

BY-LAWS AND PUBLISHED RULES AND REGULATIONS GOVERNING OPERATIONS
AND ACTIVITIES INVOLVING COMMON PROPERTIES OF THE SEDGEFIELD
HOMEOWNERS ASSOCIATION, INC

PREPARED FEBRUARY, 1990

REFERENCE

Instrument Number 053060 "DECLARATION OF COVENANTS AND
RESTRICTIONS" dated August 31, 1987 and including First Amendment
Instrument Number 055359 dated September 21, 1987 and Second
Amendment Instrument Number 042634 dated July 27, 1988.

DECLARATION

Whereas, the Association desires herein to clarify conditions
which shall control use and maintenance of Common Properties for
the protection, safety, and enjoyment of all members as provided
in the "Declaration Of Covenants and Restrictions", Section 3,
paragraphs (a), (b), and (c) thereof as well as may be derived
from requirements of the insurance provider declarations,
federal, state, and local laws these By-laws have been executed
by the Association.

These By-laws shall be applicable as of March 1, 1990 and
thereafter except as they may be changed or modified subject to
the provisions of Section 1, herein.

All Association Members shall refer to these By-laws for
interpretation of required actions and shall avoid infractions to
them. The Board is empowered to act on behalf of the Association
to seek appropriate remedy for infractions including legal
assistance.

DEFINITIONS

"Association" shall mean and refer to the Sedgefield Homeowners
Association, Inc.

"Common Properties" shall mean and refer to those areas of land
and facilities owned by the Association for the common use and
enjoyment of owners of property in Sedgefield Subdivision.

"Member" shall mean and refer to those owners of Sedgefield home
lots provided such ownership is not merely as security for the
performance of an obligation of a subordinated owner.

"Infractions" shall mean and refer to knowingly and willfully
violate, avoid, or unilaterally modify provisions of these By-
laws and published rules and regulations.

"Board" shall mean and refer to those owners elected by
Association members to perform as officers of the corporation

to direct the ongoing business activities of the Association.

CLARIFICATION

No provision or published rule or published regulation contained in these By-laws are to be interpreted in any such way to be contrary to or in violation of the "Declaration of Covenants and Restrictions", federal, state, or local laws.

Section 1 - Provisions To Modify By-laws

Member(s) desiring to add, delete, or otherwise modify the provisions of these By-laws may forward such suggestions in written form to any Board member(s). After discussion and review between the sponsoring member(s) and the Board (not to exceed 15 days) the Board will circulate the suggested modification to all members for comment/vote (not to exceed 15 days). Based on outcome of these actions, the Board will determine to adopt or reject the modification and notify all members of the determination. The sponsoring member(s) has the option of appeal by arranging a full membership meeting to vote on the recommended modification. The results of such a vote shall be binding on the Association provided it represents a simple majority of total Association members.

Section 2 - Recreation Committee

(a) Annually, and no later than March 1, the Board shall recruit and ultimately appoint two or more members to represent the Association as the "Recreation Committee". In turn, the Recreation Committee members may solicit other members to consult and assist in carrying out duties and activities of the Committee.

(b) Based on final approval of costs and plans by the Board and within allocated budgets, the Recreation Committee shall:

- * Ensure that operating, maintenance, and sanitation requirements are met for the pool and tennis courts; and, including the acquisition of necessary professional and other support services required

- * Review and develop suggested improvements for the pool, tennis courts, and Common Properties related to recreation maintenance, safety, and enjoyment enhancements.

- * Monitor and arrange for maintenance operations of the swimming pool pursuant to Tennessee regulations.

- * Review and pursue corrections of deficiencies in pool operations noted by Tennessee inspectors' reports or otherwise to obtain and maintain an unencumbered state operating permit.

- * Promote and seek assistance for actions to prevent and

stop infractions related to recreation operations and activities.

Section 3 - Association Swimming Pool Rules And Regulations

(a) The swimming pool shall be maintained per the "Swimming Pool Law and Regulations" of the Tennessee Department of Health and Environment Division of Food and General Sanitation as it meets the definition of "Public Swimming Pools" per subsection 68-14-302 of the Public Swimming Pool Law.

(b) Further, the swimming pool shall be operated as a type "B" swimming pool defined in subsection 1200-23-1-.01 (4) r.2 as follows (excerpted):

restricted to residents, members, or registered guests including...motels, subdivisions, and similar developments. When pools of this type are used by other persons, organizations, special groups, or by the general public, the requirements for lifeguards shall be the same as for type "A" pools (general public).

(c) The pool may be closed at the direction of the state inspector for noted deficiencies and members are advised they are subject to subsection 68-14-322 which states:

Any person operating a public swimming pool who fails or refuses to comply with any of the provisions of this part or rules and regulation or obstructs or hinders the regulatory authority in the discharge of his duties or otherwise operates a swimming pool in violation of this part or rules and regulations shall be guilty of a misdemeanor and shall be fined not less fifty dollars (\$50) and not more than five hundred dollars (\$500) for each offense and each day after sufficient notice has been given shall constitute a separate offense.

(d) The swimming pool "open season" shall generally be May 20 through September 15 annually.

(e) All "parties" and special group swim requests must be made in writing to the Recreation Committee for review and approval two weeks or more prior to the requested date. The only times for such will be daily (M-F) until 6 p.m. and Tuesday and Thursday evenings excluding holidays. The sponsoring member will provide a liability exclusion in writing for full responsibility to cover damages, cleanup, and compliance to state law requirements for a lifeguard and lifeguard stand. The pool will not be closed to other members for open swimming at any time.

(f) Additional published rules and regulations shall be as follows:

* Members and resident guests only (maximum 6 guests per member household)

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- * Children 12 and under and non-swimmers under 21 must have adult swimmer supervision.
- * No glass containers allowed
- * No alcoholic beverages allowed
- * No running or horseplay
- * No food or eating in or near the pool
- * No diving
- * No pets/animals inside pool fence or in pool
- * Only standard, single person flotation devices are allowed except by individual(s) with physical impairments supported by a statement from a licensed physician that a more complex condition exists to require use of such other special devices (state law).
- * No "parties" or swimming groups except as sanctioned by the Association through consent by the Recreation Committee or Board.
- * All debris and trash, especially as may cause injury, is to be removed immediately to a waste receptacle (state law).
- * Entry gates must be kept closed at all times (state).
- * Members shall ensure that entry gates are locked when no other members are remaining in the pool area.
- * The pool must be illuminated for night swimming (state law).
- * The location of the state permit has been directed by the state inspector and is not to be removed or relocated (state law).
- * The pool hours will be 7:00 a.m. or daylight whichever is later until 11 p.m. Pool illumination will be timed accordingly.

Section 4 - Tennis Rules and Regulations

- (a) Members shall be responsible for keeping courts locked when no other members are remaining to play on the premises.
- (b) Members shall ensure that court lights are turned off when done.
- (c) Members shall arrange special group play two weeks in advance

in writing with the consent of the Recreation Committee and shall avoid requests for evenings and holidays.

(d) Members shall limit play to 45 minutes when courts are full and there are other members waiting to play.

(e) No bicycles, skateboards, other riding equipment, or other foreign recreation equipment of any kind which would cause premature wear and tear or damage otherwise shall be allowed on the court surfaces.

(f) Play shall be done in tennis-type shoes only -- no street shoes or cleats are allowed

(g) Members shall ensure that lights are illuminated and appropriately turned off when night play is involved.

(h) Tennis court playing hours shall be from 7:00 a.m. or daylight whichever is later until 11 p.m.

Section 5 - Landscape Maintenance Committee

(a) Annually, and no later than March 1, the Board shall recruit and ultimately appoint two or more members to represent the Association as the Landscape Maintenance Committee. In turn, the Landscape Maintenance Committee members may solicit other members to consult and assist in carrying out duties and activities of the Committee.

(b) Based on final approval of costs and plans by the Board and within allocated budgets, the Landscape Maintenance Committee shall:

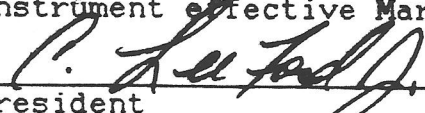
* Ensure the maintenance of Common Properties grounds, signage, and landscape areas; and, acquire necessary professional and other support services required.

* Review and develop suggested improvements for grounds maintenance, appearance, landscaping, and betterment of use.

* Develop promotional activities to improve members involvement in Common Properties appearance, maintenance, and improvements.

BOARD APPROVALS

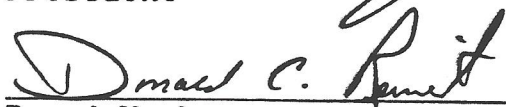
By signature, the current Board endorses the execution of this instrument effective March 1, 1990.




President



Developer Representative



Board Member



Board Member