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CAMBRIDGE SQUARE

Ooltewah, Tennessee

DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY

INSTANT RECORDING BARRY PAYNE

4850-4022-9991.4

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**DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS
FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY (this "Declaration") is made effective as of June 22, 2018 by Barry Payne Development, LLC, a Tennessee limited liability company ("Declarant").

STATEMENT OF PURPOSE:

A. Barrier Properties, LLC, a Tennessee limited liability company ("Developer"), established a mixed-use planned community located in Ooltewah, Hamilton County, Tennessee that is commonly known as Cambridge Square ("Cambridge Square"), which was planned to consist of residential and nonresidential uses.

B. Developer executed and recorded that certain Declaration of Covenants, Restrictions and Easements for Cambridge Square Commercial Properties, dated as of August 28, 2012, and recorded in Book 9729, Page 156, Register's Office of Hamilton County, Tennessee (as amended from time to time, the "Commercial Declaration") to establish a governance structure and a flexible system of standards and procedures for the development, expansion, use, administration, maintenance, and preservation of that portion of Cambridge Square intended for office, retail, restaurant and other commercial uses.

C. Developer conveyed to Declarant its title, rights and interests in certain tracts of land in Cambridge Square, as more particularly shown or described on Exhibit "A" attached hereto and made a part hereof, in order for Declarant to develop upon such real property a residential community in Cambridge Square to consist of detached, single residences of varying types and sizes (the "Residential Community").

D. Declarant desires to establish a governance structure and a flexible system of standards and procedures for the development, use, administration, maintenance and preservation of the Residential Community.

E. Declarant intends by this Declaration to impose upon the Residential Community mutually beneficial restrictions under a general plan of improvements for the benefit of all owners and occupants of the Residential Community and all persons or entities having any interest in the Residential Community, by the recording of this Declaration.

F. Declarant acknowledges and agrees that the terms and conditions of this Declaration, and the development, use, administration, maintenance and preservation of the Residential Community, may, as set forth herein, be subject and subordinate to the terms and conditions of the Commercial Declaration.

G. The Declarant records this Declaration for the Residential Community and establishes the Association (as hereinafter defined) to manage the Residential Community, subject to the terms and conditions set forth herein.

DECLARATION:

The Declarant, who is the owner of all of the property described on Exhibit A, except as set forth herein and as otherwise consented to, hereby submits the Residential Community to this Declaration. The Declarant hereby declares that the property comprising the Residential Community shall be held, sold and conveyed subject to the covenants, restrictions and easements of this Declaration, which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Residential Community.

ARTICLE I DEFINITIONS

1.1 Access Drives. "Access Drives" shall mean any improvements and driveways located in the Residential Community from time to time, including, without limitation, landscaping, lighting or signage, which is intended to provide access for all Lots within the Residential Community, and is expressly subject to the any provisions shown or set forth on the Final Plat.

1.2 Assessments. "Assessments" shall mean assessments for Common Expenses provided for herein or by any amendment hereto, which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of all or any portion of the Residential Community and of maintaining the Residential Community, all as may be specifically authorized from time to time by the Declarant during the Declaration Control Period and, thereafter, the Board and as more specifically authorized herein, and also any other assessment or other amounts due from an Owner. The term "Assessments" shall include, without limitation, General Assessments, Townhome Assessments and Special Assessments.

1.3 Association. "Association" is the Cambridge Square Residential Community Owners Association, Inc., a Tennessee nonprofit corporation, its successors and assigns.

1.4 Board. "Board" shall be the elected body responsible for managing the affairs of the Association. Actions required of or permitted by the Board herein may be taken or fulfilled by a committee or other designee as may be established or appointed by the Board in accordance with the Bylaws of the Association.

1.5 Builder. A "Builder" includes Declarant, any affiliates of Declarant, and any other Person permitted to construct residential dwellings within the Residential Community, subject to the terms and conditions set forth herein.

1.6 Bylaws. "Bylaws" are the Bylaws of the Association attached hereto as Exhibit C and made a part hereof, as may be amended from time to time.

1.6 Cambridge Square. "Cambridge Square" shall have the meaning set forth in the Statement of Purpose.

1.7 Charter. "Charter" is the Charter of the Association attached hereto as Exhibit B and incorporated herein by this reference, as may be amended from time to time.

1.8 Common Area. "Common Area" is the real property that comprises the Residential Community and any improvements thereto, but excluding Units, and components thereof and easements appurtenant thereto, now or hereafter owned by the Association or designated on any development plan or plat for future use for the common use and enjoyment of the Owners, including, but not limited to, any common open space as set forth on a final development plan, the common areas shown on any recorded plat of the Residential Community and any and all pedestrian bridges, parking areas, lakes, waterways, landscaping and irrigation systems, fences, structures, sidewalks, community signage, walls, monuments, illumination of common areas, common utilities, storm water system, wells, fountains, swimming pools and swimming pool changing areas and restroom facilities, and other improvements located on such common areas. Declarant, in its sole discretion, shall have the right to transfer any right, title and interest that it may have in the Common Area to the Association.

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

1.10 Common Roads. "Common Roads" are the streets and alleys located within the Residential Community that are intended for automobile traffic. Most of the Common Roads are intended to be dedicated to the public. Any Common Roads not dedicated to the public shall be part of the Common Area.

1.11 Community-Wide Standard. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Residential Community as established in the reasonable discretion of the Board.

1.12 Courtyard Easement. "Courtyard Easement" shall mean a perpetual, non-exclusive easement on, over and across the Courtyard Easement Area of the adjoining Courtyard Lot (the "Servient Lot") for access, ingress, egress and use by the Owner or occupant of the adjacent affected Lot (the "Benefitted Lot") for the purposes and in the manner set forth in Section 12.6 of this Declaration.

1.13 Courtyard Easement Area. "Courtyard Easement Area" shall mean the area between the property line of the Benefitted Lot to the wall of the residence on the Servient Lot, and running from the front building line of the Unit located on the Servient Lot to the rear Lot line of the Unit on the Servient Lot.

1.14 Courtyard Lot. "Courtyard Lot" shall mean any Lot that is a Lot that is subject to a Courtyard Easement.

1.15 Declarant. The "Declarant" is Barry Payne Development, LLC, a Tennessee limited liability company, its successors and assigns.

1.16 Declarant Control Period. "Declarant Control Period" is the period ending on the earlier of (i) one hundred twenty (120) days after conveyance of one hundred percent (100%) of the Lots that may be created within the Residential Community to Owners other than Declarant; or (ii) the date that the Declarant voluntarily relinquishes control of the Association.

1.17 Declaration. "Declaration" is this Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community, as amended, supplemented, extended, restated or modified from time to time.

1.18 Design Code. The "Design Code" establishes the aesthetic and functional plan for the Residential Community, to be implemented through the regulation of land use, landscaping, architecture and such other matters as may be included in the Design Code. The Design Code is originally adopted by the Declarant and may be amended, from time to time, by the Declarant during the Declarant Control Period and, thereafter, the Design Review Committee. The Design Code does not need to be recorded to be effective but shall be available from the Design Review Committee.

1.19 Design Review Committee. The "Design Review Committee" has the meaning set forth in Section 10.2.

1.20 Developer. The "Developer" shall have the meaning set forth in the Statement of Purpose.

1.21 Final Plat. "Final Plat" means, collectively, all plats of a portion of the Residential Community from time to time recorded in the real estate records of the Register's Office of Hamilton County, Tennessee, as such may be amended from time to time as the Residential Community is developed.

1.22 Lot. A "Lot" is a separate parcel of the Property now or hereafter set forth as a Lot on any Final Plat.

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

1.24 Mortgage. A "Mortgage" shall include a deed of trust or mortgage encumbering any Unit.

1.25 Mortgagee. A "Mortgagee" shall include a beneficiary under or holder of a note secured by a Mortgage who has provided actual, written notice to the Association of such interest.

1.26 Owner. "Owner" is the record owner, whether one or more persons or entities, of the fee simple title to any Lot. Owners shall not include those having such interest merely as security for the performance of an obligation.

1.27 Person. "Person" is a natural person, a corporation, a partnership, a limited liability company, a trust, a trustee, or any other legal entity.

1.28 Residential Community. The "Residential Community" is initially the real property described on Exhibit A. The Residential Community shall also include any additional property added by Supplemental Declarations.

1.29 Special Use Parcel. A "Special Use Parcel" is a Lot of unconventional size, shape, location or use that calls for special design considerations. Typically, a Special Use Parcel will be used for community or recreation facilities.

1.30 Supplemental Declaration. "Supplemental Declaration" is an amendment to this Declaration, including the addition of additional property lots or Common Areas subjected to this Declaration. Such Supplemental Declaration may, but is not required to, impose, expressly or by reference, additional restrictions and obligations to the provisions of this Declaration. The term "Declaration" as used herein shall include this Declaration, together with any and all Subsequent Declarations.

1.31 Townhome Assessment. "Townhome Assessment" shall mean an Assessment imposed pursuant to Section 9.1(b).

1.32 Townhome Units. "Townhome Units" shall mean those attached Units designated as Townhome Units on the Final Plat.

1.33 Unit or Units. "Unit" or "Units" shall mean, individually or collectively, a portion of the Residential Community intended for any type of independent ownership for use and occupancy as a residence, including, without limitation, a single family, detached home or a townhome, by a single family, whether a residence is constructed thereon or not. All Units shall be shown and identified as numbered Lots on the Final Plat. For the avoidance of doubt, the defined term "Unit" or "Units" shall include the defined term "Townhome Unit" and "Townhome Units".

ARTICLE II PROPERTY COMPRISING THE RESIDENTIAL COMMUNITY

2.1 Initial Property. The real property that shall be held, transferred, conveyed and occupied subject to this Declaration consists initially of that real property described on Exhibit A.

2.2 Withdrawal or Addition of Property. Declarant, during the Declarant Control Period, reserves the right to amend this Declaration, for the purpose of removing any portion of the Residential Community that has not yet been improved with structures from the coverage of this Declaration or to add additional property to be subject to this Declaration by Supplemental Declaration. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal. The inclusion of real property in the term

“Residential Community” or on Exhibit A to this Declaration shall not be deemed to obligate Declarant to acquire such real property or to include such property within the Residential Community except in the sole discretion of Declarant.

2.3 Buffer Restrictive Area. That certain area of land identified as “Lot 1” on that certain Final Plat recorded at Plat Book 108, Page 84, Register’s Office of Hamilton County, Tennessee also comprises the Residential Community (the “Buffer Restrictive Area”); provided, however, during the term of this Declaration, no Person, including, but not limited to, the Declarant, the Association, the Board or any Owner, shall cause, permit or allow (i) the development of the Buffer Restrictive Area for any purposes, (ii) the construction or installation of any improvements of the Buffer Restrictive Area; or (iii) the disturbance of the Buffer Restrictive Area in any manner, except (1) for the maintenance or cultivation in good condition and repair of any landscaping located thereon or (2) as otherwise permitted by The Honors Course, Inc., a Tennessee corporation, its successors and assigns.

ARTICLE III PROPERTY RIGHTS

3.1 Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Area that is appurtenant to the title to such Owner’s Unit, subject to any restrictions or limitations contained in this Declaration or in any deed or amendment thereto conveying the Common Area to the Association or subjecting the Common Area to this Declaration. Any Owner may delegate his or her other right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time.

3.2 Access Drives. Every Owner shall have a right and easement of access and egress over the Access Drives for themselves, the members of his or her family, tenants, and social invitees, subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time. No Owner may obstruct the Access Drives or any portion of it nor place improvements within the entire width of the Access Drives other than connecting driveways, including without limitation gates, fencing, or landscaping other than grass, without the written consent of the Board upon a determination by the Board that such improvements will not interfere with access and egress from and to other Lots, including without limitation emergency vehicles, maintenance vehicles and moving vans.

3.3 Conversion of Common Area. Notwithstanding any other provision of this Declaration, unless a Common Area has been transferred to the Association, Declarant shall have the right by recording a Final Plat to revise any Common Area, in whole or in part, including without limitation the conversion to other types or uses of property, the increase or decrease in size, or the granting of easements or construction of improvements in such Common Area.

ARTICLE IV MAINTENANCE

4.1 Association's Responsibility. The Association shall be responsible for the following maintenance obligations:

(a) The Association shall maintain and keep in good repair the Common Area. Such maintenance shall include, without limitation, maintaining, repairing, and replacing, subject to any insurance then in effect, all trees, landscaping and other flora, structures, irrigation system, storm water control and any other improvements situated upon the Common Area. The Association shall also maintain and replace when necessary all trees located between the street and the sidewalk on each Unit, though such trees are not part of the Common Area.

(b) The Association shall maintain any landscape easement area that serves as a buffer to adjacent properties, even if such landscape or buffer area is located wholly or partially on a Lot, and each such affected Lot Owner grants to the Association an easement for such maintenance.

(c) The Association shall provide, or contract for, as a Common Expense, garbage collection and removal services for the Units. The Association may maintain and pay for common garbage collection areas and facilities, and may prescribe such regulations as are appropriate relating to the use and maintenance of such facilities.

(d) The Association shall maintain the rear, side and front yards of each Unit, even though such yards are not part of the Common Area, but such maintenance shall be limited to cutting of grass, edging and weeding; provided, however, the Association shall not have any obligation to plant or maintain any flowers, other plants planted at any Unit or any landscaping installed by, or on behalf of, the Owner.

(e) The Association shall provide for the maintenance, care, repair, and replacement of the following portions of the Townhome Units: the exterior landscaping (except such landscaping installed by, or on behalf of, the Owner), walkways, porches, located upon or about each Townhome Unit. The Association also shall maintain the exterior of each Townhome Unit as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Townhome Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall not include glass surfaces (weather windows or sliding glass doors), HVAC equipment, storm doors, front or rear entry doors, garage doors, fences, screens, or patio covers. The balance of the improvements located on the respective Townhome Units shall be maintained by the Owner of the particular Townhome Unit involved.

(f) Notwithstanding the foregoing, if the need for exterior maintenance and repair of Townhome Units by the Association as required by this section is caused by the willful or grossly negligent conduct or act of an Owner, his/her family, guest, invitees, or other Persons using or occupying his/her Townhome Unit with his/her express or implied permission, the cost of such repair or maintenance may be assessed against such Owner as a Special Assessment of this Declaration upon a finding by the Declarant during the Declarant Control Period and,

thereafter, the Board, which shall be due and payable thirty (30) days from the date of notice thereof, such Special Assessment to be collected and enforced as provided in this Declaration. Such Special Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which any such Assessment is levied shall be entitled to notice, a hearing at a time and place set by the Board in its sole discretion, and an opportunity to do the corrective work required (provided that the work is performed by a competent contractor mutually agreeable to both parties and in a manner and quality agreed to by the Board), prior to a Special Assessment being levied against such Owner in accordance with the provisions of this subsection. For the sole purpose of performing the exterior maintenance upon each Townhome Unit required by this Section 4.1(f), the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon any Townhome Unit and into any Townhome Unit at reasonable hours of any day.

(g) The Association shall, as a Common Expense applicable only to Townhome Units, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, and if not reasonably available, fire and extended coverage, in such form as the Board deems appropriate for one hundred (100%) percent of the replacement cost of the Townhome Units, including finishes to the extent of the original Builder delivered finish, but excluding the replacement of any appliances or flooring, and further excluding other improvements installed or supplied by the Owners or their tenants, and further excluding personal property of the Owners or their tenants, guests, and invitees located within such Townhome Units.

(h) Neither the Declarant nor the Association shall be liable for any claims or causes of action of any kind whatsoever in law or in equity arising from or in any way relating to the construction of improvements upon the Townhome Units except as may be expressly undertaken by such party, or for work that was performed by parties other than Declarant, its agents, employees, subsidiaries or other affiliated entities.

(i) The Association shall maintain those portions of Townhome Units as this Declaration or any Supplemental Declaration establishes as an Association responsibility, and may charge to the Owners of such Townhome Units a Townhome Assessment, as appropriate.

4.2 Owner's Responsibility. Except as provided in Section 4.1 above, the Owner of each Unit, shall have the sole responsibility for maintenance of all exterior and interior portions of the Unit; any landscaping installed by, or on the behalf of, such Owner; and other improvements not maintained by the Association. Each Owner shall maintain said portions of its Unit or Townhome Unit, as applicable, in a manner consistent with the Design Code, the Community-Wide Standard, the applicable covenants set forth in this Declaration, and such rules and regulations as may be established by the Board from time to time.

ARTICLE V INSURANCE AND CASUALTY LOSSES

5.1 Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This

insurance shall be in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

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

(b) Premiums for all insurance required by this Section 5.1 to be maintained by the Association other than that applicable to Townhome Units only shall be Common Expenses of the Association and shall be included in the General Assessment, as defined in Section 9.1(a). The policy or policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

5.2 Provisions as to Insurance.

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

(b) All policies shall be written with a company licensed to do business in Tennessee and holding a rating of BBB+ or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the more nearly equivalent rating.

(c) In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(d) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

(iii) that no policy may be canceled, invalidated or suspended on account of the conduct of any one or more individual Owners;

(iv) that no policy may be canceled, invalidated, or suspended on account of the conduct of any director of the Board, officer, or employee of the Association or its

duly authorized agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner, or Mortgagee;

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

(vi) that no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three months' Assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association. The Board shall also obtain, as a Common Expense, a reasonably available amount of Directors and Officers Errors and Omissions insurance.

5.3 Disbursement of Proceeds. Proceeds of insurance policies with respect to Common Areas or the Townhome Units shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or Townhome Units or, in the event no repair or construction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagees shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(b) If it is determined, as provided for in Section 5.4, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 5.3(a).

5.4 Damage or Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Residential Community covered by insurance written in the name of the Association, the Board, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the costs of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring any property that comprises the Residential Community to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at a Special Meeting (as described in Article I, Section 5 the Bylaws) called in accordance with the Bylaws at least seventy-five percent (75%) of the total eligible vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Association within the sixty (60) day period referenced above, then the period shall be extended until such information shall be made available; provided, however, such extension period shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed. In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then the damaged portions of the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition, including appropriate landscaping, and the remaining insurance proceeds shall be delivered pro rata to the Owners of each Unit.

5.5 Repair and Reconstruction. If the damage or destruction to the Common Area for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, use reserve or capital improvements account funds, or may levy a Special Assessment against all Owners. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

5.6 Annual Review of Policies. At least annually, the Board shall review all insurance policies that are required by this Article V to be maintained by the Association in order to ascertain whether the coverage contained in the policies is sufficient. If the Board deems such coverage to be insufficient, the Board may expand the coverage to the extent it reasonably deems necessary.

ARTICLE VI NO PARTITION

There shall be no physical partition of the Common Area or any part thereof. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration, or to prohibit the Board from granting easements over the Common Area, or to prohibit the Declarant or Board from adjusting plat or other boundary lines for any Lot adjacent to Common Area even if such results in a reduction of Common Area.

ARTICLE VII CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows: If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five percent (75%) of the total eligible vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Review Committee. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE VIII RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

In addition to the powers delegated to the Association by its Charter, the Association shall be empowered to perform each of the following duties related to the Residential Community and Common Area:

8.1 Operation and Maintenance of Common Area. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area, 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/or the Units; to keep all improvements, if any, of whatever purpose from time to time located on the Common Area in good order, condition, and repair. Said maintenance shall include, but not be limited to, the maintenance obligations set forth in Section 4.1. Any other provision of this Declaration or the Bylaws notwithstanding, the Association always shall maintain lien free title to the Common Area, excepting only a lien for current year taxes, provided, however, the Association may mortgage or convey the Common Area with an affirmative vote of at least sixty-seven percent (67%) of the directors of the Board; and provided, further, that the Association may accept a conveyance of the Common Area subject to a lien or other encumbrance.

8.2 Water and Other Utilities. To acquire, provide, and/or pay for, water, sewerage, garbage disposal, electrical, telephone, gas, and other necessary utility services for the Common Area.

8.3 Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

8.4 Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee the insurance set forth in Article V of this Declaration, and to maintain in force at all times such insurance as is required by this Declaration.

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

8.6 Rules and Regulations. The Association, through its Board or otherwise, and subject to the approval of the Declarant during the Declarant Control Period, may make and enforce reasonable rules and regulations governing the use of the Residential Community, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of the rules and regulations may include reasonable monetary Fines (as hereinafter defined), suspension of the right to vote and suspension of the right to use the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. In addition, the Association, through the Board or otherwise, may, by contract or other agreement, enforce city or county ordinances or permit Hamilton County to enforce ordinances on the Residential Community for the benefit of the Association and its Members. A copy of the rules and regulations adopted from time to time shall be maintained and posted in a reasonably accessible place within the Residential Community, made available in the office of Declarant or the Association, or furnished to each Owner.

8.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

8.8 Traffic Control. The Board may make rules and regulations concerning driving and parking within the Residential Community, subject to applicable governmental requirements and restrictions. Any rules and regulations established by the Board concerning driving and parking within the Residential Community shall not have a negative impact in connection with any parking that may be necessary in the Residential Community to accommodate a special event being held on that portion of Cambridge Square used for office, retail, restaurant and other commercial uses. To the extent permitted by local governmental authority, the Association may construct traffic calming devices and post speed limits or other traffic signs and take other measures deemed necessary to discourage excessive speed and to promote a safe environment.

The Association may enforce such rules and regulations with penalties, Fines or towing, and shall have all remedies set forth in this Declaration.

ARTICLE IX ASSESSMENTS

9.1 Creation of Assessments. There shall be created annual Assessments as may be from time to time specifically authorized by the Board of Directors as follows (collectively, the "Annual Assessments"):

(a) The Board may levy general assessments for expenses determined by the Board to benefit the Association and/or the Units as a whole, including without limitation, expenses incurred by the Association in fulfilling its maintenance obligations set forth in Article IV ("General Assessments"). General Assessments shall be allocated equally among all Units; provided, however, that Assessments for Special Use Parcels may include the responsibility for specific areas or maintenance or landscaping within the Residential Community that shall not be considered in setting the General Assessments.

(b) The Board may levy a Townhome Assessment against Townhome Units for expenses determined by the Board to benefit only such Townhome Units, including without limitation, expenses incurred by the Association in fulfilling its insurance, maintenance or service obligations with respect to such Townhome Units. Townhome Units may be established with different levels of services and maintenance obligations for the Association, and the Townhome Assessment applicable to Townhome Units may reflect such differences.

(c) The Board may levy a special use assessment ("Special Use Assessment") to the extent established by a Supplemental Declaration for any Special Use Parcel. In the event a Special Use Assessment is established, the General Assessments shall not apply to such Special Use Parcels. If no Special Use Assessment is established in a Supplemental Declaration by oversight or error, then the Declarant or the Board may at any time thereafter establish a Special Use Assessment in the Declarant's or the Board's discretion, to be applied to such Special Use Assessment from after the date of such establishment. The Special Use Assessment may include maintenance or landscaping responsibilities for areas within the Residential Community but not located within the Special Use Parcel.

9.2 Assessment Obligation. Each Owner, by acceptance of his or her warranty or quitclaim deed, is deemed to covenant and agree to pay all Assessments levied by the Association pursuant to this Declaration, whether or not such obligation is so expressed in such deed. A budget for the first year of the Association, including contemplated General Assessments, Townhome Assessments and Special Assessments (as defined below) and a breakdown thereof, shall be set by the Board (the "Base Budget"). Each Lot and Unit shall be subject to the Assessments set forth in the Base Budget or subsequently adopted Budget. The Declarant and Association may, but are not required, to establish Assessments for Lots or Units owned by Builders that are less than the General Assessment or Special Assessment for other Lots or Units that may be applicable, as evidenced by a certificate of occupancy, or the Unit is transferred to a third party other than a Builder; provided, however, that such reduction shall be an accommodation to

Builders, and the Declarant or the Association may increase such Assessments to the normal General Assessment or Special Assessment at any time. Notwithstanding any other provision of this Declaration, no Assessments shall be levied against Lots owned by the Declarant during the Declarant Control Period.

(a) During the Declarant Control Period, the Declarant may from time to time loan to the Association any amounts required to make up any shortfall in the Base Budget for each year, and any subsequent Budget (as defined below), to the extent that such shortfall arises from (a) actual operating costs (including amounts allocated to or drawn from reserve funds) exceeding budgeted operating costs, or (b) budgeted operating costs (including amounts allocated to or drawn from reserve funds) exceeding actual income. To the extent a shortfall arises from subsection (b) of this paragraph and the lack of income results from the failure of any Owner to pay Assessments that are payable hereunder, the Declarant shall not be obligated to make up such shortfall. As long as the Declarant continues its commitment to make up the shortfall in the Budget as set forth in this paragraph, notwithstanding any provision to the contrary in this Declaration, the Declarant shall not be obligated to pay any General Assessments imposed on any Units owned by the Declarant. All amounts loaned to the Association by the Declarant pursuant to the provisions of this paragraph shall bear interest at the Wall Street prime interest rate plus three hundred basis points from the time contributed until repaid and shall be repaid no later than three (3) years after end of the Declarant Control Period.

(b) All Assessments, together with interest at the highest rate allowable under the laws of Tennessee from time to time relating to usury for residential real estate loans (or if no such rate is established, sixteen percent (16%) per annum) ("Interest"), costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each Assessment is made. Each Assessment, together with Interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to such acquisition of title in excess of six (6) months accrued Assessments.

(c) Assessments shall be paid in such manner and on such dates as may be fixed by the Board. The manner of payment fixed by the Board may include, without limitation, acceleration of the Assessment levied on a particular Unit on account of delinquent payment of such Assessment or monthly installment thereof. Unless the Board otherwise provides, Annual Assessments shall be paid in quarterly installments.

9.3 Computation of Annual Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year (the "Operating Budget"). The Operating Budget shall include a capital contribution establishing a reserve fund in accordance with a Capital Budget separately prepared, as more particularly described in Section 9.7 below. The Board shall set Assessments based on the Operating Budget and the Capital Budget. The Board shall cause a copy of the Operating Budget, and the amount of each General Assessment to be levied against each Unit for the following year, to be delivered to each

Owner at least ten (10) days prior to the annual meeting of the Association. The Operating Budget, together with the Capital Budget and the Annual Assessments (collectively, the "Budget"), shall be adopted by the Board at a duly called meeting of the Board.

Notwithstanding the foregoing, however, in the event a Budget is not established for any reason for any year, then and until such time as a Budget shall have been determined as provided herein, the Budget in effect for the then current year shall continue for the succeeding year. No failure to provide the Budget or Assessments as required hereunder shall relieve any Owner from payment of such Assessments once established. Initial General Assessments may be set by the Board prior to any Budget being established based on reasonable estimates of such matters.

9.4 Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the Members, special assessments, applicable only to that year, to be used solely to defray, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto ("Special Assessments"). The Board may levy a Special Assessment against all Units for such expenses determined by the Board to benefit the Association and/or the Units as a whole, and may levy a Special Assessment against particular portions of the Residential Community for such expenses as may be determined by the Board to benefit less than the Association as a whole. The Board may also levy a Special Assessment against particular Units to reimburse the Association for costs incurred in maintaining such Units upon failure of the Owner to do so, as set forth in this Declaration. Except for Special Assessments imposed upon particular Units to reimburse the Association for costs incurred in maintaining such Units upon failure of the Owner to do so and except for Special Assessments imposed under Article V hereof, a Special Assessment must be approved by vote or written consent of (a) a simple majority of the Members in the Association present and voting, either in person or by proxy, and entitled to vote at a meeting of the Members of the Association called for such purpose at which a quorum is present; or (b) a simple majority of the Owners directly affected or benefited by the Special Assessment, in the opinion of the Board, if less than all of the Owners are benefited.

9.5 Lien for Assessments. To secure the payment of any Assessment and/or fine imposed by the Association pursuant to Section 10.6 of this Declaration (each such fine, a "Fine"), a lien is expressly retained in favor of the Association on each and every Unit in the Association. Such lien shall be prior and superior to all other liens, except all taxes, bonds, assessments, first mortgage liens, and other levies which by law would be superior thereto.

9.6 Foreclosure for Nonpayment of Assessments. For the purposes of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of Assessments and/or Fines, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto Jimar A. Sanders, Trustee, his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the use and trusts set forth in this paragraph. If each Trustor shall pay his Assessments and Fines when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the Assessments and Fines with respect to any Unit are

not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in Hamilton County, Tennessee to sell said Unit at the front door of the Court house in said County to the highest bidder for cash, at public outcry, free from all statutory, equitable and other rights of redemption, homestead, dower and all exemptions of every 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. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any Assessment or any installment payment thereof or any Fine, enter and take possession of said Unit, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Unit, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said Unit. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

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

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

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale, and to credit bid any amounts owed by the Owner of such Unit, and to acquire and hold, lease, mortgage, and convey the same. Any funds required for purchase of a Unit at foreclosure shall be assessed as a Special Assessment, subject to all of the requirements in Section 9.4 hereof. With respect to any Unit owned by the Association following foreclosure: (1) no right to vote shall be exercised on behalf of the foreclosed Unit; (2) no Assessment shall be assessed or levied on the foreclosed Unit; and (3) each other Unit shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without

foreclosing or waiving the lien securing the same. The Board may temporarily suspend the voting rights and rights to use all or portions of the Common Areas of a Member who is in default of payment of any Assessment or any installment payment thereof after notice and hearing.

Nothing in this Section shall preclude the Association from recording and enforcing its lien without exercising its rights arising from the foregoing trust conveyance.

9.7 Capital Budget and Contribution. As noted in Section 9.3, above, the Board of Directors shall annually prepare a Capital Budget that shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost (the "Capital Budget"). The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the Capital Budget, with respect both to amount and timing by Assessments over the period of the Budget. The capital contribution required shall be fixed by the Board and included within the Operating Budget and Assessment, as provided in Section 9.3. The Capital Budget shall also provide for the establishment of separate reserve accounts to hold the proceeds of the Assessments imposed for capital expenditures such as those set forth in Article IV. A copy of the Capital Budget shall be distributed to each member in the same manner as the Operating Budget.

9.8 Certificate of Payment. The Board shall, upon request and for a reasonable charge, furnish to any Person a certificate, signed by an officer of the Association, setting forth whether or not all Assessments, whether General or Special, on a specified Unit or Special Use Parcel have been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

ARTICLE X CONSTRUCTION AND ARCHITECTURAL STANDARDS

10.1 Construction Standards. No Person shall construct any Unit or other improvements upon a Unit, or after completion of such Unit or other improvements, make any modifications, additions or alterations to such Unit or any structure thereon or improvement thereto, without the prior written approval of the Design Review Committee. In no event shall the Design Review Committee approve any plans violating the use restrictions set forth in Article XI below.

10.2 Design Review Committee. The Declarant or Board, as applicable, shall designate a site and architectural review board (the "Design Review Committee") consisting of up to three (3) persons. The Design Review Committee shall promulgate detailed standards and procedures in implementing the requirements of this Article, in addition to the Design Code. So long as Declarant owns any land within the Residential Community or subject to this Declaration, the Declarant may select the membership of the Design Review Committee. Thereafter, the Board shall select the membership of the Design Review Committee. This Article shall be effective, and may not be amended without the prior written consent of Declarant, so long as Declarant owns any land subject to this Declaration or subject to annexation by this Declaration.

10.3 Construction Subject to Review.

(a) Review of Plans. Prior to construction, the Design Review Committee must review and approve construction plans and specifications for all improvements on any Lot within the Residential Community. No construction on any Lot shall begin and no improvements on any Lot shall be modified except in accordance with an approved plan. Once a plan is approved, any modification to that plan, or any modification to the finished improvement, must also be reviewed and approved.

(b) Common Area. Construction of any improvement upon the Common Area (other than initial construction by the Declarant), or modification of any existing structure, as well as any material alteration of the landscaping or topography of any Common Area, must be approved in advance by the Design Review Committee.

(c) Scope. The Design Code shall set standards for all aspects or improvement on any Lot visible from the outside, including without limitation the size and shape of the building, its roof, windows, doors, porches and other components, placement on the Lot, fences, drainage, paving and landscaping and all finish materials. The Design Code may also regulate the type, placement and number of Units that may be constructed on a Lot and the uses to which those Units may be put. Review shall include materials and color selection and selection and placement of any ornamentation or functional accessories, including but not limited to the following:

- (i) Materials and color selection for the main building and any outbuilding (including roof, doors, windows and trim);
- (ii) Driveways, walks, patios and other ground surface materials;
- (iii) Antennas, satellite dishes or receivers, solar panels or other devices that are visible from outside the Lot;
- (iv) Fountains, swimming pools, whirlpools or other pools;
- (v) Privacy walls or other fences and gates;
- (vi) Awnings, flower boxes, shelves, statues, or other outdoor ornamentations, and window coverings visible through the window;
- (vii) Construction trailers or other trailers, temporary structures, tents, shacks, and sheds;
- (viii) Signage of any type;
- (ix) Grills or fire pits; and
- (x) Permanent or semi-permanent play equipment, whether or not secured, such as tree houses, trampolines, basketball hoops, skateboard ramps and swing sets.

The listing of a category does not imply that such construction is permitted.

(d) Exception. Interior construction and modifications not affecting the external structure or appearance of any building and not visible from the exterior are not subject to review. However, construction drawings are required as part of the review process to assist in interpreting the design.

(e) Drainage. All plans shall comply with and Owners shall be solely responsible for applicable drainage, water conservation, erosion control and stormwater detention requirements. No alteration of existing grade or any planting, fences or other improvements that alter the flow of water shall be permitted without the express consent of the Design Review Committee, which approval shall be for the exclusive benefit of the Declarant or Association, as applicable, and shall not remove or alter the responsibility of any Owner or builder for compliance with such requirements. Notwithstanding any other provision of this Declaration, neither the Declarant nor the Association shall have the responsibility to ensure that drainage or grading of Lots is properly accomplished. Each Owner shall be solely responsible to ensure that grading and drainage are in compliance with all applicable laws, codes, regulations and other requirements, including without limitation any easements for drainage, whether or not shown on any recorded plat.

(f) Modifications. Modifications after completion of construction, or additions or changes to the approved plans during construction, must be reviewed and approved. However, review is not required to paint with originally approved materials and colors, or to replace the roof or other components with duplicates of the original material. Significant new landscaping, grading and any removal of trees or plants must be approved in advance.

(g) Casualty. Notwithstanding any terms or conditions to the contrary in this Article X, in the event that any Unit is destroyed by, and needs to be completely reconstructed or substantially repaired as a result of, a natural disaster or other casualty event, the Unit may be, without the review or approval of the Design Review Committee, reconstructed, or substantially repaired, in accordance with the original plan approved by the Design Review Committee.

10.4 Review Procedure.

(a) Application. The plans to be submitted for approval shall include (i) the construction plans and specifications, including all materials and colors, (ii) elevations of all proposed improvements, (iii) proposed clearing, grading and landscaping, and (iv) all other items required by the Design Review Committee. Plans and specifications for review shall be submitted in the form required by the Design Review Committee.

(b) Uniform Procedures. The Design Review Committee may establish forms and procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant. The Design Review Committee may provide lists of approved materials and may allow for staff review and approval of routine or minor matters.

(c) Basis for Decision. Applications shall be approved or denied based upon overall quality of design, including purely aesthetic considerations at the discretion of the Design Review Committee. If the Design Review Committee rejects an application due to overall design quality or aesthetic considerations, despite compliance with the Design Code, the Design Review Committee may make suggestions for improving the design.

(d) Variances. The Design Review Committee may grant approval notwithstanding normal guidelines based on existing topographical or landscape conditions, existing trees, or architectural merit. Any such variance must be in writing. Approval of a variance does not constitute a precedent for other applications, and such requests may be arbitrarily denied.

(e) Notification; Construction; Inspection. The Design Review Committee shall make best efforts to notify the applicant of its decision within the time allowances set out in its design approval process guidelines. However, a delay in reviewing an application shall not be deemed consent to construction. If approval is given, construction of the improvements may begin. All construction must comply with the submitted plans. The Design Review Committee or its agent may inspect the property during construction but has no obligation to make any such inspection. Any inspection made by the Design Review Committee is made for the benefit of the Design Review Committee or Declarant, and is not made for the benefit of or to be relied upon by any third party or Owner.

(f) Completion. When the primary building and landscaping are completed in substantial compliance with the approved plans and specifications, the Design Review Committee may on request issue a Certificate of Substantial Conformance. The Certificate shall describe any areas of deficiency that need to be corrected. All Fines and other enforcement shall be waived so long as the deficiencies are corrected within sixty (60) days. Upon correction of all deficiencies, the Design Review Committee shall issue a Certificate of Completion and Release in recordable form. If no Certificate of Substantial Conformance is requested, the Design Review Committee shall not be estopped from later determining that a deficiency needs correction, and reserves all rights of Fines and enforcement.

(g) Governmental Compliance. Owners are responsible for making sure that construction conforms to governmental regulations and all local building codes. If the Design Review Committee notes noncompliance, the Owner will be required to make the necessary changes. However, the Design Review Committee is not responsible for compliance with governmental requirements.

10.5 Approval of Architects, Builders.

(a) Architects. Architects, including landscape architects, must be approved by Declarant during the Declarant Control Period and, thereafter, the Design Review Committee before submitting plans. Approval shall be based on quality of past work, client satisfaction and understanding of and willingness to work within the guidance provided herein.

(b) Builders. Declarant shall be the exclusive "Builder" for the Residential Community. Other Builders must be approved by the Declarant and, after the expiration of the

Declarant Control Period, by the Design Review Committee before building in the Residential Community. Approval of other Builders shall be based on willingness to build in accordance with approved plans and specifications, quality of past work, client satisfaction, financial history and the execution of a master builder contract or other agreement. Builders must agree to comply with construction regulations, to dispose of construction debris properly and to build in accordance with the approved plans and specifications. Builders may be required to post a deposit for compliance and damages. Failure to comply may result in Fines, forfeiture of the deposit and revocation of the right to build in the Residential Community. Notwithstanding the foregoing to the contrary, the right to build in the Residential Community for any Builder (other than the Declarant) may be revoked for cause, or without cause, at any time by the Declarant during the Declarant Control Period.

10.6 Enforcement.

(a) Fines. The Design Review Committee may require the Builder or Owner to post a deposit from which the Design Review Committee may deduct Fines for failure to comply with the approved plans and specifications and rules for Builder conduct. The collection of a Fine shall not in any way diminish the available remedies at law or equity.

(b) Suit Permitted. If any construction is begun that has not been approved or that deviates from approved plans and specifications, the Design Review Committee, the Declarant or the Association may require the Owner to resolve the dispute through binding arbitration or may bring suit seeking damages, specific performance, declaratory decree and/or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association. If suit is brought and the court finds that the construction was not approved or that the construction deviated from the approved plans or specifications, then the party bringing suit shall also be awarded reasonable attorney's fees, even if the relief requested is not granted.

(c) No Waiver. Failure to enforce any provision of this Declaration shall not be deemed a waiver of the right to do so at any time thereafter.

10.7 Liability. The Declarant and Design Review Committee and its inspectors are concerned primarily with aesthetic considerations, and are not responsible for compliance with governmental requirements or design or construction defects or use of materials affecting the safety or structural integrity of the building. Approval by the Design Review Committee of an application shall not constitute a basis for any liability of Declarant or members of the Design Review Committee, the directors of the Board or the Association for failure of the plans to conform to any applicable building codes or inadequacy or deficiency in the plans resulting in defects in the improvements, or for the performance or quality of work of any builder or architect approved by it, or for non-compatible or unstable soil conditions or soil erosion, or any other condition of the property.

ARTICLE XI USE RESTRICTIONS

11.1 Use Restrictions. In addition to all other covenants contained herein, the use of the Property is subject to the following:

(a) Residential Use. Except as otherwise provided in this Declaration or a Supplemental Declaration, each Unit shall be used as a residence and for no other purposes, and there shall not be constructed or maintained upon any Unit more than one single-family residence. Except as otherwise provided in this Declaration, the Common Area shall be used for recreational, social and other purposes directly related to the single-family use of the Units authorized hereunder.

(b) Maintenance of Exterior and Interior. Except as provided in Section 4.1, or any Supplemental Declaration, each Owner shall be responsible for the maintenance of, and shall maintain, the exterior and interior of its Unit, including interior walls, exterior and interior windows, glass, ceilings, floors, doors, windows, and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition.

(c) Maintenance of Unit. Except as provided in Section 4.1, each Owner shall (1) keep its Unit free from rubbish, litter, and noxious weeds; (2) maintain, cultivate, and keep in good condition and repair shrubs, plantings and other landscaping located, or from time to time placed, by, or on behalf of, such Owner within the bounds of its Unit; and (3) replace dead plants, shrubs, or landscaping of the same or similar type that are installed by, or on behalf of, such Owner.

(d) Association to Landscape Common Area. Except as otherwise provided herein, the Association shall have the right and the obligation at any time to plant, replace, maintain, and cultivate shrubs, trees, grass, plantings, and other landscaping upon the Common Area located on the Residential Community, and, subject to the conditions stated below, on all or any portion of a Unit maintained by the Association under Section 4.1. No Owner shall remove, alter, or injure in any way any shrubs, trees, grass, plants or other landscaping placed upon or about a Unit by Declarant or the Association, without first obtaining the written consent of the Board.

(e) Signs and Billboards; Exterior Lights. No sign or billboard of any kind shall be displayed to the public view on any Unit or portion of the Common Area, except for (1) directional or informational signs, established by Declarant or the Association, (2) signs used by Declarant, or by its successors or assigns, to advertise the Residential Community, provided such signs are located on the Common Area or on Units owned by Declarant, and (3) signs not in excess of six square feet per side erected by an Owner upon that Owner's Unit to advertise the sale of that Unit, provided that the Board may establish or require a common signage system for such purposes and such system shall prevail over the general provisions of this subsection. No floodlights or directional lights or lights that cast illumination on the exterior of the Owner's Lot shall be permitted on any Lot or Unit, unless approved by the Design Review Committee, or otherwise permitted by the Design Code.

(f) Quiet Enjoyment. No noxious, offensive or illegal activity shall be carried on, in or upon any Unit or any part of the Residential Community, nor shall anything be done thereon that may be or may become an annoyance or nuisance to the neighborhood, that shall interfere in any way with any Owner's quiet enjoyment of its respective Unit, or that shall increase the rate of insurance in any way.

(g) Temporary Structures. No structure of a temporary character or other out-building shall be used on any Unit or the Common Area at any time as a residence or otherwise, either temporarily or permanently. Notwithstanding the foregoing, Declarant or its agents shall have the right to conduct any business necessary for the sale of Units, including showing model Units and maintaining a sales and/or construction office on the Common Area or in any Unit owned by Declarant or its designee. In furtherance thereof Declarant shall have an easement over all of the Common Area for ingress, egress and parking for itself, its agents, employees, and prospective buyers of Units for so long as Declarant or any subsidiary or affiliated company owns any interest in the Residential Community, and Declarant may block or restrict access over and across roadways so long as access to a particular Unit owned by a Person other than Declarant is not prohibited.

(h) Animals. No animals, reptiles, rodents, livestock, birds, or poultry of any kind shall be raised, bred or kept in or on any Units, except that a maximum of three (3) dogs, cats or such other household pets, or a combination thereof, approved by the Association may be kept in a Unit, provided such pets are not kept, bred or maintained for any commercial purposes. Notwithstanding the foregoing, no household animal may be kept in or about any Unit if such keeping results in an annoyance or is obnoxious to residents in the vicinity. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees and tenants and to the Association for any and all damage to person or property caused by any pets brought or kept in or upon any Unit or on the Common Area by any Owner or by members of its family, guests or invitees. Each Owner shall be responsible for cleaning up after its pet. No pet may be off-leash when not within the Owner's Lot, except to the extent that the Association maintains designated off-leash areas. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this subparagraph (h), an animal is appropriately considered as a household pet or not, and whether any household pet is a nuisance and therefore to be removed from the Property. The Board may permit variances to the restrictions set forth in this subsection in the Board's sole discretion; provided only that the Board treat similarly situated Owners in a similar manner. The Board may further establish rules and regulations for control of animals and household pets, and may impose Fines for violations in addition to requiring removal of animals from the Residential Community.

(i) Garage and Driveways. Except as otherwise approved by the Design Review Committee, every dwelling constructed on a Unit shall contain a garage of sufficient size to hold at least two standard size automobiles. Every garage door shall be equipped with a remote-controlled garage door opener, and every garage door shall be kept closed except when the garage is being entered or exited. All driveways shall be paved with a hard-surfaced material in accordance with the Design Code.

(j) Vehicles. No truck, trailer, camper, boat, van or similar equipment or disabled car shall be permitted to remain upon or within the Common Area unless on a space designated for such use by the Association. No such truck, trailer, camper, boat, van or similar equipment may be stored or permitted to remain upon a Lot or any portion of the Common Area for more than forty-eight (48) hours unless stored in an enclosed garage.

(k) Exterior Structures. No fences, ornamental screens, awnings, screen doors, sunshades, walls, or hedges shall be erected or permitted upon the Residential Community, except such as are installed in accordance with the initial construction of the improvements or approved by the Design Review Committee as provided in Article X. No building, including out-buildings, patios, fences, and porches, shall be removed from, erected on, placed or altered on any Unit, or any portion of the Common Area, until the construction plans and specifications and a plan showing the exact location of the structure or improvements have been approved in writing by the Design Review Committee with respect to quality of workmanship and materials, harmony of external design with existing structure or structures, and location as provided in Article X. Any alteration in the exterior color of any structural improvement shall likewise be subject to the prior approval of the Design Review Committee. The prohibitions set forth herein shall not apply to Declarant.

(l) Garbage Collection. All rubbish, trash, and garbage shall be removed from the Residential Community regularly and shall not be allowed to accumulate thereon. All refuse containers, clothes lines, woodpiles, storage areas, machinery, or equipment shall be kept in such a manner as not to be visible from neighboring property or contiguous streets. No incinerators shall be kept or maintained on any Unit. Refuse containers placed outside for trash pickup shall be returned to non-visible areas no later than the end of the day on which pickup is made.

(m) Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his respective Unit and the utility charges for said Unit.

(n) Infections, Plant Diseases or Insects. No Owner shall permit anything or condition to exist upon any portion of such Owner's Unit that shall induce, breed, or harbor infections, plant diseases, vermin or noxious insects.

(o) Reasonable Inspection and Entry. The Board shall have the right of inspection and entry onto Lots in order to perform the duties and obligations of the Board under this Declaration and under the Bylaws. In addition, the Declarant, the Association, and their designees shall have the right to enter upon a Unit for the purpose of cutting grass, hedges and shrubbery and providing maintenance agreed upon with the Owner thereof.

(p) Trade or Business. No gainful profession, occupation, trade or other nonresidential use shall be conducted in any Unit or upon the Common Area or any portion thereof without the prior approval of the Board. The Board may disapprove such a trade or business in the event that it determines that the trade or business would have a negative impact on the Residential Community, including, without limitation, creating problems related to traffic, parking or security. In determining whether to approve a trade or business conducted in a Unit, the Board shall be provided with detailed information on (i) the type of trade or business and (ii) the activities related thereto that could potentially affect the Residential Community. In the event that the Board approves a certain trade or business (the "Approved Use"), then so long as the activities related to that Approved Use do not materially change from the activities described to and approved by the Board, the Board (whether or not the composition of the Board changes)

shall not have the right to disapprove the Approved Use after the date of the original approval, subject to subparagraph (s) below.

(q) Compliance with Law. The Association and each Owner shall comply promptly with all laws, statutes, ordinances, rules and regulations of federal, state or municipal governments or authorities applicable to use, occupancy, construction and maintenance of any improvements upon the Units.

(r) Damage from Plants. No Owner shall permit any plant, tree, shrubbery or other similar item to exist upon any portion of such Owner's Unit that shall damage or create a nuisance on another Unit or that has not been approved by the Design Review Committee. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this paragraph, a particular plant, tree, shrubbery, or other similar item is a nuisance and therefore to be removed from the Residential Community.

(s) Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Design Review Committee.

(t) Laundry. Without the express permission of the Design Review Committee, no Owner, guest, or tenant, shall hang laundry from any area within or outside a Unit if such laundry is within the public view, or hang laundry in full public view to dry, such as on balcony or terrace railings.

(u) Firearms. Discharge of firearms is prohibited; provided, the Board shall have no obligation to take action to prevent or stop such discharge.

(v) Sports Equipment. Play structures, such as basketball hoops and swing sets, must be kept in good repair and may be limited in accordance with the Design Code. Large play structures such as skateboard ramps that are visible from outside the Lot may be prohibited.

(w) Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Unit or other structure on any Lot without the prior written consent under the Design Code; nor shall radio, television signals, nor any other form of electromagnetic radiation be permitted to originate from any Lot that may unreasonably interfere with the reception of television or radio signals upon any other of such properties. Notwithstanding the foregoing, the provisions of this section shall not prohibit the Declarant or the Association from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems nor prohibit the Design Review Committee from approving the installation of a satellite dish no more the eighteen (18) inches in diameter at an approved location on a Lot.

(x) Soliciting. The Association may regulate or prohibit soliciting within the Residential Community.

11.2 Restriction on Rentals. No Unit shall be rented to a non-Owner except with the prior written consent of the Association.

(a) If an Owner shall desire to rent its Unit to a third-party, the Owner shall be required to submit to the Association all of the following, in form and content satisfactory to the Association:

(i) An application for rental providing, among other things, the identity of the Unit, the name of the proposed tenant and occupants, the proposed term of the rental, and contact information for the Owner while not occupying the Unit.

(ii) A copy of a qualifying lease. For purposes of this section, a qualifying lease is one that has a term of twelve (12) months, with no options for tenant to renew without the approval of the Association, and that expressly advises tenant that the Unit is subject to the Declaration and that the tenant is responsible for compliance with the Declaration and all other rules and regulations adopted by the Association from time to time.

(iii) A copy of a background check on the prospective tenant and all occupants of the Unit provided with the written consent of the prospective tenant and that indicates no prior criminal convictions or any sex offender status or other matter reasonably objected to by the Association.

(iv) Any fee charged by the Association for review of the application and other material.

(v) Upon approval, a copy of the executed tenant lease.

(b) A failure to procure approval prior to leasing a Unit shall constitute a violation of the Declaration and, among other things, the Association shall be entitled to injunctive relief against such Owner and the tenant, the Owner acknowledging that legal remedies may not be adequate. The Owner shall be subject to all expenses of the Association resulting from any such violation, including without limitation reasonable attorney fees and other costs of enforcement.

(c) The Board shall have the power to waive the foregoing restrictions and to loosen the minimum lease term for good cause shown, in the sole discretion of the Board.

(d) If, after the expiration of the term of a lease that was approved by the Association in accordance with this Section 11.2, Owner desires to extend or renew the term of such lease, Owner must obtain the consent of the Association in connection with such extension or renewal and Owner, in pursuing such consent, shall submit to the Association the information and documentation as set forth in Section 11.2(a).

(e) Notwithstanding the foregoing, no Owner shall lease, license for occupancy, or otherwise permit a non-Owner to remain in a Unit for a period of less than thirty (30) days if consideration is given for such stay or if such occupancy is advertised by any medium, including without limitation short term rentals.

11.3 Architectural Review; Time Limit. Unless otherwise specified in the purchase contract, deed or other recorded instrument from the Declarant, or granted by Declarant or the Design Review Committee, each Owner shall:

- (a) Submit initial plans and begin the architectural review process within three (3) months from the closing date of the purchase of the Lot;
- (b) Begin construction of a primary building on the Lot, in accordance with approved plans and specifications, within twelve (12) months from the sale closing date (the "Construction Start Date");
- (c) Diligently pursue construction once construction has begun; and
- (d) Substantially complete the building, including landscaping, within nine (9) months from the Construction Start Date (the "Required Completion Date"); provided, however, for certain Lots, as designated by the Declarant or the Design Review Committee, the Required Completion Date shall be twelve (12) months.

Failure to make significant progress during any thirty-day period shall be considered a failure to diligently pursue construction under (c). The time periods in (b) and (d) shall be extended for casualty, extreme material shortages, extreme weather conditions or other significant matters beyond the builder's control.

11.4 Enforcement. If Owner fails to comply with the requirements of Section 4 above or if Owner deviates from the approved plans and specifications and fails, after reasonable notice, to correct the deviation, then, in addition to any contractual remedy, Declarant shall have the following options:

- (a) The right, but not the obligation, to repurchase the Lot for a total purchase price equal to the amount paid by Owner to Declarant or any related entity for the purchase of the Lot or the current fair market value of the Lot, whichever is less, plus the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the Design Review Committee. Any mortgage or lien on the Lot, all closing costs for the repurchase and a resale fee of ten percent (10%) shall be deducted from the amount required to be paid to Owner by Declarant.
- (b) The right to receive the difference between the amount paid by Owner to Declarant (increased by the cost or fair market value, whichever is less, of any improvements made in accordance with plans approved by the Design Review Committee) and the resale price of the Lot. Such amount will be both the personal obligation of the Owner under this agreement and a lien on the Lot.

Unless Owner has obtained a Certificate of Completion and Release, and except as provided in Section 11.5 below, Declarant may exercise its rights against Owner at any time before the Required Completion Date or within two (2) years after the Required Completion Date. Declarant may preserve its enforcement rights by recording, within two (2) years after the

Required Completion Date, a lien or other notice of its intent to exercise its rights. Declarant may assign any or all of its rights under this Section 11.4(b), and may exercise any of its rights through an assignee or other designee.

11.5 Subordination to Mortgage.

(a) Effect. Declarant and any designee or assignee of Declarant's rights under Section 11.4 agrees to subordinate its right of repurchase to the first mortgage or deed of trust liens of an institutional Mortgagee under the terms of this Section, which shall be effective whether or not noted in the deed. Any other Mortgagee in granting a mortgage or other lien will be subject to this right of repurchase and agrees to these terms. Except as described in this section, the right of repurchase by Declarant or its applicable designee or assignee shall not be subordinate to any other encumbrances.

(b) Assumption of Mortgage. Notwithstanding the foregoing subordination provisions, if Declarant exercises its right of repurchase while Mortgagee's mortgage or other lien encumbers the Lot, Declarant shall take the Lot subject to the mortgage or other lien, and Mortgagee in granting a mortgage or other lien subject to this right of repurchase agrees to allow Declarant or its applicable designee or assignee to repurchase the Lot subject to the mortgage or such other lien, and such conveyance shall not constitute an event of default under such mortgage or deed of trust.

(c) Mortgage Foreclosure. If Mortgagee seeks to foreclose the lien of its mortgage or other lien or accepts a deed in lieu of foreclosure before the Required Completion Date or within two (2) years thereafter and Declarant has not provided a release and satisfaction of its rights as provided in Section 11.4, Declarant shall be notified of the foreclosure action or conveyance and Declarant shall be deemed one of the "parties interested" pursuant to T.C.A. § 35-5-104. Declarant's rights of enforcement under Section 11.4 shall not be extinguished by foreclosure or deed in lieu of foreclosure but shall continue as a restriction on the Lot.

11.6 Additional Restrictions. The Board shall be entitled to invoke additional rules and regulations from time to time for the operation, use and maintenance of the Residential Community located within its jurisdiction, including the Units and the Common Area, provided such rules and regulations are not inconsistent with this Declaration.

ARTICLE XII GENERAL PROVISIONS

12.1 Term. The covenants and restrictions of this Declaration shall run with and bind the property that comprises the Residential Community, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any of the property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded. After the initial thirty (30) year term has expired, the term of this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by seventy-five percent (75%) of the then Owners, has

been recorded within the year preceding the beginning of each successive ten-year period, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

12.2 Amendment. This Declaration may be amended by a sixty-seven percent (67%) affirmative vote of the Members present, in person or by proxy, at any duly called meeting, and the written approval of the Declarant during the Declarant Control Period. During the Declarant Control Period, Declarant may unilaterally amend this Declaration for any purpose. Any amendment shall not become effective until recorded in the Register's Office of Hamilton County, Tennessee. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

12.3 Indemnification. The Association shall indemnify its officers and directors against any and all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other controversy or proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party, or may become involved, by reason of being or having been an officer or director of the Association. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

12.4 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants and social invitees, subject to such rules and regulations as the Board of Directors may adopt. In the event that any streets or roadways granting ingress or egress to a Unit are included in the Common Area, all Owners of such Units shall have a permanent easement for ingress and egress over such streets or roadways. Any conveyance or encumbrance of such streets or roadways shall be subject to such easement.

12.5 Easements for Utilities, Etc.

(a) There is hereby reserved unto Declarant, so long as the Declarant owns any property intended for inclusion in the Residential Community, the Association and the designees of each, blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity.

(b) Declarant hereby reserves unto itself and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as set forth in this Declaration, Bylaws and Association rules.

(c) Notwithstanding anything herein to the contrary, this Declaration and the conveyance of each Unit shall be subject to all easements heretofore or hereafter granted by Declarant or by the Board for the installation and maintenance of utilities and drainage facilities necessary for the development of the Residential Community.

(d) Whenever sanitary sewer connections, water connections, or electricity, data, television, gas or telephone lines are installed within the Residential Community, which connections or any portion thereof lie in or upon the Common Area or Units owned by Owners other than the Owners of the Units served by said connections, the Owner of each Unit served by said connections shall have the right, and hereby is granted an easement to the full extent necessary therefor, to enter upon or have the utility companies enter upon the Unit or Common Area upon which said connections, or any portion thereof, lie for the purpose of repairing, replacing and generally maintaining said connections as and when the same may be necessary.

(e) Whenever sanitary sewer connections, water connections, or electricity, data, television, gas or telephone lines are installed within the Residential Community, which connections serve more than one Unit, the owner of each Unit served by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Unit.

(f) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon the written request to the Association of any one of such Owners, the matter shall be submitted to the Board, which shall decide the dispute and make a Special Assessment against any or all of the Owners involved, which Special Assessment shall be collected and enforced in the manner provided by Article IX of this Declaration.

(g) Each of the easements provided for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Units and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Residential Community. In furtherance of the easements provided for in this Declaration, the individual deeds to Units may, but shall not be required to, set forth said easements.

12.6 Courtyard Easements. To allow the most efficient use of a Lot, while complying with governmental setback requirements, a portion of a Lot along a Lot line may be subject to an easement for use by the adjoining Owner. Such easements may be designated on the Final Plat, a Supplemental Declaration, the Design Code, or on the deed from the Declarant to an Owner, but will apply to all detached Units the Lots of which are roughly parallel to the adjacent Lot and with side setbacks of five (5) feet or less, unless otherwise denoted or set forth on the Final Plat, a Supplemental Declaration, the Design Code, on the deed from the Declarant to an Owner, or otherwise by the Declarant.

(a) Each Courtyard Lot is designed such that the “courtyard” side of each Courtyard Lot will have the use of the non-courtyard side of the adjacent Servient Lot. Likewise, the Owner of each Servient Lot will have the ability to cross over the adjacent Courtyard Lot for the purpose of maintenance.

(b) The Courtyard Easement may be used by the Association or Owner or occupant of the Benefitted Lot, as applicable, for the following purposes and in the following manner:

(i) To landscape, maintain and irrigate the Courtyard Easement Area. The Owner of the Benefitted Lot shall maintain any plants covering of the Courtyard Easement Area to the same degree and consistent with the landscaping covering of the Benefitted Lot, and in any case subject to and consistent with the Design Code, provided, however, that no plants, hedges or other landscaping features shall be allowed to block or obscure any windows located on the residence on the Servient Lot.

(ii) to use and enjoy the Courtyard Easement Area for all purposes for which the yard area of any Lot may be used, consistent with this Declaration, including, without limitation, fencing, general recreation, access, drainage and other visual, aesthetic and recreational purposes; provided, however, that the Owner of the Benefitted Lot shall not construct any permanent or temporary structure that would interfere with maintenance activities on the Unit or otherwise on the Servient Lot.

(c) There is hereby granted to each Servient Lot a Construction and Maintenance Easement over a portion of each Benefitted Lot. Further, the Owner of each Servient Lot reserves within the Courtyard Easement Area the right to perform the acts set forth below, which shall not be deemed inconsistent with the Courtyard Easement. “Construction and Maintenance Easement” shall mean a perpetual, non-exclusive easement on, over and across the Benefitted Lot for access, ingress, egress and use by the Owner or occupant of the Servient Lot for the following purposes and in the following manner:

(i) as reasonably necessary to perform and complete, in a prompt, efficient and good and workmanlike manner, any construction or other work (whether original, remodeling or repair) on the Unit located on the Servient Lot, as previously approved by the Design Review Committee.

(ii) as reasonably necessary to perform maintenance and repairs to the Unit or other structures, including, without limitation, any fence, located on the Servient Lot; provided, however, that such maintenance shall be limited to reasonable times of the day and shall be conducted in a reasonable manner.

(d) Each Owner of a Servient Lot may use the Courtyard Easement Area on the Lot for the purpose of constructing, reconstructing, maintaining (including termite abatement) and repairing the improvements constructed on the Lot at reasonable times, under reasonable circumstances and with reasonable notice to the Owner of the Benefitted Lot. After the original construction of the Unit on the Lot, no additional door, window, duct, vent or aperture of any kind shall be constructed on the side of the Unit that abuts or adjoins the Courtyard Easement

Area on the Lot without the consent of the Owner of the Benefitted Lot. Each Owner shall use reasonable care not to damage any landscaping or other items existing in the Courtyard Easement Area; provided, however, such Owner shall not be responsible for damage to such landscaping or other items to the extent such damage could not be reasonably avoided in connection with entry upon the Courtyard Easement Area for authorized purposes.

(e) Each Owner of a Benefitted Lot shall not (i) suffer or permit any waste upon the Courtyard Easement Area; (ii) undertake any use of or affix any object to any wall, fence or other structure on a Servient Lot; (iii) undertake any grading that would tend to prevent proper drainage of the Courtyard Easement Area, or to promote soil erosion or to undermine support for the foundation of any wall, fence or other structure on an Servient Lot; (iv) place or permit the accumulation of any soil or fill material against any wall, fence or other structure on an adjacent Lot above the original grade; (v) cause, suffer or permit any damage to any utility lines located within the Courtyard Easement Area or interrupt or interfere with the maintenance and repair thereof; (vi) construct, erect or install any structure upon, across, over, under or within the Courtyard Easement Area or undertake any grading or fill or any other activity upon the Courtyard Easement Area that violates any applicable governmental statute, ordinance, rule or regulation or the provisions of this Declaration; (vii) stack wood or permit trees, shrubbery or other vegetation to grow on the Courtyard Easement Area that is likely to cause damage to or interfere with the maintenance and repair of any wall, fence or the dwelling on the Servient Lot; (viii) cause or permit any offensive contact (including, without limitation, any pounding or bouncing of objects) with any wall of the dwelling on a Servient Lot; (ix) suffer or permit upon the Courtyard Easement Area any activities by household pets or other animals that would tend to cause damage to or undermine support for any wall, fence or other structure on a Servient Lot; or (x) cause or permit to exist any open, uncontained fire within the Courtyard Easement Area. The existence of air conditioning and heat-pump units shall be permitted in the Courtyard Easement Area provided such units have been approved in accordance with the Declaration hereof and do not interfere with the rights granted in this Section.

(f) The Association shall maintain the landscaping on the Courtyard Easement Area in accordance with Section 4.1 of this Declaration.

(g) In the event that a dispute arises concerning the respective rights and obligations of the Owners of contiguous Lots pursuant to this Section, then the Board of Directors shall act as arbitrator of said dispute and may enforce the Board's decision in accordance with the provisions of this Declaration.

12.7 Lot Lines. Lots may not be subdivided or separated into smaller Lots, or any portion of a Lot separately conveyed, except by the Declarant. However, this shall not prohibit corrective deeds or similar corrective instruments. The Declarant may redefine Lots prior to sale by dividing or combining Lots or portions of Lots and adjusting the boundary of a Lot. The Declarant shall also have the right to modify subdivision plats of the Residential Community to make adjustments to Lot boundary lines with consent only of those Owners whose Lot boundaries are to be changed. The division or combination of Lots may be subject to zoning or other governmental regulation, which may require, among other things, that the number of Units not be reduced or increased if Lots are combined or divided.

12.8 Dedication.

(a) Common Roads. If any portion of the Common Roads has not previously been dedicated to the public, the Declarant or Association shall have the right to convey title to or dedicate the Common Roads to the appropriate public agency or authority.

(b) Common Area. All other Common Area may be dedicated to the public by the Board upon consent of Owners representing sixty seven percent (67%) of the votes in the Association. Notwithstanding the foregoing, during the Declarant Control Period, the Declarant shall have the unilateral right to dedicate any other Common Area to the public.

(c) Alleys; footpaths. No earlier than twenty (20) years from the recording of this Declaration, if the Declarant during the Declarant Control Period and, thereafter, the Association determines that it no longer wishes to maintain all or some of the alleys or footpaths between Lots, the ownership of such alleys or footpaths may be divided evenly between the adjacent Owners of the Lots, with the consent, after the expiration of the Declarant Control Period, in writing of Owners representing sixty-seven percent (67%) of the votes in the Association. The property shall be subject to an easement for any then-existing utilities, and an easement may be reserved for continued use of the alleys or footpaths if required by the approving Owners.

(d) Necessary Approval. Any dedication or conveyance described above is subject to acceptance by the applicable governmental agency.

12.9 Open-Air Market and Festivals. The Declarant reserves, for itself or its various assigns, the right to use portions of the Common Area as an open-air market for the rental of space for pushcarts, kiosks, stands or similar temporary sales structures. Such uses may be for special events or on a recurring or daily basis. Declarant also reserves, for itself and its various assigns, the right to use portions of the Common Area for festivals or other events intended to enrich and enliven the Residential Community. Declarant further reserves a right of access through the Common Area for all such purposes. Declarant may, but is not obligated to, assign such rights to the Association at any time.

12.10 Construction and Sale by Declarant. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to construct, maintain and carry on upon portions of the Residential Community, other than Units owned by persons other than Declarant, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such residences, including, but not limited to, business offices, signs, Units, utilities, model units, and sales offices, and the Declarant and its invitees shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant as models and sales offices. Declarant may further delegate all or some of the privileges set forth in this Section 12.10 to any Builder or other party in the discretion of Declarant. This Section may not be amended without the express written consent of the Declarant.

12.11 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect. Each covenant and restrictions shall be enforced to the fullest extent permitted by law.

12.12 Reserved.

12.13 Enforcement of Declaration.

(a) Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Without limiting the foregoing, the Association shall have the authority to enforce the restrictions, conditions, covenants and rules and regulations now or hereafter adopted pursuant to this Declaration by the imposition of Fines on Owners, which shall be established by the Board in its discretion, and enforced and collected as a Special Assessment pursuant to the Declaration. The Board may establish notice, hearing and other procedures from time to time in conjunction with the use and levying of Fines.

(b) No Waiver. Failure to enforce any provision of this Declaration or the rules and regulations established by the Board shall not be deemed a waiver of the right to do so at any time thereafter.

(c) Association's Legal Fees. Any and all costs, including but not limited to attorneys' fees and court costs, which may be incurred by the Association in the enforcement of any of the provisions of this Declaration, whether or not suit is brought, may be assessed as a Special Assessment to the Owner against whom such action was taken.

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

12.15 Notices. Any notice required to be sent to the Owner shall be deemed to have been properly sent when mailed, postage prepaid, or hand delivered to the Unit and, if different, to the last known address of the person who appears as Owner of the Unit as that address is stated on

the records of the Association at the time of the mailing. If the Owner has given approval, notice may be given by electronic means to an address provided by the Owner.

12.16 Gender and Number. The use of the masculine gender herein shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

12.17 Law to Govern. This Declaration shall be construed in accordance with the laws of the State of Tennessee.

12.18 Consent of Mortgagees.

(a) When Consent Required. This Declaration contains provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions are to be construed as covenants for the protection of the Mortgagees on which they may rely in making loans secured by a Mortgage on a Lot. Accordingly, no amendment or modification of this Declaration specifically impairing such rights, priorities, remedies or interests of a Mortgagee shall be adopted without the prior written consent of Mortgagees as provided in subsection (b). This section shall not be construed, however, as a limitation upon the rights of the Declarant, the Association or the Members to make amendments that do not adversely affect the Mortgagees.

(b) Percentage Required. Wherever consent of the Mortgagees is required, it shall be sufficient to obtain the written consent of Mortgagees holding a lien on fifty percent (50%) or more of all Lots encumbered by a Mortgage.

12.19 Commercial Declaration. Declarant hereby acknowledges and agrees that the construction of Cambridge Square is intended to follow design principles that allow interconnectivity of the Residential Community with the nonresidential uses of Cambridge Square. Accordingly, Declarant hereby acknowledges and agrees that the terms and conditions set forth herein shall be subject and subordinate to the terms and conditions of the Commercial Declaration in effect as of the effective date of this Declaration, and any amendments, modifications or supplements made to such Commercial Declaration by the Developer (but not its successors and assigns), as it relates to the development, maintenance, use and enjoyment of Cambridge Square. After the date hereof, in the event any amendments, modifications or supplements are made to the Commercial Declaration by a successor or assign of the Developer, Declarant (or the Association after the Declarant Control Period) shall use commercial reasonable efforts to work with such successor or assign or the Commercial Association (as defined in the Commercial Declaration) to resolve any issues that may arise due to any inconsistencies between the terms and conditions of this Declaration and the amended, modified or supplemented terms and conditions of the Commercial Declaration. The Association shall cooperate with the Commercial Association in the administration of the property within their respective jurisdictions and in the enforcement of their respective governing documents to establish and maintain consistent standards of architecture, maintenance and use throughout Cambridge Square, which may include, without limitation, entering into agreements for common management or maintenance.

ARTICLE XIII DECLARANT'S RIGHTS

13.1 Marketing and Sales Activities. Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Residential Community and the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have easements for access to and use of such facilities at no charge.

13.2 Right to Develop. Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

13.3 Right to Approve Changes in Design Code. No amendment to or modification of any restrictions and rules or architectural guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with this Article.

13.4 Right to Transfer or Assign Declarant Rights. Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument Declarant signs and records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise any right reserved to Declarant in this Declaration as an agent, employee or contractor of Declarant where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise. In the event Declarant ceases to act as Declarant and abandons its role as Declarant after the end of the Declarant Control Period, then the Association shall have and may exercise all rights of Declarant without the necessity of a written assignment by the Declarant that fulfilled Declarant's obligations prior to such transfer.

13.5 Easement to Inspect and Right to Correct. Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Residential Community, including Lots, and a perpetual nonexclusive easement of access throughout the Residential Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner, and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

13.6 Termination of Rights. The rights contained in this Article shall not terminate until the earlier of (a) forty (40) years from the date this Declaration is recorded; or (b) recording by Declarant of a written statement that all development and sales activity has ceased.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned does hereby make this Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community and has caused this Declaration to be executed as of the day and year first above written.

DECLARANT:

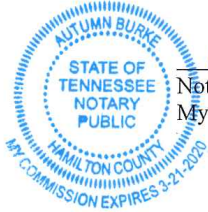
BARRY PAYNE DEVELOPMENT, LLC a Tennessee limited liability company

By: [Signature]
Print Name: Barry Payne
Title: Chief Manager

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, Autumn Burke, a Notary Public of said County and State, personally appeared Barry Payne, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, under oath, acknowledged him self to be Chief Manager (or the officer authorized to execute the instrument) of BARRY PAYNE DEVELOPMENT, LLC, the within named bargainor, a limited liability company and that _____ as such Chief Manager executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by him self as its Chief Manager.

Witness my hand and seal, at Office in Hamilton Co., TN, this 21st day of June, 2018.



Autumn Burke
Notary Public
My Commission Expires: 3/21/20

**CONSENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY**

The undersigned hereby acknowledges and agrees that, prior to the effective date of the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community (the “Declaration”) to which this Consent is attached, Declarant conveyed to the undersigned all of Declarant’s right, title and interest in the following Lots in the Residential Community (collectively, the “Conveyed Lots”):

<u>Lot Number</u>	<u>Address</u>	<u>Tax ID Parcel No.</u>
Lot 65	9437 Kingshedge Court, Ooltewah, Tennessee 37363	132H-F-003
Lot 74	7003 Arbury Way, Ooltewah, Tennessee 37363	132H-G-003
Lot 76	7011 Arbury Way, Ooltewah, Tennessee 37363	132H-G-005
Lot 79	7023 Arbury Way, Ooltewah, Tennessee 37363	132H-G-008
Lot 80	7029 Arbury Way, Ooltewah, Tennessee 37363	132H-G-009
Lot 82	7039 Arbury Way, Ooltewah, Tennessee 37363	132H-G-011
Lot 47	9403 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-012
Lot 49	9411 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-010
Lot 50	9415 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-009
Lot 52	9423 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-007
Lot 56	9439 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-003
Lot 9	7068 Chesterton Way, Ooltewah, Tennessee 37363	132H-C-009
Lot 10	7076 Chesterton Way, Ooltewah, Tennessee 37363	✓ 132-C-010

Map Parcel for Lot 10
132H C 010

The undersigned hereby consents to the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration, and the Declaration, so long as it may be in effect, shall be encumbrance to the title of each Conveyed Lot. Accordingly, the Conveyed Lots shall be held, transferred, conveyed and occupied subject to this Declaration. The undersigned hereby further subordinates all of its right, title and interest in the Conveyed Lots to the terms, covenants, conditions and easements set forth in the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration. The undersigned hereby acknowledges and agrees that it shall at all times adhere to the terms and conditions of the

**CONSENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY**

The undersigned hereby acknowledges and agrees that, prior to the effective date of the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community (the "Declaration") to which this Consent is attached, Declarant conveyed to the undersigned all of Declarant's right, title and interest in the following Lots in the Residential Community (collectively, the "Conveyed Lots"):

<u>Lot Number</u>	<u>Address</u>	<u>Tax ID Parcel No.</u>
Lot 65	9437 Kingshedge Court, Ooltewah, Tennessee 37363	132H-F-003

The undersigned hereby consents to the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration, and the Declaration, so long as it may be in effect, shall be encumbrance to the title of each Conveyed Lot. Accordingly, the Conveyed Lots shall be held, transferred, conveyed and occupied subject to this Declaration. The undersigned hereby further subordinates all of its right, title and interest in the Conveyed Lots to the terms, covenants, conditions and easements set forth in the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration. The undersigned hereby acknowledges and agrees that it shall at all times adhere to the terms and conditions of the Declaration and it shall not, at any time during the term of the Declaration, have any rights or interests that are superior to any rights, interests, terms or conditions set forth in the Declaration. For the avoidance of doubt, the undersigned hereby acknowledges and agrees that any amendment, modification or supplement of the Declaration shall not require its consent.

[Signature Appears on the Following Page]

The terms and conditions of this Consent shall be binding on all successors and assigns of the undersigned or any other parties having any right, title or interest in all or any part of the Conveyed Lots.

WATER-HOLLAND LLC

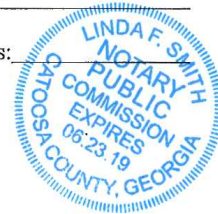
By: [Signature]
Print Name: BRANDON WATERS
Title: MEMBER

STATE OF ~~TENNESSEE~~ Georgia)
COUNTY OF ~~HAMILTON~~ Chattooga)

Before me, Linda Smith, a Notary Public of said County and State, personally appeared Brandon Waters, 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 Member of WATER-HOLLAND LLC, the within named bargainer, and that he as such Member executed the foregoing instrument for the purposes therein contained, by personally signing the name of the company by himself as Member.

Witness my hand and seal, at Office in Chattanooga, Tennessee, this 21st day of June, 2018.

[Signature]
Notary Public
My Commission Expires:



**CONSENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY**

The undersigned hereby acknowledges and agrees that, prior to the effective date of the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community (the "Declaration") to which this Consent is attached, Declarant conveyed to the undersigned all of Declarant's right, title and interest in the following Lots in the Residential Community (collectively, the "Conveyed Lots"):

<u>Lot Number</u>	<u>Address</u>	<u>Tax ID Parcel No.</u>
Lot 75	7007 Arbury Way, Ooltewah, Tennessee 37363	132H-G-004
Lot 77	7015 Arbury Way, Ooltewah, Tennessee 37363	132H-G-006
Lot 78	7019 Arbury Way, Ooltewah, Tennessee 37363	132H-G-007
Lot 54	9431 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-005
Lot 48	9407 Purbeck Lane, Ooltewah, Tennessee 37363	132H-E-011
Lot 59	7009 Chesterton Way, Ooltewah, Tennessee 37363	132H-D-004

The undersigned hereby consents to the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration, and the Declaration, so long as it may be in effect, shall be encumbrance to the title of each Conveyed Lot. Accordingly, the Conveyed Lots shall be held, transferred, conveyed and occupied subject to this Declaration. The undersigned hereby further subordinates all of its right, title and interest in the Conveyed Lots to the terms, covenants, conditions and easements set forth in the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration. The undersigned hereby acknowledges and agrees that it shall at all times adhere to the terms and conditions of the Declaration and it shall not, at any time during the term of the Declaration, have any rights or interests that are superior to any rights, interests, terms or conditions set forth in the Declaration. For the avoidance of doubt, the undersigned hereby acknowledges and agrees that any amendment, modification or supplement of the Declaration shall not require its consent.

[Signature Appears on the Following Page]

The terms and conditions of this Consent shall be binding on all successors and assigns of the undersigned or any other parties having any right, title or interest in all or any part of the Conveyed Lots.

BARRY PAYNE HOMES, LLC, a Tennessee limited liability company

By: [Signature]
Print Name: Barry A Payne
Title: Chief Manager

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, Autumn Burke, a Notary Public of said County and State, personally appeared Barry Payne, 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 BARRY PAYNE HOMES, LLC, the within named bargainer, a Tennessee limited liability company and that he as such Chief Manager executed the foregoing instrument for the purposes therein contained, by personally signing the name of the company by himself as Chief Manager.

Witness my hand and seal, at Office in Chattanooga, Tennessee, this 21st day of June, 2018.

Autumn Burke
Notary Public
My Commission Expires: 3/21/20



**CONSENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND
EASEMENTS FOR THE CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY**

The undersigned hereby acknowledges and agrees that, prior to the effective date of the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community (the "Declaration") to which this Consent is attached, Declarant conveyed to the undersigned all of Declarant's right, title and interest in the following Lots in the Residential Community (collectively, the "Conveyed Lots"):


<u>Lot Number</u>	<u>Address</u>	<u>Tax ID Parcel No.</u>
Lot 66	9441 Kingshedge Court, Ooltewah, Tennessee 37363	132H-F-004
Lot 63	9427 Kingshedge Court, Ooltewah, Tennessee 37363	132H-F-001
Lot 64	9433 Kingshedge Court, Ooltewah, Tennessee 37363	132H-F-002

The undersigned hereby consents to the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration, and the Declaration, so long as it may be in effect, shall be encumbrance to the title of each Conveyed Lot. Accordingly, the Conveyed Lots shall be held, transferred, conveyed and occupied subject to this Declaration. The undersigned hereby further subordinates all of its right, title and interest in the Conveyed Lots to the terms, covenants, conditions and easements set forth in the Declaration, as it may be amended, modified or supplemented from time to time in accordance with the terms and conditions of the Declaration. The undersigned hereby acknowledges and agrees that it shall at all times adhere to the terms and conditions of the Declaration and it shall not, at any time during the term of the Declaration, have any rights or interests that are superior to any rights, interests, terms or conditions set forth in the Declaration. For the avoidance of doubt, the undersigned hereby acknowledges and agrees that any amendment, modification or supplement of the Declaration shall not require its consent.

[Signature Appears on the Following Page]

The terms and conditions of this Consent shall be binding on all successors and assigns of the undersigned or any other parties having any right, title or interest in all or any part of the Conveyed Lots.

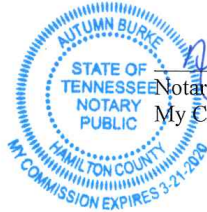
B.P. CONSTRUCTION COMPANY, a
Tennessee corporation

By: 
Print Name: Barry Payne
Title: President

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, Autumn Burke, a Notary Public of said County and State, personally appeared Barry Payne, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of B.P. CONSTRUCTION COMPANY, the within named bargainer, a Tennessee corporation and that he as such President executed the foregoing instrument for the purposes therein contained, by personally signing the name of the company by himself as President.

Witness my hand and seal, at Office in Chattanooga, Tennessee, this 21st day of June, 2018.



Autumn Burke
Notary Public
My Commission Expires: 3/21/20

**SUBORDINATION OF DEED OF TRUST
(PINNACLE BANK)**

Pinnacle Bank ("Lender"), hereby subordinates those certain (i) Construction Deed of Trust dated as of April 20, 2017, and recorded at Book 11031, Page 226, Register's Office of Hamilton County, Tennessee; (ii) Construction Deed of Trust dated as of April 20, 2017, and recorded at Book 11031, Page 268, aforesaid Register's Office; (iii) Construction Deed of Trust dated as of April 20, 2017, and recorded at Book 11031, Page 268, aforesaid Register's Office; (iv) Construction Deed of Trust dated as of April 20, 2017, and recorded at Book 11031, Page 773; (v) Construction Deed of Trust dated as of September 25, 2017, and recorded at Book 11163, Page 245, aforesaid Register's Office; (vi) Construction Deed of Trust dated as of September 25, 2017, and recorded at Book 11163, Page 254, aforesaid Register's Office; (vii) Construction Deed of Trust dated as of September 25, 2017, and recorded at Book 11163, Page 263, aforesaid Register's Office; (viii) Construction Deed of Trust dated as of September 25, 2017, and recorded at Book 11163, Page 272, aforesaid Register's Office; (ix) Construction Deed of Trust dated as of December 5, 2017, and recorded at Book 11221, Page 212, aforesaid Register's Office; (x) Construction Deed of Trust dated as of January 26, 2018, and recorded at Book 11259, Page 54, aforesaid Register's Office; (xi) Construction Deed of Trust dated as of January 26, 2018, and recorded at Book 11259, Page 67, aforesaid Register's Office; (xi) Construction Deed of Trust dated as of January 26, 2018, and recorded at Book 11259, Page 79, aforesaid Register's Office; and (xii) any other Construction Deed of Trust effective on or prior to the date of the Declaration and that encumbers a Lot in the Residential Community (as each may be amended or modified from time to time, collectively, the "Deeds of Trust"), to the foregoing Declaration, and all future amendments, modifications or supplemental declarations to the Declaration (collectively, the "Declaration").

The Deeds of Trust shall be subordinate to the Declaration, as fully as if the Declaration had been recorded prior to the Deeds of Trust. The lien of each Deed of Trust is junior and inferior to that of the Declaration, and notwithstanding any foreclosure of such Deed of Trust the Declaration shall continue to encumber the property described in such Deed of Trust.

The priorities specified herein are applicable irrespective of the time or order of the attachment or perfection of any liens described herein or the time or order of recording the deeds of trust or declarations described herein, or the granting of or failure to give notice hereof.

Lender hereby warrants and represents to Declarant that Lender has not assigned, sold or transferred any Deed of Trust, or any interest therein, to any person or entity.

[Signatures Appear on the Following Page]

The subordination granted herein shall be continuing, irrevocable and binding on Lender and its successors and assigns.

PINNACLE BANK

By: RW Bednar
Print Name: Rebecca W Bednar
Title: Vice President

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, Kristi Scott, a Notary Public of said County and State, personally appeared Rebecca W Bednar, 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 Vice President of PINNACLE BANK, the within named bargainor, and that he as such Vice President executed the foregoing instrument for the purposes therein contained, by personally signing the name of the bank by himself as vice President.

Witness my hand and seal, at office, this 22 day of June, 2018.



Kristi Scott
Notary Public
My Commission Expires: 4-28-20

**SUBORDINATION OF DEED OF TRUST
(FIRST VOLUNTEER BANK)**

First Volunteer Bank ("Lender"), hereby subordinates those certain (i) Construction Deed of Trust dated as of August 31, 2017, and recorded at Book 11144, Page 755, Register's Office of Hamilton County, Tennessee; (ii) Construction Deed of Trust dated as of August 31, 2017, and recorded at Book 11144, Page 767, aforesaid Register's Office; (iii) Construction Deed of Trust dated as of August 31, 2017, and recorded at Book 11144, Page 827, aforesaid Register's Office; (iv) Construction Deed of Trust dated as of August 31, 2017, and recorded at Book 11144, Page 839, aforesaid Register's Office; (v) Construction Deed of Trust dated as of August 31, 2017, and recorded at Book 11144, Page 63, aforesaid Register's Office; (vi) Construction Deed of Trust dated as of March 2, 2018, and recorded at Book 11286, Page 982, aforesaid Register's Office; (vii) Deed of Trust dated as of March 15, 2018, and recorded at Book 11295, Page 407, aforesaid Register's Office; (viii) Construction Deed of Trust dated as of March 15, 2018, and recorded at Book 11295, Page 420, aforesaid Register's Office; and (ix) Construction Deed of Trust dated as of March 15, 2018, and recorded at Book 11295, Page 487, aforesaid Register's Office; and (x) any other Construction Deed of Trust effective on or prior to the date of the Declaration and that encumbers a Lot in the Residential Community (as each may be amended or modified from time to time, collectively, the "Deeds of Trust"), to the foregoing Declaration, and all future amendments, modifications or supplemental declarations to the Declaration (collectively, the "Declaration").

The Deeds of Trust shall be subordinate to the Declaration, as fully as if the Declaration had been recorded prior to the Deeds of Trust. The lien of each Deed of Trust is junior and inferior to that of the Declaration, and notwithstanding any foreclosure of such Deed of Trust the Declaration shall continue to encumber the property described in such Deed of Trust.

The priorities specified herein are applicable irrespective of the time or order of the attachment or perfection of any liens described herein or the time or order of recording the deeds of trust or declarations described herein, or the granting of or failure to give notice hereof.

Lender hereby warrants and represents to Declarant that Lender has not assigned, sold or transferred any Deed of Trust, or any interest therein, to any person or entity.

[Signatures Appear on the Following Page]

The subordination granted herein shall be continuing, irrevocable and binding on Lender and its successors and assigns.

FIRST VOLUNTEER BANK

By: Roger D Kidwell
Print Name: Roger D Kidwell
Title: Vice President

STATE OF ~~TENNESSEE~~ Georgia)
)
COUNTY OF ~~HAMILTON~~ Catoosa)

Before me, Linda Smith, a Notary Public of said County and State, personally appeared Roger Kidwell, 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 Vice President of FIRST VOLUNTEER BANK, the within named bargainer, and that he as such Vice President executed the foregoing instrument for the purposes therein contained, by personally signing the name of the bank by himself as Vice President.

Witness my hand and seal, at office, this 21st day of June, 2018.

Linda Smith
Notary Public
My Commission Expires:



**SUBORDINATION OF DEED OF TRUST
(MILLENNIUM BANK)**

Millennium Bank ("Lender"), hereby subordinates that certain Deed of Trust dated as of April 24, 2018, and recorded at Book 11328, Page 150, Register's Office of Hamilton County, Tennessee (as may be amended or modified from time to time, the "Deed of Trust"), to the foregoing Declaration, and all future amendments, modifications or supplemental declarations to the Declaration (collectively, the "Declaration").

The Deed of Trust shall be subordinate to the Declaration, as fully as if the Declaration had been recorded prior to the Deed of Trust. The lien of the Deed of Trust is junior and inferior to that of the Declaration, and notwithstanding any foreclosure of the Deed of Trust the Declaration shall continue to encumber the property described in the Deed of Trust.

The priorities specified herein are applicable irrespective of the time or order of the attachment or perfection of any liens described herein or the time or order of recording the deeds of trust or declarations described herein, or the granting of or failure to give notice hereof.

Lender hereby warrants and represents to Declarant that Lender has not assigned, sold or transferred the Deed of Trust, or any interest therein, to any person or entity.

[Signatures Appear on the Following Page]

The subordination granted herein shall be continuing, irrevocable and binding on Lender and its successors and assigns.

MILLENNIUM BANK

By: [Signature]
Print Name: mark watson
Title: senior vice president

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me, Kimball R Hales, a Notary Public of said County and State, personally appeared Mark Watson, 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 Sr Vice President of MILLENNIUM BANK, the within named bargainer, and that he as such Sr. Vice President executed the foregoing instrument for the purposes therein contained, by personally signing the name of the bank by himself as Sr. Vice President.

Witness my hand and seal, at office, this 21st day of June, 2018.

[Signature]
Notary Public
My Commission Expires: 10-25-20



Exhibit "A"

(Initial Property of the Residential Community)

All that tract or parcel of land lying and being in the Second Civil District, Hamilton County, Tennessee, being more particularly described as follows: Beginning at the Northern most corner of Lot 1, Cambridge Square Subdivision, as revised in Plat Book 103, Page 21, in the Register's Office of Hamilton County, Tennessee, at the point in the original line of W.L. Hall's Subdivision, as shown by plat recorded in Plat Book 15, Page 35, in the Register's Office of Hamilton County, Tennessee; thence along the said line North 23 degrees 51 minutes 07 seconds East, a distance of 326.10 feet to a point; thence North 23 degrees 34 minutes 36 seconds East, a distance of 100.10 feet to a point; thence North 24 degrees 40 minutes 38 seconds East, a distance of 40.01 feet to a point; thence North 23 degrees 48 minutes 51 seconds East a distance of 236.59 feet to a point; thence North 23 degrees 48 minutes 51 seconds East a distance of 363.43 feet to the Northeastern corner of Moore as described in Deed Book 6959, Page 109, in the Register's Office of Hamilton County, Tennessee; thence along the Northern line of Moore, North 66 degrees 24 minutes 30 seconds West, a distance of 253.14 feet to the right-of-way (ROW) of Ooltewah Georgetown Road; thence along said road, North 24 degrees 01 minute 07 seconds East, a distance of 299.98 feet to the Western most corner of Farmer as described in Deed Book 1568, Page 282, in the Register's Office of Hamilton County, Tennessee; thence along Farmer's Southern line, South 66 degrees 24 minutes 18 seconds East, a distance of 252.10 feet to Farmer's Eastern most corner; thence South 65 degrees 32 minutes 22 seconds East a distance of 155.40 feet to a point; thence along a curve to the left having a radius of 50.00 feet, a length of 158.56 feet to a point, said curve having a chord call of South 64 degrees 41 minutes 35 seconds East, a distance of 99.99 feet; thence South 63 degrees 50 minutes 48 seconds East, a distance of 570.04 feet to a point; thence along a curve to the left having a radius of 50.00 feet, a length of 154.85 feet to a point, said curve having a chord call of South 65 degrees 07 minutes 22 seconds East, a distance of 99.98 feet; thence South 66 degrees 23 minutes 56 seconds East, a distance of 106.12 feet to the Eastern most line of Barrier Properties, LLC, as described in Deed Book 6604, Page 375, in the Register's Office of Hamilton County, Tennessee; thence along said Barrier line, South 23 degrees 36 minutes 04 seconds West a distance of 522.65 feet to a point; thence South 23 degrees 36 minutes 04 seconds West, a distance of 802.45 feet to a point; thence North 66 degrees 50 minutes 58 seconds West, a distance of 1036.42 feet to the POINT OF BEGINNING. All as shown by survey of David Mathews Surveying, dated May 20, 2015.

For avoidance of doubt, the following Lots are covered in the above legal description and, accordingly, are subject to the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community:

All those tracts or parcels of land lying and being in the Second Civil District, Hamilton County, Tennessee, being more particularly described as follows:

Lots 1 through 5 and 46 through 87 on that certain Final Plat, Residences of Cambridge Square, Planned Unit Development, as shown by plat recorded in Plat Book 108, Page 84, in the Register's Office of Hamilton County, Tennessee, as revised by that certain Revised Plat, Residences of Cambridge Square, Planned Unit Development, as shown by plat recorded in Plat Book 108, Page 145, in the Register's Office of Hamilton County, Tennessee.

Lots 6 through 13, 1A, 72A and Community Lot A on that certain Final Plat, Residences of Cambridge Square, Planned Unit Development, as shown by plat recorded in Plat Book 108, Page 195, in the Register's Office of Hamilton County, Tennessee.

Exhibit "B"
(Association Charter)

CHARTER OF

**CAMBRIDGE SQUARE RESIDENTIAL
COMMUNITY OWNERS ASSOCIATION, INC.**

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following charter for such corporation:

The name of the corporation is CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY OWNERS ASSOCIATION, INC.

The duration of the corporation is perpetual.

The address of the principal office of the corporation in the State of Tennessee shall be 9453 Bradmore Lane, Suite 201, Ooltewah, Tennessee 37363.

The corporation is not for profit. The corporation is a mutual benefit corporation.

The name and address of the incorporator of the corporation is Jimar A. Sanders, 633 Chestnut Street, Suite 1400, Chattanooga, Tennessee 37450.

The address of the registered office and the registered agent for the corporation shall be Jimar A. Sanders, 633 Chestnut Street, Suite 1400, Chattanooga, Tennessee 37450.

The purpose for which the corporation is organized is to provide an entity for the administration and operation of the residential development known as CAMBRIDGE SQUARE (hereinafter collectively called the "Property") and the individual residential units and properties that comprise the development, in accordance with the provisions of that certain Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community pertaining to said development and filed or to be filed of record in the Register's Office of

Hamilton County, Tennessee (hereinafter called the "Declaration"), and to use the funds collected thereunder to provide and pay for such services and things as the corporation shall deem necessary or advisable from time to time for the maintenance, improvement, and general benefit of said Property, including the approaches thereto and adjacent streets and rights-of-way, all to be in accordance with the provisions of said Declaration, and to do all such other acts and things that the corporation shall deem reasonable or necessary in connection with the foregoing purposes and to do all such other acts or things as may be allowable under the Declaration and applicable law, including the Tennessee Nonprofit Corporation Act, as amended from time to time.

The corporation shall have members. The members of the corporation shall be as set forth in the By-Laws and the Declaration. The membership of a member shall terminate upon the sale, transfer, or other disposition of his or its ownership interest in a Unit (including a Townhome Unit) or other Lot. Change of membership in the corporation shall be consummated by the transfer of title to a Unit (including a Townhome Unit) or Lot as set forth in the Declaration. Membership shall not terminate upon the death or termination of existence of any member. Each membership is transferable, but only to the extent set forth in the By-Laws.

Every person or entity owning a Unit of record or hereafter acquiring either the entire fee title or an undivided interest in the fee title to any Unit or Lot shall be a member of the corporation. (The foregoing is not intended to include persons or entities holding an interest in a Unit merely as security for the performance of an obligation.) Membership shall be appurtenant to the ownership of an Unit or Lot and a member's interest in the corporation cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to the ownership of an Unit or Lot.

The voting rights of members shall be as set forth in the By-Laws.

The affairs of the Association shall be managed by a Board of Directors consisting of the number of directors as shall be determined by the By-Laws. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

Notwithstanding the foregoing, BARRY PAYNE DEVELOPMENT, LLC, a Tennessee limited liability company (the "Declarant"), its successors or assigns, shall control by appointing and renewing officers and members of the Board of Directors of the Association, and in the event of vacancies, the Declarant shall fill the vacancies, until no later than the earlier of either (a) one hundred twenty (120) days after one hundred percent (100%) of the Units have been conveyed to purchasers (excluding conveyances to affiliates of Declarant) ("Termination of Control"), and subject to the provisions of the By-Laws; provided that the Declarant may, at its option, terminate its control of the Association at an earlier date.

No director elected by the members of the corporation shall receive compensation for any service rendered to the corporation. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to any of its officers, directors, or any other private individual, except that the corporation shall be authorized to pay reasonable compensation for services rendered to or for the corporation affecting one or more of its purposes, and to make payments and distributions in furtherance of the purposes set forth herein, and no officer or director of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the corporation.

On any dissolution, the corporate assets shall be distributed first to any successor not-for-profit corporation or association formed to fulfill the purposes of the Association, then to any

creditors and other parties pursuant to the provisions of Chapters 51 – 68 of Title 48 of Tennessee Code Annotated, and thereafter as permitted by T.C.A. 48-63-102.

The Board is expressly authorized to (a) take, on written consent without a meeting, any action that it could take by means of a regularly called and held meeting, provided that such written consent sets forth the action so taken and is signed by a majority of the directors; (b) adopt, amend, restate, or repeal any of the corporation's Bylaws; (c) by a vote of a majority of the entire Board, remove a member of the Board with cause.

The corporation shall be a mutual benefit corporation.

Every director or officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed on such director or officer in connection with any controversy or proceeding to which he or she may be made a party, or may become involved, by reason of being or having been a director or officer at the time such expenses or liabilities are incurred, except in cases where such director or officer is adjudged to be guilty of willful misfeasance or malfeasance in the performance of his or her duties of office; provided, that in the event of a settlement of any such controversy or proceeding, the indemnification herein shall apply only when the Board approves such settlement and any related reimbursement as being in the best interests of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which any director or officer may be entitled.

A director of the corporation shall not be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision does not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its members, (ii) for acts or omissions not in good faith or

that involve intentional misconduct or a knowing violation of law, or (iii) for a distribution to members that is unlawful. If Tennessee law is amended or modified to authorize corporate action eliminating or further limiting the personal liability of directors, the liability of a director of the corporation shall be eliminated or limited, without the necessity of further amendment of this Charter, to the fullest extent permitted by Tennessee law. Any repeal or modification of the provisions of this paragraph shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

The Association reserves the right to amend, alter, change or repeal any provision contained in the Charter in the manner now or hereafter provided by law, and all rights conferred upon officers and directors herein are granted subject to this reservation.

[SIGNATURE PAGE TO FOLLOW]

Exhibit "C"
(Association Bylaws)

BYLAWS OF
CAMBRIDGE SQUARE RESIDENTIAL
COMMUNITY OWNERS ASSOCIATION, INC.

ARTICLE I
MEMBERS

Section 1. **Identity.**

(a) These are the Bylaws of CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY OWNERS ASSOCIATION, INC. (the "Association"), a not for profit corporation, incorporated under the laws of the Tennessee Nonprofit Corporation Act.

(b) The Association has been organized for the purpose of serving as the property owners association for the residential development known as CAMBRIDGE SQUARE RESIDENTIAL COMMUNITY, in accordance with the Declaration of Covenants, Restrictions and Easements for the Cambridge Square Residential Community dated to be effective as of June __, 2018, and filed of record in the Register's Office of Hamilton County, Tennessee (as the same may be modified, amended or restated, the "Declaration"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration.

Section 2. **Members.** Every Owner shall be deemed to have a membership in the Association. "Owner" shall mean and refer to the Person or entity, including Declarant, who holds the record title to any Unit or Lot which is part of the Residential Community, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit or Lot is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be the Owner. For purposes of these Bylaws, "Member" shall mean the individual Owner or, if there are multiple persons or entities who are Owners of a Unit or Lot, the representative of such Owners.

Section 3. **Succession.** The membership of each Member shall terminate when such Member ceases to be an Owner, and upon the sale, transfer or other disposition of such Member's ownership interest in a Unit or Lot, membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

Section 4. **Regular Meetings.** The first regular annual meeting of Members (the "First Meeting"), subject to the terms hereof, shall be held on a date to be established by Declarant in the calendar year following the year in which the first Unit has been sold. Subsequent to the First Meeting, there shall be a regular annual meeting of Members within fifteen (15) days before or after each anniversary of the First Meeting. All such meetings of Members shall be held at a location in Hamilton County, Tennessee, and at such time as specified in the written notice of such meeting which shall be sent to all Members at least ten (10) days prior to the date of such meeting.

Section 5. **Special Meetings.** Special meetings of all Members may be called by the President or by a majority of the Members of the Board, or by Members having at least fifteen percent (15%) of the votes entitled to be cast at such meeting. Said special meetings shall be called by sending written notice to all Members not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

Section 6. **Voting.** No Owner, whether one (1) or more Persons, shall have more than one (1) membership vote per Unit owned, except that the Declarant shall have six (6) votes for each Lot owned by Declarant, whether such Lot has been platted or is set forth on the concept or development plan of the Residential Community. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. A Member or the Member's spouse, subject to the provisions of the Declaration and the Bylaws, may exercise the rights and privileges of membership. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of the Declaration and the Bylaws. In any situation in which more than one (1) Person holds the interest in a Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it. Voting by proxy is allowed on any matter.

Section 7. **Quorum.** Except as otherwise expressly provided in the Declaration or these Bylaws, a quorum of Members for any meeting shall be constituted by Members represented in person or by proxy and holding at least twenty-five percent (25%) of the votes entitled to be cast at such meeting.

Section 8. **Notice; Voting and Attendance by Electronic Means.** Any notice to the Members required to be sent or given by the Bylaws shall be deemed to have been sent if such notice is in writing and is delivered to each Member by hand delivery, overnight courier or other form of wire or wireless communication or if sent by U.S. Mail, postage prepaid or by e-mail, to the address provided in writing from time to time by such Member to the Association. If no address is provided, notice to the address of the Unit shall suffice. Unless limited by applicable law, and notwithstanding the foregoing, the Board of Directors may establish rules and procedures from time to time that permit notices of meetings and other matters, the delivery of proxies, and voting by electronic means; provided, however, that such rules and procedures shall in each case (a) provide reasonable safeguards to authenticate electronic means of communication; (b) permit a Member to opt out of electronic procedures by an affirmative choice, in which case the foregoing rules for delivery of notices, proxies and voting shall control with regard to such Member; (c) provide that matters on which electronic votes have been cast may not be amended, unless such amendment is also submitted for vote by electronic and other means; and (d) provide that in the event a Member is physically present at a meeting called for the purpose of voting on an item, the Member may override or withdraw any electronic vote previously cast for the item.

ARTICLE II BOARD OF DIRECTORS

Section 1. **Number, Election and Term of Office.** The Association shall be governed by a Board of Directors (the "Board") composed of no less than three (3) and no more than five (5) individuals (the "Directors" and each a "Director") appointed or elected as provided in these Bylaws. Prior to the First Meeting, the Board shall be an interim board composed of those individuals named in the Charter of this Association (the "Interim Board"). The Interim Board shall have and shall exercise all powers and obligations given to the Board by these Bylaws. At the First Meeting and at each annual meeting thereafter, Directors shall be appointed or elected as follows:

(a) Until the earlier of (i) one hundred twenty (120) days after conveyance of one hundred percent (100%) of the Units that may be created in the Residential Community to Owners other than Declarant; or (ii) the date that the Declarant voluntarily relinquishes control of the Association (the "Declarant Control Period"), the Declarant may appoint and remove the officers and members of the Board.

(b) Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the Declarant Control Period, but in that event the Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(c) Not later than one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the Units that may be created in the Residential Community to Owners other than Declarant, at least one (1) member of the Board must be elected by Owners other than Declarant.

(d) Not later than the termination of the Declarant Control Period, the Owners shall elect a Board of Directors of at least five (5) members, at least a majority of whom must be Owners. The Board shall elect the officers. The Board and officers shall take office upon election. At the initial election of Directors by Unit Owners, the terms of such Directors shall be set so that the terms of all Directors do not end on the same year.

(e) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any of the Directors with or without cause, other than a member appointed by the Declarant.

Section 2. **Term.** Each Director shall be elected by majority vote by the Membership to serve a one year term, except at the initial election two-year terms may be used in order to have staggered terms of Directors. Voting by proxy is allowed. Any Director so appointed or elected may be appointed or elected to subsequent terms as a Director; provided, however, that no Director may serve more than four (4) consecutive terms.

Section 3. **Qualification.** If a Director who is a Member shall cease to be a Member during that Director's term, he or she shall thereupon cease to be a Director and the position on the Board shall be deemed vacant.

Section 4. **Vacancies.** Any vacancy occurring in the Board shall be filled by majority vote of the remaining Directors; except that the Members shall elect a Director whose position has been vacated as the result of a removal by the Members of a sitting Director. Any Director so elected to fill a vacancy shall hold office for the remainder of the unexpired term.

Section 5. **Meetings.** A regular annual meeting of the Board shall be held not less than ten (10) days following the regular annual meeting of Members. Other meetings of the Board shall be held upon a call by the President or by a majority of the Board, or by request of not less than ten percent (10%) of the Members, on not less than forty-eight (48) hours' notice in writing to each Director, delivered by hand delivery, overnight courier, mail, e-mail, telegram or facsimile transmission or another form of wire or wireless communication. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his or her waiver of notice of said meeting.

Section 6. **Compensation.** Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted separately by the Members.

Section 7. **Quorum.** Three (3) Directors shall constitute a quorum.

Section 8. **Powers and Duties.** The Board shall have the following powers and duties:

- (a) to elect and remove the Officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Common Area, including the purchasing of casualty and liability insurance authorized by the Declaration;
- (c) to formulate policies for the administration, management and operation of the Common Area;
- (d) to adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, operation and use of the Common area;
- (e) to provide for the maintenance, repair, and replacement of the Common Area, and other expenses authorized by the Declaration and payments therefor, to approve payment vouchers or to delegate such approval to the Officers;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration,

management and operation of the Common Area and other expenses authorized by the Declaration;

(g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(h) to make architectural and other decisions as provided in the Declaration;

(i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Members their respective shares of such estimated expenses, as hereinafter provided;

(k) to exercise any other powers and duties ascribed to the Board or the Association in the Declaration;

(l) to borrow money on behalf of the Association, to enter into agreements related to such borrowing, and to pledge funds, property or Common Area as security for such indebtedness; and

(m) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Members, as expressed in a resolution duly adopted at any annual or special meeting of the Members.

Section 9. **Delegation.**

(a) Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the Officers of the Association any powers or duties which, by law, have been delegated to the Members.

(b) The powers of the Board may be delegated to any person or entity or to a managing agent of the Association by written delegation or authority.

Section 10. **Nature of Board Meetings.** Board meetings are meetings of the Board of Directors. Members do not have a right to speak or to present matters at any Board meeting; provided, however, that the Board may establish an agenda item consisting of a period for Members to present matters for the Board (an "Open Period"). Matters submitted to the Board during the Open Period shall not be discussed or acted upon by the Board at that meeting unless the Board by majority vote adds the item to the agenda for the meeting. Members shall have a right to attend Board meetings, subject to capacity and occupancy levels of the meeting venue; provided, however, that the Board shall have the right to close the meeting to the Members if the Board desires to discuss matters involving specific Members, including without limitation enforcement actions; matters potentially involving litigation; or other matters on approval of a majority of the Directors present.

ARTICLE III OFFICERS

Section 1. **Designation.** At each regular annual meeting, the Directors present at said meeting shall elect the following Officers of the Association by a majority vote:

(a) a President, who shall be a Director and who shall preside over the meetings of the Board and of the Members, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Members, and who shall, in general, perform all the duties incident to the office of Secretary;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional Officers as the Board shall see fit to elect.

Section 2. **Powers.** The respective Officers shall have the general powers usually vested in such Officers; provided that the Board may delegate any specific powers to any other Officer or impose such limitations or restrictions upon the powers of any Officer as the Board may see fit.

Section 3. **Term of Office.** Each Officer shall hold office for the term of one (1) year and until the successor shall have been appointed or elected and qualified.

Section 4. **Vacancies.** Vacancies in any office shall be filled by the Board by a majority vote of Board at a regular or special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for the remaining unexpired term. Any Officer may be removed for cause at any time by vote of three-fifths (3/5) of the total Directors at a special meeting thereof.

Section 5. **Compensation.** The Officers shall receive no compensation for their services as Officers.

ARTICLE IV ASSESSMENTS

Section 1. **Annual Budget.** The Board shall cause to be prepared, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Members, a budget covering the estimated costs of operating the Association during the coming fiscal year (the "Operating Budget"), together with a budget that shall take into account the number and nature of replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset for the coming fiscal year (the "Capital Budget"), said fiscal year to be determined by the Board. The Operating Budget and the Capital Budget shall be collectively referenced as the "Budget." The Operating Budget shall include a capital contribution establishing a reserve fund in accordance with the Capital Budget. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association as

shown on the Capital Budget, with respect both to the amount and timing of Assessments over the period of the Budget. To the extent that the assessments and other cash income collected from the Members during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account in preparing the new Budget.

Section 2. **Delivery to Members.** The Board shall cause a copy of the Budget, and the amount of each General Assessment and Special Assessment to be levied against each Unit for the following year, to be delivered to each Member at least ten (10) days prior to each annual meeting. The Board shall set Assessments based on the Operating Budget and the Capital Budget. The Budget shall become effective unless disapproved at the meeting by a majority vote of the total Association membership. In the event the Members disapprove the proposed Budget or the Board fails for any reason to determine the Budget for the succeeding year, then and until such time as a Budget shall have been determined as provided herein, the Budget in effect for the then current year shall continue for the succeeding year(s). Each Owner shall pay the assessment relating to such Owner's Units on or before the first day of each applicable period as established by the Board from time to time. Payments shall be made to the Association or as may be otherwise directed by the Board.

Section 3. **Assessments.** The Board may impose and collect Assessments as set forth in the Declaration

Section 4. **Partial Year or Month.** For the first fiscal year and thereafter until the First Board is elected, the annual budget shall be approved by the Interim Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly or quarterly or annual assessments for each Member shall be proportionate to the number of months and days in such period covered by such budget.

Section 5. **Annual Report.** Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Member a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 6. **Supplemental Budget.** In the event that during the course of any year, it shall appear to the Board that the Assessments, determined in accordance with the Budget for such year, are insufficient or inadequate to cover the estimated expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Member, and thereupon a supplemental assessment shall be made to each Member for his proportionate share of such supplemental budget.

Section 7. **Records and Statement of Account.** The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures of the Association, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

ARTICLE V
Amendments

During the Declarant Control Period, these Bylaws may be amended by the Declarant, and thereafter by an affirmative vote of at least sixty-seven percent (67%) of the Members present, in person or by proxy, at any duly called meeting to consider such amendment, subject to the limitations on amendments without the consent of the Mortgagees or Declarant under the Declaration. Any amendment shall not become effective until recorded in the Register's Office of Maury County, Tennessee.