictions") relating to the use and occupancy thereof, and relating to the use, occupancy, and maintenance of such portions of the same as at the present or in the future shall be designated as common areas, said Restrictions to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title, or interest in or to the Property, or any part thereof, and which shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

The following words, when used in this Declaration or any amendment or supplement hereto, shall, unless the context shall clearly require to the contrary, have the following meanings:

1.1 "Amended Covenants" shall mean and refer to this Declaration of Amended and Restated Restrictive Covenants for Grand Valley Lakes Subdivision, Hardeman County, Tennessee of record in Book K-16, Page 216 of the Register of Deeds Office of Hardeman County, Tennessee as amended herein.

1.2 "Approved by the Association" shall mean action taken by the Association in accordance with its Charter or Bylaws, whether by vote of its Board of Directors, Members

in Good Standing, or otherwise as permitted or allowed by the Charter, Bylaws, or Statutes of the State of Tennessee.

1.3 "Association" shall mean and refer to Grand Valley Lakes Property Owners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Tennessee, its successors and assigns.

1.4 "Bylaws" shall mean and refer to the corporate Bylaws of the Association, as they may exist from time to time.

1.5 "Camper Lot(s)" shall mean and refer to Lot Numbers 1386-1431; 1434-1469; and 1499-1578 as shown on the Plat of record on Plat Book 3, Page 68, and Lot Numbers 1579-1667; 1470-1498; and 1362-1385, as shown on the Plat of record in Plat Book 3, Page 70 both of the Registers Office.

1.6 "Common Area" or "Common Areas" shall mean and refer to any and all real property designated on the Plats as "Green Belt," "Public Area," or "Recreation & Green Area," including without limitation all lakes and the real property lying under said lakes, recreation center, lodge, owned by the Association, and such other property to which the Association may hold legal title (except Lots), whether in fee or for a term of years, for the non-exclusive use, benefit, and enjoyment of the Members in Good Standing of the Association, subject to the provisions hereof, and such other property as shall become the responsibility of the Association, through easements or otherwise, including any lakes and recreational areas, regardless if shown on the Plats and designated thereon as "Green Belt," "Public Area," "Recreation & Green Area," "Common Areas," or "Open Space," or such other comparable designation.

1.7 "Declaration" shall mean this instrument, as recorded, including any amendments thereto.

1.8 "Lot" shall mean and refer to any plot of land to be used for single-family residential purposes and so designated as a Lot upon the Plats or any amendment or supplement thereto. Eight (8) Lots may only be combined to form one (1) Lot in accordance with the provisions of these Amended Covenants and the filing of an amendment to the applicable Plat in the Registers Office combining said Lots into one (1) plot.

1.9 "Member" shall mean and refer to any person who shall be an Owner and, as such, a member of the Association as hereinafter defined in Article 4 below and subject to the provisions, conditions, and limitations of the Bylaws.

1.10 "Member(s) in Good Standing" shall mean and refer to any person(s) who shall be determined to be as such in accordance with the Bylaws of the Association.

1.11 "Mobile Home Lot(s)" shall mean and refer to those lots numbered 1175-1213; 1227-1266; 1330-1361; 1214-1226; 1267-1308; 1309-1329; 1432; and 1433

inclusive as depicted on the sheets of record, showing these lots, in Plat Book 3, pages 33, 40, and 66 of the Registers Office.

1.12 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee interest in any Lot or portion of a Lot, excluding, however, those parties having such interest merely as security for the performance of an obligation.

1.13 "Obligations" shall mean and refer to any sum of money owed to the Association by any Owner or Occupant, including without limitation water availability, water usage, and water connection fees; special, monthly, annual, or regular dues and assessments, or charges for the creation and continuation of operating and/or capital funds, in amounts to be established from time to time by the Association in accordance with the Bylaws or this Declaration, including any sums owed as a result of the violation of the Declaration, Bylaws, or any rules or regulations adopted by the Association, together with the costs and expenses of the Association of enforcing the respective provisions.

1.14 "Occupant" shall mean and refer to any individual who shall be an Owner, or if not an owner, the individual(s) who shall occupy or use any structure erected on any Lot.

1.15 "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust, or other legal entity.

1.16 "Plat" or "Plats" shall mean and refer to those drawings of the various subdivision sections, whether or not more than one sheet, recorded in the Plat Books of the Register's Office, together with any amendments and supplements thereto and all restrictions, or notations shown thereon. Provided, however, that as set forth herein, the restrictions that may be set forth on any Plat shall be superseded by this Declaration. As of March 21, 1998 the defined Plats appear of record in Plat Book 3, Pages 11, 12, 21, 22, 26, 33, 37, 40, 44, 46, 47, 48, 49, 50, 66, 68, and 70 of the Register's Office.

1.17 "Properties" or "Property" shall mean and refer to any and all of that certain real property now, or which may hereafter be brought within that certain residential subdivision commonly known as Grand Valley Lakes, Hardeman County, Tennessee and shown on the Plats.

1.18 "Register's Office" shall mean the Register's Office for Hardeman County, Tennessee, or such other governmental office as may be designated by the laws of the State of Tennessee as the place for recording documents affecting or pertaining to real property.

ARTICLE 2

PROPERTIES SUBJECT TO THIS DECLARATION

2.1 Properties Subject to Declaration. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Hardeman County, Tennessee, and is more particularly described and shown on the Plats.

ARTICLE 3

ARCHITECTURAL, MAINTENANCE, AND USE RESTRICTIONS

3.1 Single-Family Residential Construction. No building or other structure shall be erected, altered, or permitted to remain on any Lot other than one (1) permanent single-family residential dwelling (a mobile home, travel trailer, camper, motor home, prefab home, or other premanufactured home shall be expressly excluded, except as permitted by Sections 3.23 and 3.24 below) permanently anchored to a permanent slab or foundation. The minimum heated and cooled living square footage for the first or ground floor shall be at least 1,250 square feet for one Lot existing prior to the Adoption of the Amended Covenants; 1,500 square feet for two (2) Lots existing prior to the Adoption of the Amended Covenants, but combined into one (1) Lot after the adoption thereof; 1,750 square feet for three (3) Lots existing prior to the Adoption of the Amended Covenants, but combined into one (1) Lot after the adoption thereof; and, 2,000 square feet for four (4) or more Lots existing prior to the Adoption of the Amended Covenants, but combined into one (1) Lot after the adoption thereof. Heated and cooled living or ground floor or first floor space shall be counted exclusive of attached porch areas whether or not covered, or enclosed. Open space on a second floor level shall not be counted in the calculation of minimum ground floor square footage. The dwelling may have an attached private garage for not more than three (3) vehicles, which structures shall not exceed the main dwelling in height, nor be counted in measuring the minimum first floor or ground floor heated and cooled living space required above. A "Lot" is that real property that exists after the combination of up to eight (8) Lots as defined and allowed in Section 1.8 above. No building or other structure of any kind may be erected prior to the erection of a permitted residential dwelling without first obtaining the written consent of the Association. No accessory or temporary structure shall be used or occupied as living quarters. Nothing herein shall require any single-family residential structure existing on April 15, 2006 to be increased in size to conform to the requirements of this section.

3.2 Approval of Plans and Variances.

(a) No construction, reconstruction, remodeling, alteration, or addition of or to any structure, building, fence, wall, drive, or improvement of any nature to any Lot permitted under this Declaration shall be constructed without obtaining prior written approval of Association as to the location, plans, and specifications therefore. As a prerequisite to consideration for approval, and prior to the commencement of the

contemplated work, two (2) complete sets of building plans and specifications shall be submitted. The Association shall be the sole arbiter of such plans and may withhold its approval for any reason, including purely aesthetic reasons. Upon giving approval, construction shall be started and prosecuted to completion promptly and in strict conformity with such plans.

(b) The right of approval of plans for construction, reconstruction, remodeling, alterations, additions, and requests for variances, shall vest exclusively in the Association acting through its Board of Directors, or such committees as shall be appointed by its Board of Directors.

(c) The Association, its officers, directors, and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event that the Association fails to indicate its approval or disapproval within thirty (30) days after the receipt of the required documents, and any additional information requested by the Association, approval will not be required, unless the request involves a variance, and the related approval requirements set out herein shall be deemed to have been fully satisfied. Approval or disapproval by the Association shall not be deemed to constitute any warranty or representation by it including, without limitation, any warranty or representation as to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes, regulations, and this Declaration. The action or inaction by the Association with regard to any submission hereunder, shall not prejudice the rights of any Owner to bring a private action against any other Owner for the enforcement of the provisions of these Amended Covenants. Anything contained in this Section 3.2, or elsewhere in the Declaration to the contrary notwithstanding, the Association is hereby authorized and empowered, at their sole and absolute discretion, to make and permit reasonable modifications or deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any Lot, and of the size and location of any such building or improvement when, in their sole and final judgment, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the Property and the improvements as a whole; provided, however, such modifications and deviations must remain within all applicable ordinances and regulations established by the Hardeman County Planning Commission, or Hardeman County Health Department, if applicable.

(d) The Association may require the submission to it of such documents and items, including as examples, but without limitation, written requests for and description of the variances requested, legal descriptions of the Lot(s), copies of the instrument conveying the Lot(s) to the Owner(s), plans, specifications, plot plans and samples of material(s), as it shall deem appropriate, in connection with its consideration of a request for a variance, or approval of an original request. If the Association shall approve such request for a variance, it shall evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, referencing the legal description of the Lot,

describing the applicable restrictive covenant(s) and the particular variance requested, expressing its decision to permit the variance, describing (when applicable) the conditions, which may require the posting of a bond or other security, on which the variance has been approved and signed by an officer of the Association. The variance shall be in recordable form and shall be effective when recorded in the Registers Office. Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (i) written notice of disapproval from the Association or (ii) failure by the Association to respond to the request for variance with thirty (30) days after submission of all required information. The Owner shall bear all actual costs and expenses of the Association related to the application for and/or granting of a variance, including without limitation, engineering, surveying, legal, and recording fees. In the event the Association, or any successor to the authority thereof, shall not then be functioning, no variances from the covenants herein contained shall be permitted, it being the intention of the Association that no variances be available except in its discretion. The Association shall have the authority to approve any variance except as such approval is expressly prohibited in this Declaration.

(e) The submission and approval process, described above in this Section 3.2, may be changed and altered by an affirmative vote of the Board of Directors of the Association and the recording in the Register's Office of an amendment to these Declarations, setting forth the new process. If an Owner disagrees with any decision of the Association under this Section 3.2, they may follow the appeal rights and procedures, if any, set forth in the Bylaws. If no appeal rights or procedures are set forth in the Bylaws, then the preceding sentence shall be of no affect until, or unless, such appeal rights or procedures are placed in the Bylaws.

3.3 Structural Compliance. All structures shall be built in substantial compliance with the plans and specifications therefore approved by the Association as provided in paragraph 3.2 above.

3.4 Improvement and Setback Restrictions.

(a) No porch or projection (including roof overhangs, steps, eaves, wing walls, or supports) of any structure shall extend to, or be located nearer than within thirty (30) feet to any road right of way or boundary of a common area, nor nearer than ten (10) feet to the side property lines of the Lot, nor within thirty (30) feet from the water line of any abutting lake when the water line of said lake is at the top of the permanent spillway for said lake. No encroachment upon any utility easements described herein or shown on any Plat shall be authorized, permitted, or subject to variance except upon the approval of a combining of Lots in accordance with paragraph 3.5 below. In addition, for any Lot abutting the golf course as shown on the Plats or amendments thereto, or appurtenances including easement, or improvements to the golf course now existing or hereafter constructed, no structure shall be located nearer than thirty (30) feet to the abutting golf course boundary.

(b) No structure shall have tarpaper, roll brick siding or similar material on the outside walls. The prohibition in the previous sentence is not subject to waiver or variance by the Association. All accessory structures, whether attached or not, shall be similar in structure, color, material, and construction as the main dwelling. All fences shall be of either sightly wood, or chain link materials.

3.5 Re-subdivision or Combining of Lots. No Lot shall be resubdivided. Only eight (8) contiguous Lots as shown on the Plats of Record on March 21, 1998, with a common side or back boundary line may be combined in to one (1) Lot with the prior approval of the Association, as well as any governmental authority having jurisdiction. No Lots that only touch at a corner may be combined. Only Lots upon which all Obligations are current may be combined. Any Lot owner seeking a combination of Lots, shall have prepared drawings in form and substance suitable for recording in the Register's Office of Hardeman County, Tennessee in accordance with applicable law. Said drawings before recording shall be submitted to the Association in accordance with Section 3.2 above. Only after the requirements of Section 3.2 have been met, may the requested action be taken and the Amended Plat filed for record in the Register's Office. The Owner shall bear all costs and expenses of the Association connected with the combination, including without limitation, engineering, surveying, legal and recording fees, together with the costs and expenses of relocating any utility services effected thereby. The Lot(s) shall be treated as shown on the recorded Amended Plat for all purposes, including but not limited to these Declarations and the Bylaws, effective the date of recordation. After the Lot(s) are combined into one (1) Lot they may not thereafter be resubdivided in any form or fashion. After combination, the Lot shall be charged for either one (1) water availability fee for an unimproved Lot or one (1) water usage fee for an improved Lot.

Dues on the combined Lot shall be assessed as follows:

For two (2) Lots as shown on the Plats of Record on March 21, 1998, the annual dues for one Lot; For three (3) Lots as shown on the Plats of Record on March 21, 1998, one and one-half times the annual dues for one Lot; for four (4) Lots as shown on the Plats of Record on March 21, 1998, two times the annual dues for one Lot; for five (5) Lots as shown on the Plats of Record on March 21, 1998, two and one-half times the annual dues for one Lot; for six (6) Lots as shown on the Plats of Record on March 21, 1998, three times the annual dues for one Lot; for seven (7) Lots as shown on the Plats of Record on March 21, 1998, three and one-half times the annual dues for one Lot; and, for eight (8) Lots as shown on the Plats of Record on March 21, 1998, four times the annual dues for one Lot. In the event that Special Assessments or other Obligations are levied upon Lots after the combining of the Lots as permitted in this section, the rate of the assessment of the Special Assessment or other Obligations shall be assessed at the same rate as annual dues as set forth above. The Plat as recorded combining the Lots shall specifically reference the rate at which Dues and Special Assessments will be charged for the combined Lot.

3.6 Roofing Material. The roof of any building (including any garage) shall be constructed or covered with asphalt or composition type shingles or coated metal roofing.

Any other type of roofing material shall be permitted only in the sole discretion of the Association upon written request.

3.7 Storage Tanks and Refuse Disposal. No exposed above-ground tanks or receptacles shall be permitted for the storage of fuel, water, or any other substance, except for refuse produced through normal daily living and of a nature that is satisfactory for pick-up by the local department of public works, or its equivalent, if said services are provided by private contractor. Commercial above ground tanks for home heating fuels are permitted, so long as they are placed in conformity with all applicable governmental laws, rules, and regulations. Incinerators for garbage, trash, or other refuse shall not be used or permitted to be erected or placed on any Lot. All equipment, coolers, and garbage cans shall be concealed from the view of neighboring lots, roads, streets, and open areas, except when placed for daily pickup.

3.8 Signs and Advertisements.

(a) Except for personal, family, or street address identification signs, no signs of any kind, including personal or commercial advertisement, billboard or advertising structure, shall be erected upon or displayed or otherwise exposed to view on any Lot or any improvement thereon without the prior written consent of the Association; provided that this requirement shall not preclude the installation by the Association or its designated agents of signs identifying the entire residential development or upcoming Association sponsored or permitted events. Provided further, that this requirement shall not preclude the placement by Owners of "For Sale" signs on individual Lots of such size, character, and number as shall from time to time be approved by the Association.

(b) That for a period not to exceed thirty (30) calendar days prior to any national, state, local, or Association election, tasteful non-disparaging signs advocating a candidate for office, or position on a matter being voted upon, may be displayed by an Owner, after a copy of same is delivered to the Association office together with the name, mailing address and telephone number of the Owner placing the signs and the number of signs to be placed on the Property. All such signs shall be removed, at the sole cost and expense of the person placing them, within twenty-four (24) hours of the conclusion of the election. No signs shall be placed so as to obstruct traffic or the view from any intersection. The Association shall have the right to remove, at the sole cost and expense of the Owner placing the sign, any such unapproved sign, advertisement, billboard or structure that is placed on said Lots or the Property, or that is not removed in a timely fashion, and in doing so shall not be subject to any liability for trespass, other tort, or any other cause of action of any nature in connection therewith or arising from such removal.

3.9 Use of Temporary Structures. No structure of a temporary character, except as permitted by Sections 3.23 and 3.24 below, mobile home, camper, trailer, basement, tent, shack, garage, barn or outbuilding of any nature shall be erected, moved onto any Lot and/or used at any time as a residence, nor shall any residence of a temporary character be permitted. No structure of any kind except a dwelling house may be occupied as a residence, and the outside of any building so occupied must be completed before occupancy. This paragraph shall not prohibit the storage of

recreational vehicles or trailers in accordance with paragraph 3.10 below. Temporary structures may be used as building or sales offices, and for related purposes during the construction and sales period by an approved builder or developer of multiple Lots, or their assigns.

3.10 Storage of Automobiles, Boats, Trailers and Other Vehicles. No trailers, boat trailers, travel trailers, inoperative automobiles, or campers shall be semi-permanently or permanently parked or stored in the public street right-of-way, or on a Lot that does not contain a permitted single family residence. No commercial tractor-trailers, buses, or other large commercial vehicles with more than two (2) axles shall be parked on driveways or in streets within the Properties. The Association may promulgate rules permitting said vehicles in restricted areas. The foregoing shall not apply to construction vehicles of the Association or its subcontractors. The owners and operators of any such tractor trailers, buses, and large commercial vehicles with more than two (2) axles shall be jointly and severally liable to the Association for any and all damages caused by the operation of said vehicles on the roadways or other areas on the Property.

3.11 Outside Lighting. Outside lights at eaves and door entrances shall be permitted, but no exterior flashing or high-intensity lights, floodlights, or spotlights on any Lot shall be permitted, except with the prior written approval of the Association.

3.12 Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations shall be permitted on any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

3.13 Maintenance. All Lots, together with the exterior of all improvements located thereon, shall be maintained in a neat and attractive condition by their respective Owners or Occupants. Such maintenance shall include, but not be limited to, painting, repairing, replacing, and caring for roofs, gutters, down spouts, building surfaces, patios, walkways, driveways, and other exterior improvements. The Owner and any Occupant of a Lot shall at all times have a duty to keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and all trees and shrubbery pruned and cut. No Lot shall be used for storage of material and equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind and the burning (except as permitted by law) of any such materials is prohibited. In the event of default on the part of the Owner or Occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, the Association may, subject to approval of its Board of Directors, enter upon said Lot, repair, maintain and restore the same, cut or prune or cause to be cut or pruned, such weeds, grass, trees and shrubbery and remove or cause to be removed, such garage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition. In so doing, the Association shall not

be subject to any liability for trespass or otherwise. All costs incurred in any such repair, maintenance, restoration, cutting, pruning or removal shall be charged against the Owner of such Lot as the personal obligation of such Owner and as a lien upon the Lot, enforceable as a maintenance assessment. Any Occupant of such Lot shall be jointly and severally liable with the Owner for the payment of such costs.

3.14 Damage, Destruction or Maintenance. In the event of damage or destruction to any structure located on any Lot, the respective Owner thereof agrees as follows:

(a) In the event of total destruction, the Owner shall promptly clear the Lot of debris and leave the same in a neat and orderly condition. Any rebuilding and reconstruction shall be accomplished in conformity with the plans and specifications of the original structure so destroyed, subject to any changes or modifications required by this Declaration and as approved by the Association, in accordance with Article 3 hereof.

(b) In the case of partial damage or destruction, the Owner shall, as promptly as an insurance adjustment may be made, cause the damage or destruction to be repaired and restored in a first class condition in accordance with the plans and specifications of the original structure and in conformity with its original exterior painting and decor. Any change or alteration must be approved by the Association in accordance with Article 3 hereof. In no event shall any damaged structure be left un-repaired and un-restored for in excess of sixty (60) days, from the date of the insurance adjustment.

(c) If the correction of a maintenance or repair problem incurred on one Lot necessitates construction work or access on another Lot, both Owners shall have an easement on the property of the other for the purpose of this construction. Each party shall contribute to the cost of restoration thereof equally, unless such damage was caused by the fault of an Owner, in which event the Owners shall allocate the cost of restoration in proportion to the relative fault of the parties.

3.15 Use of Premises. The Property and/or any Lot shown on the Plats shall be used only for private, single-family residential purposes and not otherwise except for that parcel of property containing approximately 1.49 acres located at the northwest corner of Indian Lane and Quachita Cove on the Plat of record in Plat Book 3, Page 66 Registers Office, more particularly described as follows:

Beginning at the northwest corner of the intersection of Indian Lane and Quachita Cove; thence (1) with the east right-of-way of Quachita Cove North 27 degrees 38 minutes East a distance of 300 feet to a point; thence (2) South 62 degrees 22 minutes East a distance 258.37 feet to a point in the west right-of-way of Grand Valley Drive; thence (3) with the west right-of-way Grand Valley Drive South 51 degrees 04 minutes 16 seconds West, a distance of 106.06 feet to a point; thence (4) continuing the west right-of-way of Grand Valley Drive around a curve to the left with radius of 226.00 feet a distance of 210.54 feet to the northwest corner of the

intersection of Grand Valley Drive and Indian Lane; thence (5) with the north right-of-way of Indian Lane North 62 degrees 22 minutes West a distance of 227.69 feet to the point of beginning, containing 1.49 acres.

which Lot may be used for commercial purposes in accordance with express conditions adopted by the Association. The operation by the Association, either directly or by contract with third parties, of commercial enterprises in support of the operation of the Associations facilities and the provision of services to Members, in accordance with the purposes of the Association, shall not be deemed a violation of this restriction. Lots may not be held and used as commercial "rental property" unless prior approval is obtained from the Association, which approval may be withheld for any reason. The Association may impose such restrictions and conditions on the use of Lots as rental property as it may deem appropriate in its absolute discretion, which may include without limitation the posting of security. The Association may permit builders (who are at the relevant time building and selling houses in the development) to use, residential structures, garages or accessory buildings for sales offices and display purposes, but all rights of any builder acting with Association's permission under this sentence, shall be operative and effective only during the construction and sales period within the area, and this provision may not be amended, altered or waived without the prior consent of the Association.

Contained within the property shown on the Plats is a golf course. The golf course was previously owned by the Association. However, as of the date hereof, the golf course is no longer owned by the Association. The golf course may be used for commercial purposes, but may not be subdivided without the further amendment of the Amended Covenants,

3.16 Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, pastured, or maintained on any Lot, except household pets such as dogs and cats which may be kept thereon in reasonable numbers as pets for the sole pleasure of the Owner or Occupant, but not for any commercial use or purpose. All dogs shall be confined to the Lots and shall not be allowed to run free on the Property. Any dog outside the boundary of any Lot shall be accompanied by a natural person and restrained by a leash at all times.

3.17 Nuisances and Unsightly Materials.

(a) No house or other structure on any Lot shall be used for any business or commercial purpose except as noted in Paragraph 3.15 above. Provided, however, that the incidental renting of a house for single family residential purposes may only be permitted after notice to, and approval by, the Association in accordance with its rules, regulations, Bylaws, or other provisions dealing with this subject matter. Such renting may be prohibited by the Association, or conditioned upon the posting of a bond with sufficient security.

(b) Each Owner or Occupant shall refrain from any act or use of his Lot, which could reasonably cause embarrassment, discomfort, annoyance, or nuisance to others. No noxious or offensive or illegal activity shall be carried on upon any Lot. No motorcycle, motorbike, motor scooter, or any other unlicensed motorized vehicle shall be permitted to be operated on or in the Common Areas except in conformity with rules and regulations, including fees for use of those facilities, adopted by the Association. No Lot shall be used, in whole or in part, for the storage of rubbish of any character whatsoever; nor shall any substance, thing, or material be kept upon any Lot which will emit foul or noxious odors, or which will cause any noise that will or might disturb the peace and quiet of the Owners or Occupants of surrounding Lots or property. The foregoing shall not be construed to prohibit the temporary deposits of trash and other debris for pick-up by garage and trash removal service units.

3.18 Governmental Restrictions. Each Owner shall observe all governmental building codes, health regulations, zoning restrictions, and other regulations applicable to his Lot. In the event of any conflict between any provision of any such governmental code, regulation, or restriction and any provisions of this Declaration, the more restrictive provision shall apply.

3.19 Sanitary Sewage Units.

(a) No outside toilet shall be permitted on any Lot, except during the construction of the dwelling structure. Such permitted toilet shall be temporary, completely self-contained, be provided and serviced by a commercial company operating said temporary toilets for a fee.

(b) Each Lot shall have a separate individual sanitary unit, which unit shall comply in all respects with the requirements of the Hardeman County Health Department or other governmental agency exercising jurisdiction over such matters (the "Agency.") The Owner shall obtain all permits and approvals required for the installation of the unit from the Agency prior to commencement of installation of any kind, and shall exhibit such approvals to the Association or its designated representatives upon demand. The unit shall be constructed, repaired, altered, or replaced in accordance with the plans, rules, regulations, orders, and recommendations of the Agency in all respects. No drain field or other disposal system shall be allowed nearer than sixty (60) feet from location of the

water of any lake, when the level of said water is at the top of any permanent spillway. No untreated waste in any amount shall be permitted to enter any lake on the Property.

(c) The Owner shall commence immediate repair of any malfunction of a sanitary unit, upon becoming aware of the malfunction, and not more than forty eight (48) hours after receiving notice from the Association or Agency. If repairs are not commenced as aforesaid, water service to the Lot may be terminated without further notice and continued until the repairs are complete and the system ceases to malfunction.

3.20 Water Availability.

(a) No individual water wells shall be allowed on the Property or any Lot except for Lots that do not have an operable water line within 300 feet of a boundary line of said Lot together with the express approval of all governmental agencies regulating the development and placement of water wells. If desired, an Owner may only obtain water from a private or public utility company supplying water to the Property upon all terms and conditions set by that water supplier. Any such water well, may only service the single-family residential structure erected on said Lot. The supplier of water may charge water availability fees to Owners of unimproved Lots in addition to charging water usage fees to Owners of improved Lots. The collection of any such water fees shall be governed by the same provisions as for the collection of, an enforcement of, Obligations owed to the Association, including without limitation lien rights, all as more particularly set forth in Article 5 below. These enforcement rights shall also apply to an independent owner of the water works.

(b) As of the date hereof, the Association owns the facilities supplying water to many of the Lots. The terms, conditions, cost, and fees set by the Board of Directors of the Association in its sole discretion, shall govern the availability of water to any Lot by the Association. The Association shall have no obligation to make water available to any Lot, or continue to provide water to any Lot, at any time for any fee or charge. Provided, however, that the Association may not charge a water availability fee to a Lot that does not have an operable water line within three Hundred (300) feet of a boundary line of said Lot. The Association, its officers, directors, and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions of operating the water works, discontinuing its operation, or selling the assets related to its operation. The utility easements reserved in Article 6 below may be licensed to third parties unrelated to or affiliated with the Association.

3.21 Roads. It shall be obligatory upon all Owners to consult with all appropriate county and city engineers and commissions, or their equivalent before any driveways, culverts, other structures or grading are constructed within the limits of any dedicated roadway, and such placement or construction shall be done in accordance with the requirements of the said agencies applying to such roads in order that the roads or streets within the Property that would be affected by such placement or construction may not be disqualified for acceptance by the County into the public road system.

3.22 Lake Usage and Structure Encroachment. No boat docks, boat houses, floats, or other structures of any kind or nature shall be constructed upon, extend into, or placed upon any Lake on the Property, either now existing or hereafter created, without the prior written approval of the Association, in accordance with the provisions of Section 3.2 above. The Association reserves the right to place conditions or restrictions on the placement of any such structure, or its removal at designated times, and other wise govern its usage and the usage of the lakes by rules and regulations of the Association. The placing of any structure on any lake shall not grant or infer any rights of ownership in or right to use any lake. All such rights shall be governed by the Association Bylaws and its applicable rules and regulations.

3.23 Restrictions Specific to Mobile Home Lots. The provisions of this Section 3.23 shall apply solely to the Mobile Home Lots. All other provisions of this Declaration shall also apply to the Mobile Home Lots except as specifically modified in this Section. Structures placed, constructed, or placed on a Mobile Home Lot shall be subject to the following:

(a) The minimum square footage requirement set forth in paragraph 3.1 above shall be nine hundred (900) square feet for a permanent non premanufactured residence. Mobile homes, pre-fab, or pre-manufactured residences, containing at least seven hundred twenty (720) square feet, and in good condition, exterior and otherwise, shall be permitted on these Lots after compliance with all other provisions of these Amended Covenants. Any used structure must be inspected and approved by the Association, or its agents or designees, prior to being placed on any Lot to verify its condition.

(b) The mobile structure shall have its wheels removed upon placement on the Lot and be placed on a permanent foundation. The areas under the structure shall be shielded from view on all sides with coverings that extend from the bottom of the structure to the ground and compliment the structure and the subdivision. A permanent driveway shall be constructed on the Lot to provide off street parking for said Lot.

3.24 Restrictions Specific to Camper Lots. The provisions of this Section 3.24 shall apply solely to the Camper Lots. All other provisions of this Declaration shall also apply to the Camper Lots except as specifically modified in this Section. Structures placed, constructed, or placed on a Camper Lot shall be subject to the following:

(a) A Camper Lot, after combination with other Camper Lots in accordance with the provisions of paragraph 3.5 above, that contains a minimum of fifteen thousand (15,000) square feet of ground area, may be used as a single family residence. Once combined, the provisions of Section 3.23 above shall apply to any structure to be located upon the Lot.

(b) All Camper Lots not combined as permitted in paragraph 3.24(a) above, are designated as recreational campsites and may be used only for that purpose. Only tent-type folding trailers, pick-up campers, modern travel trailers, motor homes, and other similar types of campers and equipment that are mobile are permitted. All such

equipment shall have completely self-contained water and sewer systems, including "gray water." The Association shall not have any obligation whatsoever to make available any utility services to these lots including without limitation, water, electric, sewage disposal, or gas.

(c) The Owner of a Camper Lot may erect and leave permanent, tastefully constructed tables, benches, and fireplaces on a Lot.

(d) No Camper Lot, and any structure thereon, except as allowed in paragraph (a) above of this section, may be used as a permanent or semi permanent residence. All equipment, except the permanent structures allowed in paragraph (c) above, shall be removed when not used for a period of twenty four (24) hours during a continuous thirty (30) calendar day period.

ARTICLE 4

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Membership.

(a) All matters related to the operation and governance of the Association, including but not limited to meetings of members, eligibility to vote, voting rights, quorum requirements, dues, special assessments, officers, directors, and any other matter irregardless as to whether it involves or is appurtenant to property rights, or rights running with the land shall be governed by the Association's Charter, Bylaws, rules and regulations, all as they may exist from time to time.

(b) Every person or entity who is the Owner of record of a fee interest in any Lot shall be a Member of the Association, subject to and bound by this Declaration and the Association's Charter, the Bylaws of the Association and such rules and regulations as may be adopted by the Association.

4.2 Voting and Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lot and shall be governed by the Charter and Bylaws of the Association. The Charter or Bylaws may restrict or limit the voting rights if Obligations to the Association are not paid, or the provisions of these Declarations, the Bylaws, or any rules or regulations are violated. The Owner of each Lot shall be entitled to one (1) vote. In no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE 5

COMMON AREA PROPERTY RIGHTS AND MAINTENANCE ASSESSMENTS

5.1 Common Areas. Each Owner, so long as a Member in Good Standing, shall have a non-exclusive right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to each Lot as designated upon

the Plats, subject only to the provisions of this Declaration, the Charter, Bylaws and rules and regulations, including, but not limited to, the following:

(a) The right of the Association to limit the use of and/or charge a fee for the use of the Common Areas to Owners or Occupants of Lots, their families and their guests;

(b) The right of the Association to suspend voting privileges and rights of use of the Common Areas for any Owner who is not a Member in Good Standing; and

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public or private agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the Association as set forth in its Charter or Bylaws. This paragraph shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of electrical, telephone, cablevision, water and sewer utilities, and drainage facilities upon, over, under, and across the Common Areas.

5.2 Assessment for Operation of the Association and Maintenance of Common Areas. For each Lot owned within the development, every Owner covenants and agrees, and each subsequent owner of any such Lot, shall be deemed to covenant and agree, to pay to the Association monthly, annual, or regular, dues or assessments, or other charges for the creation and continuation of funds in amounts to be established from time to time by the Board of Directors of the Association, in order to operate the Association in accordance with its Charter and Bylaws including but not limited to maintaining, landscaping, and beautifying the Common Areas, maintaining, repairing, and improving the road system, maintaining, repairing, and improving all buildings and other capital assets now owned or hereafter acquired by the Association, debt service including principal and interest on obligations of the Association, promoting the health, safety, and welfare of the residents of the community, paying taxes, if any, assessed against the Common Areas, procuring and maintaining insurance, employing attorneys, accountants, and security personnel, and to provide such other services as are not readily available from governmental authorities having jurisdiction over the same. In addition, the Owner of each Lot and each subsequent Owner thereof, covenants and agrees to pay special assessments as set by the Association in accordance with its Bylaws.

5.3 Creation of Lien and Personal Obligation of Assessments. In order to secure payment of any Obligations that may become payable to the Association, which shall include without limitation, assessments, either monthly, annual, regular, or special, as the same become due, or other sums or obligations arising under this Declaration, there shall arise a continuing lien and charge against each Lot, the amount of which shall include interest at the maximum effective rate allowed by law from the date when due, and all costs of enforcement and collection including without limitation, reasonable attorney's fees. Each such Obligation, together with such interest, and costs of enforcement, shall also be the personal obligation of the person who was the Owner of the Lot at the time the Obligations became due; provided that this personal obligation shall not pass to successors in title unless expressly assumed by them. The lien provided

for herein, however, shall be subordinate to the lien of any first deed of trust (sometimes hereinafter called "mortgage") on any Lot if, but only if, all such Obligations made with respect to such Lot having a due date on or prior to the date such first mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only the lien and charge as relates to Obligations authorized hereunder having a due date subsequent to the date such first mortgage is filed of record and prior to the satisfaction, cancellation, or foreclosure of the same, or the transfer of the mortgaged property in lieu of foreclosure. The sale or transfer of any Lot shall not affect any Obligation lien. The sale or transfer of any Lot that is subject to any first mortgage, pursuant to a foreclosure thereof or under power of sale or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Obligation, but not the personal obligation of any former title holder, as to payments that became due prior to such sale or transfer and subsequent to the recordation of the first mortgage that has been foreclosed, but the Association shall have a lien upon the proceeds from foreclosure or of sale, junior only to the lien of the foreclosed first mortgage. No sale or transfer shall relieve such Lot Owner from liability for any Obligation thereafter becoming due but relating back to period prior to the sale or transfer, or from the lien thereof.

5.4 Levy of Assessments. The Association in accordance with its Bylaws shall set its assessments, monthly, annual, regular, or special, and other charges and fees payable by the Owners. The Association shall, upon demand, but not in less than ten (10) business days, and for a reasonable charge, that shall be not less than Ten Dollars (\$10.00), furnish a certificate signed by an officer of the Association setting forth whether the Obligations on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting the same.

5.5 Rate of Assessment. All Lots shall bear their assessments simultaneously, except that Lots owned by the Association do not accrue liability for Obligations of any nature while owned by the Association.

5.6 Effect of Non-Payment of Obligations and Remedies of the Association. Any Obligations not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum effective rate then allowed by law. The Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the Obligations relate, and interest, costs, and reasonable attorney's fee for such action or foreclosure shall be added to the amount of such Obligations. No Owner may avoid liability for the Obligations provided for herein by non-use of the Common Areas or abandonment of his Lot.

ARTICLE 6

EASEMENTS

6.1 General. The Lots and Common Areas in the Properties subject to this Declaration shall be subject to all easements shown or set forth on the Plat.

6.2 Emergency. There is hereby reserved, without further assent or permit, a general easement to all security guards employed by the Association, firemen, ambulance personnel, law enforcement officials, animal control officers, and all similar persons to enter upon the Properties or any portion thereof which is made subject to this Declaration in the performance of their respective duties.

6.3 Utilities and Easements.

(a) The Association, for itself, successors, assigns, and licensees, reserves an easement of sixty (60) feet on all road rights-of-way shown on the Plats for the construction, maintenance, and repair of roads. It further, for itself, its assignees, successors, assigns, and licensees, reserves a fifteen (15) foot wide easement along each side of all road rights-of-way, and a five (5) foot wide easement along the side and rear lines of each and every lot for the purpose of installing, operating and maintaining television cables, utility lines and mains thereon, together with the right to trim and/or cut or remove any trees and/or brush and the right to locate guy wires, braces and anchors wherever necessary for said installations, operations or maintenance; together with the right to install, operate and maintain gas and water mains, sewer lines, culverts, drainage ditches, and other services and appurtenances thereto, for the convenience of the Owners, reserving also the right to ingress and egress to such areas for any of the purposes mentioned above.

(b) In the event an Owner of two or more adjoining Lots, after receiving approval as set forth in Sections 3.2 and 3.5, constructs a building which shall cross over or through a common lot line, said common lot line shall not be subject to the aforementioned five (5) foot easement unless it is shown on the recorded plat of the combined Lots. No easement shall exist on that portion of any water front lot running along or abutting the shoreline of any Lakes, unless shown on the Plats. The Association for itself, its successors, assigns or licensees, reserves the right to cause or permit drainage of surface water over and/or through the Lots. The Association its successors, assigns, or licensees reserves an easement on, over or under all road rights of way and the adjacent utility easements, for the purpose of installing, operating, and maintaining the aforesaid utilities and drainage. The Association, its successors, assigns, or licensees neither at law or in equity, except in case of willful or gross negligence, shall be liable for any damages caused to any Lot, Owner, or Occupant by the installing, operating, repairing, removing or maintaining the aforesaid utilities.

(c) No structure of any kind shall be erected upon any of said easements except as permitted above. Neither the Association, its successors, assigns, or licensees, nor any utility company using the easements shall be liable for any damage done by either of them or their successors or assigns, or by their agents, employees or servants to shrubbery, trees, flowers or improvements of the Owner located on the land within or affected by said easements. A right of pedestrian access by way of a driveway

or open lawn area shall also be granted on each Lot, from the front Lot line to the rear Lot line to any utility company having an installation in the easement. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or public utility company is responsible. Fences shall not be allowed to be constructed over any easement.

ARTICLE 7

GENERAL PROVISIONS

7.1 Duration. This Declaration shall be construed as covenants running with the land and shall be binding and effective for thirty (30) years from the date hereof, at which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by vote of the Association in accordance with its Charter or Bylaws to alter, amend, or revoke the Restrictions in whole or in part. In the event the Association fails to exist and no successor or assignee of its rights and powers hereunder exists, a majority of the Lot Owners at the time permitted for amendment, may amend this Declaration by filing an instrument in writing signed by the majority of said Owners in the Register's Office. Every Owner, purchaser, subsequent grantee, or successor in interest by inheritance or otherwise of any ownership interest in any Lot subject to this Declaration, by acceptance of the deed, other conveyance, or by operation of law agrees that the restrictions set forth in this Declaration shall be binding upon them, may be extended as provided in this paragraph 7.1, and that they shall be personally jointly and severally liable with all the other owners of a Lot for the Obligations that may be payable to the Association during the period of their ownership.

7.2 Amendment.

(a) This Declaration may be amended at any time by the Association, by a two-thirds vote of the Members in Good Standing, present in person or by proxy, at a meeting held in accordance with its Bylaws. No such amendment shall become effective until the instrument evidencing such change has been filed in the Registers Office.

(b) The Association reserves the right to file any amendments that may be necessary to correct clerical or typographical errors in this Declaration, and to make any amendments that may be necessary to conform the Declaration with regulations of the Federal Home Loan Mortgage Corporation, Federal Housing Administration, the Veteran's Administration or other applicable regulations that may be necessary to assure Lender approval of loans to Owners or the Association.

7.3 Enforcement and Appeal Rights.

(a) If any person or entity shall violate or attempt to violate any of these restrictions, it shall be lawful for any other person, firm or corporation owning any property within Grand Valley Lakes, or the Association, to bring an action against the violating party at law or in equity for any claim arising under these Amended Covenants either to

prevent said person or entity from continuing or committing such violations or to recover damages for such violations, or both. The provisions of this paragraph 8.3 are in addition to and separate from the rights of the Association to collect Obligations. Any failure by the Association or any Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter, subject only to any applicable statute of limitations. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void, nor the provisions so voided in circumstances or applications other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated. In the event any action or proceeding is brought to enforce, the rights and obligations imposed by this Declaration, the substantially prevailing party in any such action or proceeding shall be entitled to recover from the losing party all costs and expenses of such action or proceeding, including reasonable attorneys' fees. The preceding sentence shall not apply to an action to challenge, or determine by declaratory judgment or otherwise, the rights and obligations imposed by this Declaration either in whole or in part. It being expressly declared in such actions, that all parties shall bear their own costs and expenses of such proceeding including their own attorneys' fees.

(b) Prior to instituting suit in a court of competent jurisdiction to enforce any provisions of this Declaration, (except for the provisions of Section 3.20 or a violation that threatens the life, safety, and welfare of any person) the Association shall give written notice of the violation, and state the desired action, with time limits, if any, to cure the violation. No notice is required, if the delay in bringing the action, would prejudice the Associations right(s) with regard thereto. If no time limits are stated, the Owner shall have thirty (30) days to comply with the notice. The Owner, Occupant, or other affected person, if it disagrees with the requested action, may exercise the appeal rights as set forth in the Bylaws. If no appeal rights exist in the Bylaws, then the provisions of the previous sentence shall not apply. The giving of notice as provided herein shall not affect the provisions of this Declaration as to the collection of interest or other charges, or alter any provisions of the Bylaws, it being intended that the giving of written notice be only a condition of bringing suit.

7.4 Headings and Binding Effect. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants agreements and right set forth herein shall be binding upon and inure to the benefit of the Association and any Owner and the respective heirs, executors, successors and assigns of the Association and any Owner, and all persons claiming by, through or under the Association or any Owner.

7.5 Existing Violation of Restrictions. The adoption of this Declaration may result in certain Lots or their Owners being in violation of the provisions contained herein. The following provisions shall apply to those violations:

(a) In the event that the Lot and/or Owner were in violation of any provision of the Original Restrictions, the Mobile Home Restrictions, or the Camper Lot Restrictions, including without limitation the obligations related to the payment of dues, special assessments, water availability fees, and water charges, as of the date hereof, the Owner at its sole cost and expense shall have a period of sixty (60) days to comply with the Original Restrictions, the Mobile Home Restrictions, or the Camper Lot Restrictions and a period of one hundred eighty (180) days to comply with these Declarations, except as provided below, prior to being liable for the costs and expenses of enforcement as provided in this Declaration.

(b) In the event that the Lot and/or Owner were in complete compliance with the Original Restrictions, the Mobile Home Restrictions, or the Camper Lot Restrictions as of the date hereof, but are in violation of this Declaration, the Owner at its sole cost and expense shall have a period of one hundred eighty (180) days to comply with these Declarations, except as provided below, prior to being liable for the costs and expenses of enforcement as provided in this Declaration.

(c) In the event the sole violation of this Declaration for any Lot, as of the date of recording, is (i) a failure to meet the square foot requirements of paragraph 3.1; (ii) the square foot requirements of paragraph 3.23(a); (iii) the existence of a mobile home or other premanufactured residence on a Camper Lot; or (iv) the existence of a mobile home or other premanufactured residence on a Camper Lot that does not have a minimum of fifteen thousand (15,000) square feet of ground area, the Owner may apply for a variance in accordance with Section 3.2, which variance shall be granted so long as no other violations of either the Original Restrictions, the Mobile Home Restrictions, or this Declaration exist. Provided, however, in the event of a total destruction of the dwelling or a destruction of at least fifty percent (50%) of the square footage, the provisions of this Declaration shall apply to the reconstruction or replacement.

(d) All time limits in this Section shall commence to run and be counted starting the first calendar day after the recording of this Declaration in the Register's Office.

(e) The provisions of this Section 7.5 shall not affect in any respect the actions of the Association related to the setting, collection, and enforcement of Obligations adopted after the date hereof. Further, this Section shall not extend the date of payment of any sums due the Association by any Owner as of the date hereof.

7.6 Conflicts. In the event of any conflict between the provisions of this Declaration and the Bylaws of the Association, the provisions of the Bylaws shall control.

7.7 Binding Effect. The provisions of this Declaration shall be binding upon and shall inure to the benefit of the respective legal representatives, successors and assigns of the Association, and the present Owners and all persons claiming by, through, or under the Association or the present Owners.

IN WITNESS WHEREOF, the Association has caused this Declaration of Amended and Restated Restrictive Covenants for Grand Valley Lakes Subdivision Hardeman County, Tennessee to be executed as of the day and date first above written.

GRAND VALLEY LAKES PROPERTY OWNERS ASSOCIATION, INC.

By: _____
Richard Badour, President

ATTESTED:

By: _____
Gelene Keithley, Secretary

STATE OF TENNESSEE)
COUNTY OF _____)

Personally appeared before me, the undersigned, a Notary Public, Richard Badour, with whom I am personally acquainted, and who acknowledged that he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is the President of Grand Valley Lakes Property Owners Association, Inc., a corporation, and is authorized to execute this instrument on behalf of Grand Valley Lakes Property Owners Association, Inc.

WITNESS my hand, at office this ____ day of April, 2006.

Notary Public

My Commission Expires:_____

STATE OF TENNESSEE)
COUNTY OF _____)

Personally appeared before me, the undersigned, a Notary Public, Gelene Keithley, with whom I am personally acquainted, and who acknowledged that she executed the foregoing instrument for the purposes therein contained and who further acknowledged that she is the Secretary of Grand Valley Lakes Property Owners Association, Inc., a corporation, and is authorized to execute this instrument on behalf of Grand Valley Lakes Property Owners Association, Inc.

WITNESS my hand, at office this ____ day of April, 2006.

Notary Public

My Commission Expires:_____