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**RESTRICTIVE COVENANTS AND EASEMENTS APPLYING TO
STONEWOOD SUBDIVISION
RUTHERFORD COUNTY, TENNESSEE**

Parks-Harney Investments, LLC, hereinafter referred to as "Developer", being the owner in fee simple of all the real estate that has been subdivided and named STONEWOOD SUBDIVISION, according to plat and survey of same of record in Plat Book 27, page 158-159(the "Plat"), of the Register's Office of Rutherford County, Tennessee, to which plat reference is hereby made and incorporated herein by reference, does hereby agree and bind itself, its successors and assigns, that the following restrictions, limitation, easements and covenants ("Covenants") shall be binding on all purchasers of lots in said subdivision known as "STONEWOOD SUBDIVISION":

**ARTICLE I
LOT IMPROVEMENTS**

A. All lots in the subdivision shall be used for residential purposes only. No more than one family residence will be constructed on any lot.

B. A perpetual easement five foot in width is reserved on the periphery of each lot for drainage. Said easement shall run parallel and adjacent to the boundaries of each lot. In the event said easement conflicts with any easements shown on the above-referenced Plat, the easements on the above-referenced Plat shall control.

C. All houses erected in the subdivision shall have the following minimum required square footage of living space:

(1) Houses on Lots 1 through 27 and Lots 60, 63 and 64 shall have an exterior finish of at least 75% brick, stone, or stucco and shall have a minimum of 1,800 square feet of living space. Houses on Lots 28 through 59 shall have an exterior finish of at least 75% brick, stone, or stucco and shall have a minimum of 2,200 square feet of living space. Living space is measured on the exterior of the foundation walls and such

space will not include any garages, patios, porches or storage space to meet these requirements.

(2) The distribution and quantity of living space on each floor of the house shall be at the discretion and approval of the Architectural Control Committee.

(3) All houses will have at least a two car garage attached to and made a part of the dwelling and shall enter from the side or rear (except the Architectural Control Committee has authorization to waive this requirement where the shape of the lot and the design of the residence necessitates a variance, provided, however, that if the requirement is waived, the garage door must be of the highest aesthetic quality and design). All owners shall be required to install and maintain an operational garage door opener, and all garage doors shall remain closed, except for actual ingress and egress therein.

(4) Single story residences shall have a minimum roof pitch of 8:12, and 1 ½ story or 2 story residences shall have a minimum roof pitch of 6:12, unless otherwise permitted by the Architectural Control Committee.

(5) If the exterior building material does not extend to ground level then any exposed foundation must be either brick or stone.

(6) Houses must be built with a crawl space under the living area; however the Architectural Control Committee shall have the authority to permit concrete slab construction in its discretion, and approval for such construction must be obtained prior to construction.

(7) All exterior chimneys shall be of brick, stucco, drivet, or stone.

C. All driveway entrances from the street to each lot shall conform to the following standards: The entrances from the street to any lot requiring a culvert shall consist of headwalls not to exceed a minimum of 8" or a maximum of 12" in height measured from the surface of the driveway, of brick or stone construction to be approved by the Architectural Control Committee. The entrances from the street to each lot shall be sixteen (16) feet in width with concrete apron running back three (3) feet from the entrance at street and tapering back to no less than twelve (12) feet in

width to garage entry. The driveway including any turn around area must be constructed of concrete. Circular driveways are allowed but only one entrance from the street shall be permitted. A temporary gravel drive shall be constructed from the street to the side of the proposed dwelling before or at the time construction of said dwelling is commenced.

D. No dwelling shall be constructed on any lot closer than ten (10) feet to an adjacent lot line.

E. (1) No building shall be constructed or maintained on any lot (i) in any reserved drainage utility or landscape easement area; or (ii) closer to the street than the setback lines as shown on the recorded plat; unless authorized by Architectural Control Committee and Board of Zoning Appeals where applicable. Any variance authorized by the Board of Zoning Appeals is subject to the Architectural Control Committee's approval.

(2) Once construction has commenced, it shall proceed diligently. Owner is responsible for maintaining a neat and orderly construction site.

F. The exterior finish of all residences and garages constructed on said lots shall be of any of the following materials and finishes only:

(1) Dressed brick, stone, or stucco;

(2) Exterior sidings of masonite, vinyl or drivet; provided that at least 75% of the exterior is dressed brick, stone or stucco;

(3) As may be otherwise approved by the Architectural Control Committee.

G. Any outbuilding which is preassembled which a lot owner desires to move onto a lot, or any other outbuilding which a lot owner desires to construct on a lot, is allowed only by prior written approval by the Architectural Review Committee.

H. No lot shall be used or maintained as a dumping ground for rubbish or other refuse. Any trash, garbage or other waste shall not be allowed, except in proper sanitary containers which shall be removed in a reasonable time. Builders will be responsible for grading all areas of the lot for drainage. The grading by the builder on

the lot must be secured by seed covered with straw on all drainage areas in order to prevent erosion and to maintain the integrity of all drainage areas.

ARTICLE II
SIGHT DISTANCE AT INTERSECTIONS

No fence, wall, hedge or shrub planting which obstructs sight lines at elevations are permitted to remain on any corner lot within the triangular area formed by the street property line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

ARTICLE III
Architectural Control Committee

A. ARCHITECTURAL CONTROL: No building shall be erected, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of the structure shall have been approved by the Architectural Control Committee ("Committee") as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation.

B. Architectural Control Committee:

(1) MEMBERSHIP: The Architectural Control Committee shall be originally composed of John Harney, Ken Green and John Mayfield. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor. Neither the members of the Committee, or it designated representative, shall be entitled to any compensation for services performed pursuant to this covenant. If any or all of the members resign with no designated

representative or successor, the Association shall have the power to elect a new member or members.

(2) POWERS: The Committee's approval or disapproval, as required in these covenants, shall be in writing. In the event the Committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it or, if disapproved, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the relative covenants shall be deemed to have been complied with. The Committee and its Committee Members shall not be personally liable for any action it takes hereunder. The Association shall indemnify and defend the Committee from any and all actions, suits, causes of actions, and demands of whatsoever nature arising from actions taken by the Committee and its members in fulfilling their powers under the provisions of this instrument. The Committee shall have the authority to grant variances on these restrictions.

ARTICLE IV COMMON AREA

A. DEFINITION AND DESIGNATION OF COMMON AREA: "Common Area" as used in these Covenants is not synonymous with the definition of Common Area in Horizontal Property Regimes or Planned Unit Developments. The Common Area as depicted on the Plat and which shall be maintained by the Association shall only be an amenity and shall not be appurtenant to any ownership in the lots.

B. CONVEYANCE OF COMMON AREA: Developer, its successors or assigns, or the Association if the Association is the record owner of any common area, shall have the right, subject to the approval of the Rutherford County Planning Commission, at any time and without consent of any other owners of lots subject to these Covenants, to transfer and convey any part or all of a Common Area to adjacent owner(s) or third parties.

ARTICLE V THE ASSOCIATION

A. Organization. There shall be established an STONEWOOD SUBDIVISION HOMEOWNERS ASSOCIATION, INC. hereinafter also referred to as "Association".

(1) The Association shall be a non-profit Tennessee Corporation charged with the duties and invested with the powers prescribed by law and set forth in its Articles, By-Laws and these Restrictive Covenants. Neither the Articles nor the By-Laws, shall for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with these Restrictive Covenants. In the event of any such inconsistency, the provisions of these Restrictive Covenants shall prevail. The officers and directors of the Association shall be required to be either (i) members of the Association; or (ii) officers, directors, agents, representatives or employees of or a successor to Developer.

(2) A Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with these Restrictive Covenants. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by these Restrictive Covenants, act on behalf of the Association in the implementation of these Restrictive Covenants.

B. Membership.

(1) Qualifications: Each Owner (including Developer) shall be a member of the Association and shall be entitled to one (1) membership for each lot owned. Ownership of a lot shall be the sole qualification for membership in the Association. There shall be only one membership per lot even though there may be more than one owner per lot.

(2) Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in these Restrictive Covenants as otherwise provided in the By-Laws.

(3) Transfer of Membership. The Association membership of each Owner (including Developer) shall be appurtenant to the lot giving rise to such

membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said lot and only to the transferee of title to such lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

C. Voting Rights—Members, Classes of Members.

(1) Class A Members: Class A Members shall be all owners with the exception of the Developer; but, in no event shall more than one (1) vote be cast with respect to any lot in this class.

(2) Class B Members: Class B Members shall be the Developer and any successor thereto and shall be entitled to three (3) votes for each lot owned. The Class B Membership shall cease and be converted to Class A Membership when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership.

D. Duties of the Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of these Restrictive Covenants, have the obligations, duties and functions, (subject to the provisions of these Restrictive Covenants), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the properties.

(1) Additional lands. Accept as part of the property all real estate annexed or added pursuant to these Restrictive Covenants and accept all owners thereof as members of the Association, subject to the membership requirements set forth herein and in the By-Laws.

(2) Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitations, covenants, affirmative obligations, conditions, and other provisions of these Restrictive Covenants, the Plat, the By-Laws and Articles.

(3) Operation and Maintenance of Common Area and Subdivision Entrance Easements. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area and the Subdivision Entrance Easements together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and Subdivision Entrance Easements and; to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order, condition and repair.

(4) Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area, the Subdivision Entrance Easements and street lighting not otherwise provided by the public utility company.

(5) Taxes and Assessments. To pay all real and personal property taxes and assessments (if any) separately levied upon or assessed against the Association and/or any property owned by the Association or used by the Association as Subdivision Entrance Easements. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring a payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes. It is the intent of these Restrictive Covenants that the amenity value of each Owner in such Common Area shall be included in the assessment for each lot, and as a result any assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various lots.

(6) Dedication for Public Use. Upon being directed by Developer or its successor to do so, as long as Developer is a Class B Member, to promptly dedicate such streets, roads and drives and such water, sewer or other utility lines or facilities and appropriate easements as may be specified by Developer or its successor to such municipalities, utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated by Developer or its successor.

(7) Insurance. To obtain and maintain insurance as provided for by either the By-Laws, these Restrictive Covenants or the mortgagee protective agreement referred to in later sections of these Restrictive Covenants.

(8) Rule Making. To make, establish, promulgate, amend and repeal the Association rules as provided for by these Restrictive Covenants and the other Association documents except as otherwise provided.

(9) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by these Restrictive Covenants as may be reasonably necessary or appropriate to enforce or effectuate any of the provisions of these Restrictive Covenants and the Association rules.

(10) Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Developer, or by a successor to Developer, during the period in which Developer is continuing to develop this project or to areas to be annexed into this project to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming these Restrictive Covenants to the requirements of such mortgagees or insurers.

E. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or these Restrictive Covenants. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under these Restrictive Covenants, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

(1) Assessments. To levy assessments on the owners of lots and to enforce payment of such assessments, all in accordance with the provisions of these Restrictive Covenants.

(2) Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any Stonewood Subdivision covenants, conditions, obligations or duties and to enforce, by mandatory injunction or otherwise, all the provisions of the Declaration, Articles and By-Laws.

(3) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Area and subdivision Entrance for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, (1) overhead or underground lines, cables, wires conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television cables, radio and audio antennae facilities and for other appropriate purpose; (2) public sewers, storm water drains and pipes, water system, sprinkling systems, water, heating and gas lines or pipes; and (3) any similar public or quasi-public improvements or facilities.

(4) Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such manager and employees shall have the right of ingress and egress over such portion of the properties as is reasonably necessary for the purpose of performing such business, duties and obligations.

(5) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by

a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the owners of lots; (ii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the properties, driveways, or the upkeep of lawns or plantings located upon the properties; (iii) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas and Subdivision Entrance Easements; (iv) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (v) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vi) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area and/or Subdivision Entrance Easements, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

(6) Right of Entry. Without liability to any owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in these Restrictive Covenants, Articles and By-Laws, and for the purpose of maintaining or repairing any portion of the properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the properties.

(7) Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas and Subdivision Entrance Easements or as required for exterior maintenance or lot clean-up in the event owner fails to maintain as required.

(8) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Instrument or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended insurance coverage covering the Common Areas and Subdivision Entrance Easements, liability insurance worker's compensation insurance and performance of fidelity bonds.

(9) Utility Service. To contact and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

(10) Professional Services. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, drives or other paved areas upon any portion of the properties not dedicated to any governmental unit and on the lots in the event the owners fail to keep such paved area maintained and repaired.

(11) Protective Services. To contract and pay for, or otherwise provide for, fire, security and such other protective services as the Association shall from time to time deem appropriate for the benefit of the properties, the Owners and their guests.

(12) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary.

(13) Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Areas and Subdivision Entrance Easements on

account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(14) Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority in regard to acquisition of any of the Common Area, Subdivision Entrance Easements or any part thereof. In the event of a taking or acquisition of part or all of said areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any such condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the condemnation of any part of the Common Area shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

ARTICLE VI
ASSESSMENTS

A. (1) Annual Assessments. The Board shall have the power and authority to levy annual assessments against the Lots within the Development. Annual Assessments shall be used to provide funds for such purposes as the Board shall determine to be for the benefit of the Development, including, without limitation, the improvement, maintenance, operation and security of the Development and Common Areas, payment of taxes and insurance thereon, payment of utility bills thereon (including water for sprinkler systems), payment of reasonable costs to provide attractive seasonable landscaping of the Common Areas, street maintenance costs, the repair, replacement and additions that may be necessary to the Common Areas and the cost of labor, equipment, materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual Assessments to provide

supplemental landscaping, maintenance within Lots, and to provide garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the services to be provided by the Association in the coming year, and allocating said amount among the Lots equally. However, the Assessments for vacant lots shall be at a rate 50% of the Annual Assessment for lots. Once a certificate of occupancy is issued for any lot, the assessment for said lot shall be at the full rate when the assessment is next due.

(2) Capital Assessments. In addition to the other Assessments provided for in this instrument, each purchaser of a house shall be assessed an assessment of \$50 upon the purchase of any completed house within Stonewood (Said assessment shall be referenced as the "Capital Assessment"). Said Capital Assessment shall be collected at closing on the purchase of the house and remitted to the Association. Said Capital Assessment shall also be due from the Purchaser of a home when a home is resold, and also collected at closing. The amount of the Capital Assessment may be modified by the Declarant at any time while Declarant owns at least two lots in Stonewood. Thereafter, said Capital Assessment may only be modified by at least two-thirds (2/3) of the Votes entitled to be cast by the Members of the Association, (both Class A and Class B) at a duly called meeting of the Association at which a quorum is present.

B. Special Assessments. In addition to the Annual Assessments authorized herein, the Board may levy a Special Assessment applicable to a particular year, provided that any such Special Assessment shall have the affirmative Votes of not less than fifty percent (50%) of the total Votes within the Association at a meeting of all Members which shall be held after not less than five (5) days' written notice of the date, time and purpose for said meeting, at which a quorum shall be present. Special Assessments shall be due and payable on the date which is fixed by the resolution authorizing such assessment.

C. Exempt Property. The Impositions and liens created under this Article shall not apply to the Common Areas. All property within the Development which is dedicated to and accepted by a local public authority, which is granted to or used by a utility company, or is designated as part of the Common Area shall be exempt from such Impositions.

D. Property Owned by Developer. The Developer shall be exempt from payment of any Annual, Initial, and Special Assessments for any vacant lots Developer owns. However, if Developer constructs any houses on any lots, Developer will be subject to the same assessments as any other homeowner once a house is complete.

E. Payment of Annual Assessments. The Board shall have the power and authority to determine the payment method for Annual Assessments. Unless provided otherwise by the Board, each Owner shall pay its Annual Assessment on or before the first of April of the year to which said assessment relates, and the Board shall fix the amount of the Annual Assessment and send a notice thereof to each Owner on or before the first of February of each such year. The Board shall have the power and authority to require quarterly or monthly payments of installments of the Annual Assessments from such Owners as the Board deems suitable, or may require all Annual Assessments to be paid on a quarterly or monthly basis, at its determination.

F. Commencement. The eligibility for Annual Assessments for a Lot shall commence upon purchase of the Lot from Developer, or Developer may hereafter set a date for assessments to commence for all Lots which have been purchased from Developer. Assessments on Lots that first become subject to assessments during a calendar year shall be prorated on a calendar year basis for the remainder of such calendar year.

G. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all Lots and Impositions applicable thereto which shall be open to inspection by any Owner. Written notice of any Imposition shall be mailed to every Owner of the Lot subject to assessment. The Association shall, upon demand and payment of a reasonable charge, furnish to any Owner a certificate in

writing signed by an officer of the Association setting forth whether the Impositions against the Owner's Lot have been paid, and if not, the amount then due and owing. Absent manifest error, such certificate shall be deemed conclusive evidence to third parties as to the status of Impositions against any Lot within the Development.

H. Creation of Lien and Personal Obligations for Assessments. Each Owner of any Lot shall, by its acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and conditions of this Declaration and promises to pay to the Association all Impositions which may be due from an Owner from time to time. All Impositions, together with interest thereon and costs of collection thereof shall be a continuing lien upon the Lot against which such Impositions are levied as of the effective date of each such Imposition. Each such Imposition, together with such interest thereon and cost of collection thereon as are hereinafter provided, shall also consist of the personal obligation of the Person who was Owner of such Lot at the time when the same fell due. In the event a Lot is owned by more than one Member, all of such Members shall be jointly and severally liable for the entire Imposition then due.

I. Effect of Non-Payment of Imposition. If any Imposition hereunder is not paid upon the due date, or if any similar charge otherwise agreed to be paid by Owners in this Declaration is not paid when due, then such Imposition shall be delinquent and shall accrue interest thereon at the highest rate then permissible under the laws of the State of Tennessee commencing upon the due date. If such Imposition is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally, and/or at its option, foreclose the lien against the Lot by court action or trustee sale as hereinafter provided, and there shall be added to the amount of such Imposition, all reasonable attorney's fees and costs incurred by the Association in any such action, and in the event a judgment is obtained, such judgment shall include interest on the Imposition as indicated above.

J. Enforcement of Lien by Trustee's Sale. For and in consideration of the privileges and protection granted in this Declaration, and the mutual enjoyment and

use of the Common Areas, and for the express purpose of securing the payment of the Impositions described above, in order to avoid unnecessary court proceedings or delays for the enforcement of the liens described above, each Owner by accepting a deed to a Lot for their heirs, successors and assigns, does hereby transfer and convey unto Ken Green, Trustee, his successors and assigns ("Trustee"), each such Lot deeded to such Owner with the appurtenances, estate, title and interest thereto belonging to the Trustee for the following uses in trust:

Each Owner agrees to pay all Impositions provided herein when due and upon demand of said Trustee or the Association, to pay, discharge, or remove any and all liens except a first mortgage or deed of trust lien which may hereafter be placed against said Lot which would adversely affect the lien granted herein, and in case the Trustee or his successors of the Association shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, or costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed and be payable by said Owner upon demand of the Trustee or the Association, and upon failure to do any of these things then said Trustee or Association may do any or all of said things, and the amounts so paid shall bear interest from the date of payment at the highest rate then permitted by the laws of the State of Tennessee and shall be and become a part of the indebtedness secured hereby.

If any Imposition, together with interest thereon, is not paid promptly when due or within a period of cure allowed above, or if after said Owner fails to pay any other sums due as above provided, or further, fail to reimburse the Trustee or Association within thirty (30) days from the date of the Trustee's or Association's payment of such sums, 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 daily or weekly newspaper published in Rutherford County, Tennessee, to sell said Lot at the front door of the Courthouse in said County to the highest bidder for cash at public outcry, free from the equity of redemption, statutory rights of redemption, homestead, dower, and all other

exemptions of any kind 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 at such foreclosure sale. The Association may bid at any sale under this trust conveyance. The Trustee may at any time after default and the payment of any of the above described indebtedness enter and take possession of said Lot and shall only account for the net rents actually received by said Trustee. It is further agreed that in the event the Trustee fails, before selling said Lot as herein provided, to enter and take possession hereof, the purchaser shall be entitled to immediate possession of said Lot upon delivery to him by the Trustee of a deed for said Lot. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

- (1) to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, together with reasonable attorney's fees for advice or for instituting and defending any litigation which may arise on account of the execution of this conveyance or the enforcement of said lien, together with the expenses and costs of any such litigation,
- (2) to the payment of all taxes which may be unpaid upon said Lot,
- (3) to the payment of all unpaid Impositions herein secured,
- (4) the residue, if any, to be paid to the order of said Owners or their representatives or assigns.

In the event of the death, absence, inability, or refusal to act of said Trustee at any time when action of the foregoing powers and trusts may be authorized, or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor in trust to execute this trust by an instrument in writing to be recorded in the Register's Office for Rutherford County, Tennessee, and title therein conveyed to the above named Trustee shall be vested in said Successor Trustee. The Trustee is authorized to appoint an attorney-in-fact to conduct in his stead and on his behalf and with the same power possessed by said Trustee as granted herein any and all foreclosure sales authorized above.

K. Priority of Lien. The lien described in this Article shall be subordinate to the lien of any Mortgagee under a recorded first mortgage or deed of trust encumbering any such Lot. In the event any Mortgagee becomes the Owner of such Lot after foreclosure thereof, or conveyance by deed in lieu of foreclosure, trustee's deed, or the like, such Mortgagee shall become subject to the lien reserved herein for the purpose of securing all Impositions becoming due from and after the date such Mortgagee accepts a deed to said Lot.

L. Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith and for value, but said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

M. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any liability arising from the claim of any lien claimant or judgment debtor against the lot of any other Owner or of the Common Area. The Association or any affected Owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law including all rights granted to the Association under Article V.

ARTICLE VII
LOT USAGE

A. No noxious or offensive operation, and/or business or trade of any kind, even if allowed by Municipal Zoning, shall be allowed or maintained on any lot or any portion of a lot, and nothing shall be done on any lot which may constitute a nuisance or an unreasonable annoyance to the neighborhood.

B. No tent, detached garage, storage bin or shed (unless approved pursuant to paragraph C below), barn or other outbuilding (dog houses excluded), shall be allowed or maintained on any lot, and no structure, mobile home or modular home or houseboat shall be moved on any lot except as hereinafter provided. The only other

exceptions to this paragraph will be that a house trailer or field office, a temporary dumpster for construction debris, and a temporary storage trailer may be used by the builders or their sales organization during the construction of homes in the subdivision.

C. Outbuildings are only allowed if prior approved by the Architectural Control Committee in writing and provided they conform with the general character and atmosphere of the neighborhood.

D. No trailer, truck, motorcycle, or commercial vehicle shall be parked or kept on any lot at any time unless housed in a garage or basement, or on a concrete pad to the rear of the dwelling provided that the concrete pad is aesthetically screened and approval has been obtained by the Architectural Control Committee. No automobile which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street in the subdivision. No trailer, boat, truck, or other vehicle, except an automobile, shall be parked on any street in the subdivision for a period of excess of twenty-four hours in any one calendar year. No automobile shall be continuously or habitually parked on any street or in the Common Areas in the subdivision.

E. Unless otherwise specifically allowed in these restrictions, no sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than five (5) square feet advertising the property for sale or rent. Signs used by builder or developer to advertise the property during the construction or sales period are allowed and may be up to 32 square feet in size.

F. No poultry, livestock or animals other than household pets shall be allowed on any lot at any time. All local laws, ordinances and/or regulations are to be complied with by the pet owners and owners of the lots. Dog houses are allowed provided that both the dog house and surrounding area is kept in a neat and orderly fashion. Dog runs and kennels are not permitted. This provision does prohibit the raising of dogs, cats or other animals for commercial purposes.

G. No lot shall be re-subdivided into lots of smaller size. However, two (2) or more lots may be made into one building site, if the new single lot is approved by the

Architectural Control Committee, the Subdivision Engineer and the governing Planning Commission. The developer or adjacent owner may vary lot lines up to a 5 foot maximum without any approval of the other lot owners.

H. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected or placed on any lot.

I. No outside clothes line shall be erected or placed on any lot.

J. No hearing or air window units are allowed.

K. "Satellite dishes" not to exceed two (2) feet in diameter are permitted provided they are placed in the backyard or on the back side of the dwelling roof.

L. There shall be no basketball goals installed in front of any house or in the front driveway.

M. Each lot owner must construct, furnish, maintain and repair a mailbox and/or newspaper holder of uniform design and placement, at the owner's separate expense. The uniform design and supplier from which the mailbox must be purchased shall be determined by the Architectural Control Committee.

N. In ground swimming pools shall be no nearer than twenty-five (25) feet to any lot line and must be located to the rear or enclosed within the main dwelling. All swimming pools shall be fenced for safety. Above ground pools are not permitted.

O. All residential structures will be connected to an approved water system.

P. All owners will consult with the developer or the appropriate governmental agency's road division before installation of any driveway, culverts, headwalls or other structure within the dedicated roadway, and such placement or construction shall be done in accordance with the rules and regulations of said governmental body. No curb shall be cut down for a driveway, nor shall the driveway extend over or past the curb except with the approval of the appropriate governmental agency road division.

Q. The developer of this subdivision or its assigns or the Architectural Control Committee reserves the right to enter upon any lot for any purpose of cutting grass and cleaning up such lot as is reasonably required and shall charge the expense

thereof to the respective owner, which expense shall become a lien upon the lot when the work has been completed.

R. (1) The only fences which shall be permitted on lots shall be made of black vinyl coated chain-link no higher than four feet in heighth, white PVC privacy fence, or ornamental iron. The express prior written approval of the Committee, which is charged to ensure that said fences conform to the general character and atmosphere of the neighborhood, must be obtained as to the location and design of all fences. All fences must be maintained in good repair, and landowners agree to abide by reasonable requests for repairs and maintenance as may be made by the Architectural Control Committee.

(2) On all lots except corner lots and with the exception of improvements included in the Subdivision Entrance Easements, no fence shall be permitted between the front building or setback line and the street. However, the use of hedges, shrubbery or evergreens as a fence, or in lieu of a fence, and extending to the front or sides of any lot is permitted, PROVIDED such hedges, shrubbery or evergreens shall not be permitted to be in excess of forty-two (42) inches in height. On all corner lots, no fence shall be permitted between either building or setback line and either street.

S. Each builder agrees to landscape each lot and to dispose of any rubbish, trees or other items that would detract from the Subdivision as a whole. No builder will be permitted to push rubbish on to another lot unless he owns the other lot and has positive plans to remove the same. The cost collection of any rubbish will be charged to the builder or the owner of that lot.

T. The cutting of trees of 6 inches or more in diameter by any builder or owner shall require the express prior approval of the Architectural Control Committee.

U. All electrical service from the main service in the subdivision, all cable television, telephones and other wired services to each residence must be underground and in compliance with the utility district's requirements for underground service.

ARTICLE VIII

EASEMENTS

In addition to the easements in Article VI of these Covenants and to any other easements and encroachment rights provided herein, there is specifically reserved on every lot in the subdivision an easement for any available public utilities and for drainage. All lots are encumbered by an easement previously recorded and to the easements as shown on the plat of record and revised plats as may be recorded in the future.

ARTICLE IX
TERMINATION, EXPIRATION, AND AMENDMENT

A. The right of enforcement of each of these Restrictive Covenants is severally vested in the owners of each of the lots in this Section of the Subdivision or the developer. Any owner of any lot shall have the right at any time to compel compliance with said Restrictive Covenants, or to prevent the violation of any of them by the proper institution of an action at law or in equity for injunctive relief.

B. Should any provision of this instrument be declared void or inoperative by any Court of competent jurisdiction, or should more strict provision apply by any Governmental Ordinance, the remaining provisions shall continue in full force and effect.

C. The Covenants and Restrictions set forth herein run with the land and shall be binding upon all parties hereto, their heirs, representatives, successors, or assigns, for a period of thirty (30) years from the date of recording, after which time said Covenants shall be automatically extended for one successive period of ten (10) years, unless an instrument signed by the owners of 75% of the lots encumbered by these Covenants has been recorded agreeing to change said Covenants in whole or in part. These Covenants may be amended at any time by an instrument signed by the owners representing 75% of the lots in encumbered by these Covenants, or may be amended at any time solely by Developer. Said instrument shall be recorded to be valid.

ARTICLE X
ANNEXATION

As additional sections and phases of Stonewood Subdivision are developed that are contiguous Developer shall prepare and record an instrument declaring that such new development is restricted by the terms and provisions of these Covenants and/or by additional or amended restrictions as deemed necessary in the discretion of Developer.

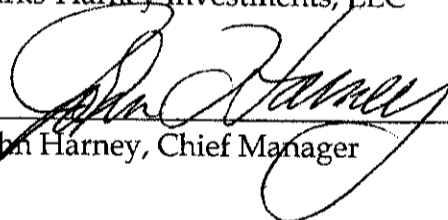
ARTICLE XI
MISCELLANEOUS

A. Whenever these Covenants allow the Developer, Association or Committee the right to assess a lien on a lot, such lien shall be subordinate to any and all mortgages of record.

B. Neither the Developer or Association retains any "Right of First Refusal" pertaining to the lots and/or common areas.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed, this the 19TH day of APRIL, 2004.

Parks-Harney Investments, LLC


John Harney, Chief Manager

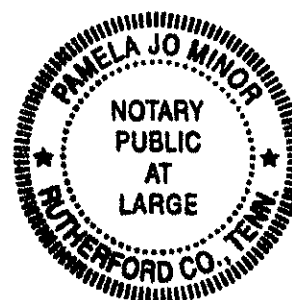
STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Before me, a notary public in and for the state and county aforementioned, personally appeared John Harney, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath acknowledged himself to be chief manager of Parks-Harney Investments, LLC, the within named bargainor, a limited liability company, and that he as such chief manager executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as chief manager.

Witness my hand and seal this 19TH day of APRIL, 2004.

Pamela J. Minor
Notary Public

My Commission Expires: 11-19-2007



Jennifer M Gerhart, Register
Rutherford County Tennessee
Rec #: 385627 Instrument 1266926
Rec'd: 125.00 NBk: 74 Ps 568
State: 0.00
Clerk: 0.00 Recorded
EDP: 2.00 4/23/2004 at 3:54 PM
Total: 127.00 in Record Book
379 Pages 1611-1635

This instrument was prepared by:

Record Book
505 Pg 1132

MURFREE, COPE, HUDSON & SCARLETT, Attorneys
16 Public Square North
Murfreesboro, Tennessee 37130
from information provided by party

SUPPLEMENTARY DECLARATION OF RESTRICTIVE COVENANTS

APPLYING TO STONEWOOD SUBDIVISION, SECTION II

Parks-Harney Investments, LLC, being the owner of a parcel of real estate known as STONEWOOD SUBDIVISION, SECTION II, of record in Plat Book 28, page 290, in the Register's Office of Rutherford County, Tennessee, desiring to subject the property known as Stonewood Subdivision, Section II, to the Declaration of Covenants for Stonewood Subdivision previously of record in the Register's Office for Rutherford County, Tennessee, in Record Book 379, page 1611 as specifically amended for Stonewood Subdivision, Section II, hereinbelow.

NOW, THEREFORE, the undersigned subjects the above-referenced property as follows:

1. Stonewood Subdivision, Section II, as shown on plat of record in Plat Book , page , in the Register's Office of Rutherford County, Tennessee, shall be subject to the Declaration of Covenants applying to Stonewood Subdivision of record in Record Book 379, page 1611, and any amendments thereto, except that the minimum square footage for all residences within Stonewood Subdivision, Section II shall be 2,200 square feet as defined in Article I, Section (c)(1) of the original Declaration.
2. Any and all lot owners of the property described herein shall be subject to the restrictions, regulations, conditions, covenants and plans as provided in the Declaration of Covenants for Stonewood Subdivision of record in Record Book 379, page 1611 as specifically amended hereinabove.
3. Any and all lot owners of Stonewood Subdivision, Section II shall be members of, and subject to, the Stonewood Subdivision Homeowner's Association, Inc. with all the rights, privileges and obligations associated thereto.
3. The Declarant reserves the right to unilaterally amend the restrictions to Stonewood, Section II, so long as it is the owner of any lots within Stonewood, Section II.

DECLARANT:

PARKS-HARNEY INVESTMENTS, LLC

By: 
John Harney

Title: Chief Manager

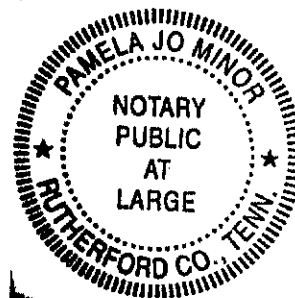
STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared John Harney, with whom I am personally acquainted, and who upon his oath acknowledged himself to be the CHIEF MANAGER of Parks-Harney Investments, LLC, and John Harney as such CHIEF MANAGER, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Parks-Harney Investmems by himself as such CHIEF MANAGER

WITNESS MY HAND and official seal at my office on this the 1ST day of JUNE, 2005.

Pamela Jo Minor
NOTARY PUBLIC

My commission expires: 11-19-2007



Jennifer M Gerhart, Register
Rutherford County Tennessee
Rec #: 432296 Instrument 1345683
Rec'd: 10.00 NBk: 79 Ps 984
State: 0.00
Clerk: 0.00 Recorded
EDF: 2.00 6/2/2005 at 12:49 PM
Total: 12.00 in Record Book
505 Pages 1132-1133

This Instrument Prepared By:
McCann Hubbard & Solomon, PLLC
1804 Williamson Court, Suite 201
Brentwood, TN 37027
From Information furnished by the party

**AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS
APPLYING TO STONEWOOD SUBDIVISION, SECTION II**

WHEREAS, on June 1, 2005, Parks-Harney Investments, LLC, (the "Declarant") executed and filed the Supplementary Declaration of Restrictive Covenants Applying to Stonewood Subdivision, Section II, recorded in Record Book 505, pages 1132-1133, Register's Office for Rutherford County, Tennessee; and

WHEREAS, the Declarant desires to amend the Covenants as hereinafter set forth; and

WHEREAS, pursuant to paragraph 3 of the Supplementary Declaration of Restrictive Covenants Applying to Stonewood Subdivision, Section II, Declarant has the right to unilaterally amend the restrictions to Stonewood, Section II, so long as it is the owner of any lots within Stonewood, Section II; and

WHEREAS, Declarant is the owner of at least one lot in Stonewood, Section II;

WHEREAS, confusion has arisen regarding the Architectural Control Committee, a/k/a Architectural Review Committee (ACC) and whether control of the ACC was included when the HOA was turned over to the Board of Directors;

NOW, THEREFORE, pursuant to the Supplementary Declaration of Restrictive Covenants, the Declarant hereby amends and restates and subjects the above referenced property as follows:

1. So long as Declarant owns any lots within Stonewood, Section II, the Developer shall retain control of the ACC and make all decisions required by the ACC other than those delegated to the HOA in writing and accepted by the HOA in writing.
2. When Declarant owns no lots within Stonewood, Section II, the ACC shall be governed by the Home Owners Association and the amendments and committees established thereby, whereupon the Developer shall no longer have any authority over decisions required by the ACC.
3. Any approvals given, or requests granted, by Developer or its designee, including Rick Cantrell, prior to this amendment are hereby ratified, reaffirmed and approved.
4. Should there be any ambiguity regarding this Amendment to Stonewood, Section II and Stonewood Subdivision by virtue the Amendment thereto recorded in Record Book 818, pages 2460 - 2464, or Record Book 746, pages 2460 - 2461, or any other recorded amendment relating to Stonewood Subdivision, Register's Office for Rutherford County, Tennessee, this Amendment shall take precedence and shall control.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed this 8 day of March, 2011.

PARKS-HARNEY INVESTMENTS, LLC

By: *John Harney*
Title: *Chief Manager*

STATE OF TENNESSEE

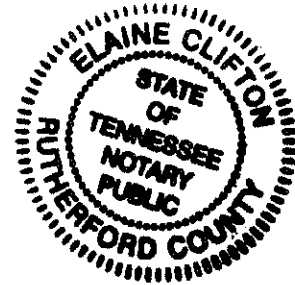
COUNTY OF RUTHERFORD

Before me, the undersigned Notary Public, of the state and county aforesaid, personally appeared John Harney, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of PARKS-HARNEY INVESTMENTS, LLC, the within named bargainer, a corporation, and that he/she as such Chief Manager, as duly authorized executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Chief Manager.

WITNESS my hand and official seal, this 8 day of March, 2011.

Elaine Clifton
NOTARY PUBLIC

My Commission Expires: 6-17-13



Heather Dawbarn, Register
Rutherford County Tennessee
Rec #: 650918
Rec'd: 15.00 Instrument #: 1718755
State: 0.00
Clerk: 0.00 Recorded
Other: 2.00 3/17/2011 at 8:45 AM
Total: 17.00 in
Record Book 1051 Pgs 1891-1893