

This instrument prepared by
and upon recording return to:

T. Chad White
Tune, Entrekin & White, PC
315 Deaderick Street, Suite 1700
Nashville, TN 37238

Karen Johnson Davidson County
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DONELSON DOWNS

This Declaration of Covenants, Conditions, and Restrictions for **Donelson Downs** (this "Declaration") is made as of the date set forth on the signature page hereof by **BMCH Tennessee, LLC**, a Delaware limited liability company ("Declarant") so that the covenants, conditions, restrictions, easements, reservations, rights-of-way, equitable servitudes, and other provisions stated in this Declaration and any amendment hereto shall run with the land and shall be binding upon the real property in **Nashville, Davidson County, Tennessee** as further described herein and upon any parcels of property subsequently annexed hereto in accordance with the provisions of this Declaration and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in such real property, their heirs, personal and legal representatives, successors, and assigns.

Recitals

WHEREAS, Declarant owns certain real estate in Nashville, Davidson County, Tennessee ("Development Property"), as more particularly shown and described on **Exhibit A** attached hereto, and desires to subdivide, develop and plat the Development Property into single family residential lots; and

WHEREAS, Declarant may annex additional areas and/or purchase additional property adjacent to the Development Property and add same to the Development Property as future phases of the proposed development thereon (the "Future Phase Property") and subject the Future Phase Property to this Declaration; and

WHEREAS, Declarant desires to provide for the protection and preservation of the values, desirability, and character of the Development Property; and

WHEREAS, Declarant desires to provide a system of administration, operation and maintenance of the Development Property; and

WHEREAS, Declarant desires to establish for its own benefit and for the benefit of all current and future Owners and Occupants of the Development Property or any portion thereof, certain rights, privileges and easements in, over and upon the Development Property, and to this end, desires to subject the Development Property to certain mutually beneficial covenants, restrictions, obligations, easements, charges and liens for the purpose of enhancing and protecting the value, desirability, and attractiveness as well as

the proper use, conduct, and maintenance of the Development Property or any part thereof.

Declaration

NOW, THEREFORE, for the purposes set forth herein above Declarant, as legal title holder of the Development Property, declares as follows:

Article I DEFINITIONS

The terms in this Declaration and the attached exhibits and other Governing Documents shall generally be given their commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1. **Administrative Functions.** "Administrative Functions" shall mean and refer to all functions of, for, and on behalf of the Association that are necessary or proper under this Declaration, including, without limitation: (a) providing management and administration of the Association; (b) providing development review, control, and approval functions; (c) incurring reasonable attorneys' fees and accountants' fees; (d) obtaining insurance and bonds; (e) paying real estate, personal property, or other taxes levied against the Development Property; (f) incurring filing fees, recording costs, and bookkeeping fees; (g) obtaining and maintaining offices and office furniture and equipment; and (h) performing all other reasonable and ordinary administrative tasks associated with the operation of the Association.

2. **Appointment Period.** "Appointment Period" shall mean and refer to the period of time commencing as of the date of the recordation of this Declaration and continuing until the earlier of: (a) the date one hundred percent (100%) of the Lots have been conveyed to Owners; or (b) any such earlier date as Declarant, in its sole discretion, elects to terminate the Appointment Period by written notice to the Association of such termination or as otherwise required by applicable law.

3. **Assessment.** "Assessment" shall mean and refer to: (a) Common Assessments, (b) Working Capital Fund Assessments, (c) Special Assessments, (d) Supplemental Assessments, and (e) Reimbursement Assessments, all of which are further defined herein. Assessment shall include all costs and reasonable attorney's fees incurred in the enforcement thereof and shall additionally include interest thereon.

4. **Assessment Year.** "Assessment Year" shall mean and refer to the calendar year or such other period of twelve consecutive calendar months selected by the Board for the levying, determining, or assessing of the annual Assessments under this Declaration.

5. **Association.** "Association" shall mean and refer to the Donelson Downs Owners Association, Inc., a Tennessee non-profit corporation, its successors and assigns. Each Owner shall be a Member of the Association.

6. **Board.** "Board" shall mean and refer to the body, regardless of name, designated in the Declaration to act on behalf of the Association.

7. **Budget.** "Budget" shall mean and refer to a written, reasonably itemized estimate of the expenses to be incurred by the Association in the performance of its functions under this Declaration. A Budget will be prepared each Assessment Year prior to the commencement thereof as further provided herein.

8. **Builder.** "Builder" shall mean and refer to any Person who is in the business of constructing single family residences and who acquires any Lot within the Development Property for the purpose of constructing homes upon any Lot for sale to a third party customer of the Builder.

9. **By-Laws.** "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as **Exhibit B** and made a part hereof, as same may be amended from time to time.

10. **Common Area.** "Common Area" shall mean and refer to any and all property and/or facilities on or within the Development Property owned by and/or reserved for maintenance by the Association and such other property as shall become the responsibility of the Association through easements or otherwise, including all open space, walking trails, entrances, pool / pool house and related amenities, rights-of-way, sign easements, landscape easements, recreational areas, maintenance facilities, and surface water detention facilities or other bodies of water, as shown on any current and future Plat. All Common Areas shall be maintained and landscaped by the Association and shall be reserved for the non-exclusive use, benefit, and enjoyment of the Owners and their family members, invitees, agents, and servants, subject to the conditions, restrictions, and limitations imposed by this Declaration.

11. **Declarant.** "Declarant" shall mean and refer to BMCH Tennessee, LLC, a Delaware limited liability company, its successors and assigns, provided such successors and assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein. Declarant may and shall have the right to assign all or a portion of its rights, powers, easements, and privileges under this Declaration, as further set forth and reserved to Declarant. In the event of a partial assignment, the assignee shall not be deemed the Declarant but may and shall have the right to exercise such rights, powers, easements, and privileges of the Declarant specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

12. **Declaration.** "Declaration" shall mean and refer to this Declaration of Protective Covenants, Conditions and Restrictions for Donelson Downs applicable to the

Development Property and all subsections thereof and recorded in the Register's Office for Davidson County, Tennessee, as may be amended from time to time.

13. **Delinquency Interest Rate.** "Delinquency Interest Rate" shall mean and refer to an annual interest rate established by the Board; provided, however, in no event shall the Delinquency Interest Rate exceed the maximum contract rate of interest allowed to be charged under applicable law, as amended from time to time.

14. **Development Property.** "Development Property" shall mean and refer to the real property shown and further described on **Exhibit A** attached hereto and made a part hereof.

15. **Governing Documents.** "Governing Documents" shall collectively mean and refer to this Declaration and any applicable Supplemental Declaration, the By-Laws, the Articles of Incorporation, any architectural or design standards as provided for herein, and any use Rules and Regulations, as may be adopted, amended, or supplemented from time to time.

16. **Improvement.** "Improvement" shall mean and refer to any infrastructure, building, building addition, outbuilding, garage, barn, running shed, detached structure, landscaping, fence, wall, swimming pool, recreational facility, driveway, parking area, walkway, satellite dish, mailbox, utility service, or such other improvement or structure constructed or located upon all or any portion of the Development Property. It is intended that the definition of "Improvement" be broad in scope and is intended to encompass any man-made alteration of the condition of any portion of the Development Property.

17. **Lot.** "Lot" shall mean and refer to any plot of land within the Development Property permitted to be used for single family residential purposes and so designated on the Plat by a Lot number.

18. **Member.** "Member" shall mean and refer to any Person(s) that shall be an Owner of a Lot.

19. **Mortgage.** "Mortgage" shall mean and refer to any a first priority mortgage encumbering a Lot held by a Mortgagee.

20. **Mortgagee.** "Mortgagee" shall mean and refer to any bank, mortgage banker, savings and loan association or other financial institution, which is in the business of making mortgages to customers and which is the record holder of a recorded first priority Mortgage encumbering one or more Lots or property within the Development Property, which is not affiliated with the Owner and which has given written notice of its Mortgage to the Association.

21. **Occupant.** "Occupant" shall mean and refer to any Person in possession of a Lot, regardless of whether said Person is an Owner.

22. **Owner.** "Owner" shall mean and refer to the Person(s) whose estates or interests, individually, or collectively, aggregate fee simple ownership of a Lot. "Owner" shall not mean the Mortgagee or beneficiary of a recorded Mortgage or deed of trust who holds a lien solely for security purposes and does not have possession of the Lot.

23. **Person.** "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust, or other legal entity capable of holding title to real property. The use of the masculine pronoun shall include neuter and feminine references as applicable, and use of the singular shall include the plural where the context so requires.

24. **Plans.** "Plans" shall mean and refer to the detailed plans prepared for construction of any Improvement on or within the Development Property, which shall comply with the architectural control provisions, if any, of this Declaration.

25. **Plat.** "Plat" shall mean and refer to the plat(s) to be recorded in the Register's Office for Davidson County, Tennessee subdividing the Development Property into Lots and reflecting thereon the private streets, common areas, utility easements, and other matters normally shown on subdivision plats.

26. **Record and/or Recording.** "Record" and/or "Recording" shall mean and refer to the recording of an instrument in the Register's Office for Davidson County, Tennessee.

27. **Rules and Regulations.** "Rules and Regulations" shall mean and refer to the rules and regulations concerning the use of the Lots or the Common Areas, as adopted by the Board in accordance with this Declaration and By-Laws from time to time.

28. **Supplemental Declaration.** "Supplemental Declaration" shall mean and refer to any amendment to the Declaration whereby Declarant submits additional property to the terms of the Declaration or otherwise amends the Declaration as provided herein.

29. **Vote.** "Vote" shall mean and refer to the vote in the affairs of the Association to which each Member is entitled, as further set forth herein.

Article II

PROPERTY SUBJECT TO DECLARATION

1. **Property Subject to Declaration.** Declarant, for itself and its heirs, legal and personal representatives, successors, and assigns, hereby declares that the property located in Davidson County, Tennessee, as is more particularly described and shown on **Exhibit A** attached hereto and made a part hereof, together with any Future Phase Property, shall be owned, held, transferred, leased, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Declaration. The covenants and restrictions contained herein constitute covenants running with the land

and shall be binding upon and shall inure to the benefit of all parties now owning or hereafter having or acquiring any right, title, or interest in any Lot within the Development Property or any portion thereof. Every Person hereafter acquiring such property, by acceptance of a deed thereto, shall accept such interest subject to the terms and conditions of this Declaration and the Governing Documents, and by acceptance of same shall be deemed to have consented to and be bound by the terms, conditions, and covenants of this Declaration and the Governing Documents.

2. **Purpose of Declaration.** This Declaration is executed: (a) in furtherance of a common and general plan for the Development Property and for those other parcels of land which may hereafter become part of the Development Property; (b) to protect and enhance the quality, value, desirability, and attractiveness of all land which is or becomes part of the Development Property; (c) to establish an Association to hold, maintain, care for, and manage the Development Property and to perform functions for the benefit of owners thereof; (d) to define the duties, powers, and rights of the Association; and (e) to define certain duties, powers, and rights of Owners within the Development Property.

3. **Acceptance of Development.** By the acceptance of a deed to any Lot within the Development Property, or any portion thereof, such purchaser shall be deemed to have accepted and approved the entire plans for the Development Property and all Improvements constructed thereon by that date including, without limitation, the utilities, drains, roads, landscaping, fences, entrance, decorative masonry, and all other infrastructure and improvements of Donelson Downs. **All such Development Property and all Improvements constructed thereon shall be accepted by the Association and each Owner "AS IS" without any representation or warranty, express or implied, in fact or by law, with respect thereto, and without any representations or warranties regarding future repairs or regarding the condition, construction, accuracy, completeness, design, adequacy of the size or capacity in relation to the utilization, date of completion, or the future economic performance or operations of, or the materials which have been or will be used in such property or repairs.**

Article III MEMBERSHIP AND VOTING RIGHTS

1. **Owners Association.** There has been formed an Association having the name "Donelson Downs Owners Association, Inc.," a Tennessee non-profit corporation, which shall be the governing body for all Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation, and care of the Development Property, as provided in this Declaration and the Governing Documents. The Articles of Incorporation for the Association are attached hereto as **Exhibit C**. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of the Owners in accordance with the provisions of this Declaration and Governing Documents.

2. **Board.** The affairs of the Association shall be managed by the Board, which shall consist of no fewer than three (3) nor more than seven (7) Directors. The Board shall be elected and serve in accordance with the provisions of the By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Declaration as **Exhibit B** and made a part hereof. The fiscal year of the Association shall be determined by the Board, as may be changed from time to time by the Board. Except as to matters set forth herein as requiring a Vote of the Owners, the Board shall have full authority to make all decisions and take any and all actions on behalf of the Association. During the Appointment Period, the Declarant shall determine the number of Directors, and Declarant shall have the right to appoint all of such Directors, who shall serve at the pleasure of the Declarant.

a. By resolution, the Board may delegate portions of its authority to an executive committee or to other committees, tribunals, or officers of the Association or to agents and employees thereof, but such delegation of authority shall not relieve the Board of the ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board or any duly authorized executive committee, officer, agent, or employee without a Vote of Owners, except as otherwise specifically provided in this Declaration.

b. The election of the Board by the Owners shall be those Persons receiving the highest number of Votes with each Owner allowed one (1) Vote per Lot owned for as many candidates as are there are Directors being elected at a meeting of the Owners for such purpose at which a quorum is present.

3. **Membership.** Each Owner of a Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot. An Owner's membership in the Association shall automatically terminate when such Person ceases to be an Owner. Upon the conveyance or transfer of an Owner's ownership interest to a new Owner, the new Owner shall succeed simultaneously to the former Owner's membership in the Association.

4. **Voting.** The voting rights of the Members shall be appurtenant to their ownership of a Lot. Each Member shall be entitled to cast a single vote for each Lot owned by such Member. When two or more Persons hold an interest (other than a leasehold or security interest) in a Lot, all such Persons shall be Members; but the Vote attributable to such Lot shall be exercised by one of such Persons as proxy and nominee for all such Members, and in no event shall more than one (1) Member be entitled to cast the Vote attributable to such Lot. Furthermore, neither the Declarant nor any other Person dealing with the Development Property shall have any duty to inquire as to the authorization of the Member casting the Vote for a Lot, but shall be entitled to rely upon the evidence of a Vote by such Person as conclusive evidence of such Member's authority to cast the Vote for such Lot.

5. **Effect of Delinquency.** Any Member, who is delinquent in the payment of any Assessment or other charge duly levied by the Association against a Lot owned by the Member, shall not be entitled to Vote until all such Assessments and charges, together with reasonable penalties, interest, and costs of collection, as the Board may impose or incur, have been paid to the Association. In addition, the Board may suspend the right of such Member to use the Common Areas or any other facilities or services that the Association may provide until such delinquency is cured. The forgoing rights of the Board shall be in addition to all other rights set forth herein or available at law or in equity with respect to a failure to pay Assessments.

6. **Manner of Voting.** Except as specifically provided elsewhere herein, the Board shall have the authority to regulate the procedural rules governing Votes by the Members, the acceptance of proxies from Members, the validity of voice votes, ballot votes, or other manners of Voting and any regulation of the solicitation of Votes or proxies.

7. **Binding Determination.** In the event of any dispute or disagreement between any Owners relating to the Development Property, the use, right to use, or maintenance of any Common Area, or any other questions of interpretation or application of the provisions of this Declaration or the Governing Documents, the determination thereof by the Declarant during the Appointment Period and thereafter the Board shall be final and binding on each and all Owners.

Article IV **RIGHTS AND OBLIGATIONS OF THE ASSOCIATION**

1. **General Powers and Duties.** The Association have been formed to further the common interests of the Owners. The Association, acting through the Board or through persons to whom the Board has delegated any authorized powers of the Board, shall have the duties and powers hereinafter set forth and, in general, the powers to perform its duties described in this Declaration, and subject to any limitation set forth herein, the powers to do anything that may be necessary or desirable to further the common interests of the Owners, to maintain, improve, and enhance the attractiveness and desirability of the Development Property or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a Vote of the membership.

2. **Assessments.** The Association shall levy and collect Assessments and other duly levied charges as elsewhere provided in this Declaration.

3. **Taxes.** The Association shall pay all ad valorem taxes and governmental assessments levied upon the Development Property to which the Association holds fee simple title and all taxes and assessments payable by the Association. Nevertheless, the Association shall have the right to contest in good faith any such taxes or assessments.

4. **Borrowed Money.** The Association shall have the power to borrow money but not the power to encumber Development Property as security for such borrowing, except upon an affirmative majority Vote of the Owner's present at a meeting of the Members at which a quorum is present.

5. **Property and Facilities Transferred by Declarant.** The Association shall accept title to any property, including any Improvements thereon and personal property, transferred to the Association by Declarant, together with the responsibility to perform any and all Administrative Functions associated therewith, provided that such property and Administrative Functions are not inconsistent with the provisions contained in this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests, and licenses for use.

6. **Property Acquisition and Improvement Construction.** Other than property received from Declarant, the Association may acquire property or interests in property for the common benefits of Owners, including Improvements and personal property. The Association may construct Improvements on property and may repair, maintain, remodel, and demolish existing Improvements upon property.

7. **Development Property Use Regulation.** The Association shall have the power to regulate the use of Development Property by Owners, their family members, guests, agent, servants, or invitees to further and enhance the overall rights of use and enjoyment of all Owners, including imposing reasonable limits on the times of use and numbers of Persons permitted to use Development Property.

8. **Public Use.** The Association, acting through the Board, shall have the right to allow members of the general public to use Development Property.

9. **Public Dedication.** The Association shall have the power to grant, convey, dedicate, or transfer any Development Property or facilities to any public or governmental agency or authority for public use.

10. **Common Area Reconveyance.** Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Development Property originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines or accommodate changes in the development plan.

11. **Property Management and Care.** The Association shall manage, operate, care for, maintain, and repair all Development Property and keep them in a reasonable condition for the use and enjoyment of the Owners. The Association shall have a reasonable right of entry upon all Development Property and any portion thereof to make emergency repairs and to do other work reasonably necessary under this Declaration or under any applicable Supplemental Declaration for the proper performance of its duties hereunder and the proper maintenance and operation of the Development Property. In addition, the Association shall have the power to require that all Owners to manage,

operate, care for, maintain, and repair their respective property and Improvements thereon and to keep them in an attractive and desirable condition and to otherwise enforce the provisions of this Declaration against all Owners.

a. *Managing Agent.* The Declarant during the Appointment Period and thereafter the Board shall have the authority to engage the services of an agent ("Managing Agent") to undertake any of the management duties and Administrative Functions for the efficient operation of the Development Property, or any part thereof, to the extent deemed advisable by the Declarant during the Appointment Period and thereafter the Board and to manage the affairs of the Association. The Managing Agent shall be required to have fidelity bond coverage on its employees handling Association funds, and the cost of such services shall be incurred by the Association.

b. *Employees, Agents, and Consultants.* The Association shall have the power to hire and discharge employees and agents and to retain and pay for accounting, legal, and other services as may be necessary or desirable in connection with performance of any duties or exercise of any powers of the Association.

c. *Common Areas.* The Association shall maintain and keep in good repair the Common Areas, which may include, but need not be limited to: (i) the Common Area, as further show on any current or future Plat, including, but not limited to, open space, all landscaping and other flora, natural formations, signage, lighting, irrigation systems and equipment, fences, parks, walls and structures and improvements upon same; (ii) landscaping and any irrigation provided to such landscaping, signage, and sidewalks within public rights-of-way within or adjacent to the Development Property, except to the extent that such responsibility is assumed by a governmental or quasi-governmental body or public utility; (iii) any lakes, ponds, streams, and/or wetlands located within the Development Property and all drainage systems, storm water retention, or detention systems for the Development Property; (iv) all Development Property entry features and the expenses for landscaping and irrigation, if any, provided to such entry features, regardless of whether said entry features are located on a Lot, Common Area or public right-of-way; (v) all private Development Property streets, alleys and sidewalks (if any); and (vi) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice.

d. *Exclusive Waste Services Provider.* The Declarant during the Appointment Period and thereafter the Board shall have the authority to engage the services of an "Exclusive Waste Services Provider" for garbage, recycling, and any other waste or debris collection and disposal. The cost of such services shall be a Common Assessment incurred by the Association.

e. *Exclusive Landscaper.* The Declarant during the Appointment Period and thereafter the Board shall have the authority to engage the services of one exclusive landscaping company ("Exclusive Landscaper") for all routine landscaping maintenance needs of the Development Property, such as lawn mowing, mulching, hedging and limb / leaf removal. All costs incurred in connection with the services furnished by the Exclusive Landscaper shall be a Common Assessment

12. **Limitation on Liability.** The Association, the Board, any other committee established by the Board, the Declarant, and any member of the Board or any committee, officer, agent, or employee of any of them (collectively the "Indemnitees") shall not be liable to any Person for any mistake of judgment, whether negligent or otherwise, or for any action or any failure to act under this Declaration, any Supplemental Declaration or the Governing Documents. In addition, the Indemnitees shall have no personal liability with respect to any contract or other commitment made by them, on behalf of the Association (except to the extent that such Indemnitees may also be Owners); and the Association, as an Administrative Function, shall indemnify, hold harmless and defend Indemnitees from any and all expense, loss, or liability to others on account of any such contract or commitment. In addition, Indemnitees shall be indemnified and held harmless by the Association, as an Administrative Function, from any expense, loss, or liability to others by reason of having served in such capacity, against all expenses, losses, and liabilities, including court costs and reasonable attorney's fees incurred by or imposed upon such Person in connection with any proceeding to which he may be a party or may have become involved by reason of holding such position, whether or not he holds such position at the time such expenses are incurred, except in cases in which the expenses, losses, and liabilities arise from a proceeding in which such Person is adjudicated guilty of willful misfeasance, gross negligence, or bad faith in the performance of his duties and for which indemnification is prohibited by law under the Tennessee Not For Profit Corporation Act. In the event of a settlement of any such proceedings, the indemnification provided hereby shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. Any right of indemnification provided in this Paragraph shall not be exclusive of any other rights to which an Indemnitee may be entitled.

13. **Insurance.** The Board shall have the authority to obtain such insurance as it deems reasonably desirable or necessary, in such amounts, from such sources and in such forms as it deems desirable. Insurance obtained by or through the Declarant shall satisfy all insurance responsibilities of the Board. The Board may (but shall not be required to) require of those performing any maintenance, repair, or other work on the Development Property for which the Association is responsible, such liability or other insurance, including workmen's compensation, as it deems reasonably necessary or desirable given the nature, circumstances, and amount of the work to be performed. Insurance obtained by or through the Declarant shall satisfy all insurance responsibilities of the Board.

a. *Casualty Insurance.* To the extent deemed desirable by the Board, the Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, casualty, fire, and extended coverage insurance with respect to all Common Areas, Improvements and personal property owned by the Association.

b. *Liability Insurance.* To the extent deemed desirable by the Board, the Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, broad form comprehensive liability insurance covering public liability for bodily injury and property damage.

c. *Fidelity Coverage.* To the extent reasonably obtainable, the Association may obtain and keep in full force and effect at all times a fidelity policy or bond providing fidelity coverage against dishonest acts on the part of the Managing Agent, directors, officers, employees, and volunteers of the Association responsible for handling funds collected and held for the benefit of the Owners or otherwise belonging to or administered by the Association.

d. *Coverage Sufficiency and Deductibles.* The Association shall periodically review the sufficiency of insurance coverage. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon written request, to any Member. The policies may contain a reasonable deductible. In the event of an insured loss of the Association, the deductible shall be treated as part of the Common Assessments. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may levy an Assessment of the full amount of such deductible against such Owner(s) and their Lots, as applicable. The Board is authorized to obtain the insurance policies and coverage(s) specified in this Declaration through the Declarant and reimburse the Declarant for the cost thereof.

e. *Policy Requirements.* All insurance coverage obtained by the Board shall: (i) be written with a company authorized to do business in the State of Tennessee, which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate; (ii) be written in the name of the Association as trustee for the Owners, who shall be insured under such policy to the extent of the Owners' interest; (iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees, individually; (iv) contain an inflation guard endorsement; and (v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

f. *Additional Requirements.* In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide: (i) a waiver of subrogation as to any claims against the

Association's Board, officers, employees, and its manager, and the Owners and their tenants, servants, agents, and guests; (ii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; (iii) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; (iv) a cross liability provision; and (v) a provision vesting in the Board exclusive authority to adjust losses.

g. *General Provisions.* Insurance obtained by the Association may contain such deductible provisions as good business practice may dictate. Insurance obtained by the Association shall, to the extent reasonably possible without undue cost, contain a waiver of rights of subrogation as against the Association and each Owner as against any officer, director, agent, or employee of any of the foregoing. To the extent reasonably possible, and provided Declarant reimburses the Association for any additional premium payable on account thereof, insurance obtained by the Association shall name Declarant and any Managing Agent as an additional insured and contain a waiver of rights of subrogation as against Declarant, the Managing Agent, and any officer, director, agent, or employee of Declarant or Managing Agent. Casualty, fire, and extended coverage insurance may be provided under blanket policies covering the Development Property and/or property of Declarant. Each Owner hereby irrevocably appoints the Association as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: (i) the collection and appropriate disposition of the proceeds thereof; (ii) the negotiation of losses and execution of release of liability; (iii) the execution of all documents; and (iv) the performance of all other acts necessary to accomplish such purpose.

h. *Premiums.* The premiums for insurance procured pursuant to this Declaration shall be a Common Assessment.

14. **Easements.** The Association shall have the power to grant permits and licenses, as well as easements for access, utilities, drainage, water facilities, and other matters, in, on, over, across, or under Development Property and any Common Areas, as may be reasonably necessary or useful for the proper maintenance of the Development Property or otherwise benefit the Association.

a. *Public and Private Utilities.* Easements for installation and maintenance of public and private utilities and drainage facilities are reserved as shown on any Plat concerning Development Property and as otherwise shown by public records. A blanket, perpetual, and non-exclusive easement in, upon, over, across, and through the Common Areas is hereby reserved for the purpose of the installation, maintenance, repair, service, and replacement of all sewer, water, power, telephone, cable television systems, pipes, mains, conduits, poles, or transformers as well as any and all other equipment or machinery necessary or

incidental to the proper functioning of any utilities systems servicing the Development Property, which easement shall be for the benefit of the Declarant, the Association, and any governmental agency, utility company, or other entity (public or private) which requires same for the purpose of furnishing one or more of the foregoing services.

b. *Declarant.* During the Appointment Period, an easement is reserved to Declarant in, over, under, across, and through the Common Areas in order to maintain such facilities and perform such operations as in the sole discretion of Declarant may be reasonably required, convenient, or incidental to construction and maintenance of Improvements of any kind, including, without limitation, a business or sales office(s), storage area(s), construction yards and signs.

c. *Association.* A blanket, perpetual, and non-exclusive easement of unobstructed ingress and egress in, over, under, across, and through the Common Areas is hereby reserved to the Association, the Board, Managing Agent or their respective agents or employees for the purpose of maintaining, repairing, and replacing the Common Areas or any equipment, facilities, or fixtures affecting or servicing same as well as to remedy any violations of the provisions of this Declaration or any Governing Documents; provided that requests for entry upon any Lot are made in advance and that any such entry is at a time reasonably convenient to the Owner. In the case of an emergency or the Owner's uncooperative or untimely response to such request, the right of entry shall be immediate, whether the Owner is present at the time or not.

d. *Construction and Sale Easement.* Notwithstanding any provision contained in this Declaration or the Governing Documents, until the termination of the Appointment Period and thereafter so long as Declarant owns any property in the Development Property for development or sale, Declarant reserves an easement across the Development Property for Declarant and any builder or developer approved by Declarant to maintain and carry on development activities, upon such portion of the Development Property as Declarant may deem desirable or necessary. This reserved easement shall include an easement for such facilities and activities which, in the sole opinion of Declarant, may be required, convenient or incidental to the development, construction and sales activities related to property within or near the Development Property. This easement shall include, without limitation: (i) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, or in any portion of the Development Property as well as any Lot therein; (ii) the right to tie into any portion of the Development Property with driveways, parking areas and walkways; (iii) the right to tie into or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services; (iv) the right (but not the obligation) to construct recreational facilities on Common Area; (v) the right to carry on sales and promotional activities in the Development Property; (vi) the right to place direction and marketing signs on any portion of the Development Property, including any Lot or Common Area;

(vii) the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices incidental to the construction, development and sales activities; and (viii) Declarant and any such builder or developer may use residences, offices, or other building owned or leased by Declarant or such builder or developer as model residences and sales offices, and may also use recreational facilities available for use by the Development Property as a sales office or for marketing purposes without charge. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and reasonable steps shall be taken to protect such property from damage. Any damage shall be repaired by the Person causing the damage at its sole expense.

e. *Association Maintenance, Safety and Security.* The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons, to perform maintenance as further set forth herein, and to inspect for the purpose of ensuring compliance with the Governing Documents. Such right may be exercised by any member of the Board, the Association's officers, agents, employees, and managers, and all police officers, firefighters, ambulance personnel and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board.

f. *Declarant 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 Development Property, including any Lot, and a perpetual, nonexclusive easement of access throughout the Development Property to the extent reasonably necessary to exercise such right. Except in an emergency (as used herein an emergency involves the threat of serious bodily injury or significant damage to property), 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.

g. *Federal, State and Local Entity.* An easement is hereby established for the benefit of any applicable federal, state, or local entity over all portions of the Development Property for the setting, removing, and reading of water meters; for maintaining and replacing water, sewage, and drainage facilities; for police protection, fire-fighting, and garbage collection; and rendering of such other services as are appropriate and necessary for the use and enjoyment of the Development Property.

h. *Fence Easement.* Declarant during the Appointment Period and thereafter the Board reserves an easement across any Lot which borders upon or contains a portion of any pond, lake, dam, water facility, detention pond or retention pond for the purpose of access to such facility or pond, and for the purpose of erecting any fence which is either required by the subdivision development and construction plans or governmental regulation, rule, ordinance or plan approval requirement.

15. **Condemnation.** If any Common Area or interest therein are taken under exercise of the power of eminent domain or by purchase under threat thereof, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any other Person with an interest in such property. The Association, by and through the Board, shall have the exclusive right to participate in such condemnation proceedings as they pertain to the Common Areas and to represent the interests of all Owners in such proceedings. Each Owner hereby irrevocably appoints the Association and any such duly appointed trustee as such Owner's attorney-in-fact for such purposes. All condemnation compensation, damages, or other proceeds received by the Association shall be held by the Association as determined by the Board, as a reserve for future maintenance, repair, reconstruction, or replacement of Development Property, or may be used for improvements or additions to, or operation of, Development Property; provided, however, if an allocation of such condemnation compensation damages or other proceeds is already established in negotiation, judicial decree, or otherwise, then in allocating such condemnation compensation, damages, or other proceeds the Association shall employ such allocation.

16. **Rules and Regulations.** The Association, acting through the Board, or other appointed committee, may from time to time adopt, amend, repeal, and enforce Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration or any Supplemental Declaration, the operation of the Association and the use and enjoyment of Development Property. Any such Rules and Regulations shall be uniformly applied, but the applicability of a particular rule to a particular situation shall be in the sole discretion of the Board. Each Owner shall comply with such Rules and Regulations. In the event of any conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

17. **Enforcement.** The Association, acting through the Board, shall have the power to enforce the provisions of this Declaration, any Supplemental Declaration, and the Governing Documents and shall take such action as the Board deems necessary or desirable to cause such compliance by each Owner by any one or more of the following means: (a) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration, any Supplemental Declaration or the Governing Documents, by mandatory injunction or otherwise; (b) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration, any Supplemental Declaration, or the Governing Documents and for all expenses incurred in connection therewith, including reasonable

attorney's fees; (c) by levying and collecting reasonable and uniformly applied fines and penalties established for breach of this Declaration, any Supplemental Declaration, or the Governing Documents; (d) by taking such action as reasonably necessary to bring a Lot and any Improvements thereon into compliance with this Declaration, any Supplemental Declaration, or the Governing Documents, the costs of which shall be at the Owner's sole expense; (e) by suspending the right to vote and/or the right to use and enjoy the recreational facilities; and (f) by exercising any remedy for nonpayment of Assessments as provided herein. The Association shall have a lien on any Lot and any Improvement thereon to secure payment of the amounts described in this Paragraph, and such lien may be enforced in the same manner and with the same priority as that of a lien for Assessments as provided herein. The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and local governments may enforce their ordinances within the Development Property.

18. **No Waiver.** The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or estop the Association from enforcing any other covenant, restriction or rule. The failure by the Declarant or the Board to enforce any covenant, restriction or Rule and Regulation provided in or by this Declaration, Supplemental Declaration or Governing Documents shall in no event be deemed a waiver of the right to do so thereafter.

19. **Safety and Security.** Each Owner and occupant of a Lot and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property within the Development Property. The Association may, but shall not be obligated to, maintain or support certain activities within the Development Property designed to enhance the level of safety or security which each Person provides for himself or herself and his or her property. Neither the Association, the Declarant nor their officers, agents, members or employees shall in any way be considered insurers or guarantors of safety or security within the Development Property, nor shall any of the foregoing be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. The obligation to provide security lies with each Owner individually. **No representation or warranty is made that any security system or measures, including any mechanism or system for limiting access to the Development Property, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its guests, invitees, tenants and all occupants of a Lot that the Association, their Board of Directors and committees, and the Declarant are not insurers or guarantors of safety or security and that each Person within the Development Property assumes all risks of personal injury and loss or damage to**

property, including Lots and Improvements thereon and the contents upon Lots, resulting from acts of third parties.

20. **General Corporate Powers.** The Association shall have all of the ordinary powers and rights of a Tennessee nonprofit corporation, including without limitation, the power and right to enter into partnerships and other agreements, subject only to such limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation for the Association or the By-Laws. The Association shall also have the power to do any and all lawful things which may be authorized, required, or permitted to be done under this Declaration, under any Supplemental Declaration, or under the Governing Documents, and to do and perform any and all acts which may be necessary or desirable for or incidental to, the exercise of any of the express powers or rights of the Association under this Declaration, under any Supplemental Declaration, or under the Governing Documents.

Article V

DEVELOPMENT PROPERTY MAINTENANCE

1. **General Owner Use and Enjoyment Rights.** Except as may be provided in this Declaration, Supplemental Declaration or the Governing Documents, every Owner shall have a right and easement of enjoyment in and to the Development Property, which shall be appurtenant to and shall pass with the title to each Lot, subject to applicable law, the provisions contained in this Declaration, any Supplemental Declaration, and the Governing Documents.

2. **No Partition.** No Owner shall have the right to partition or seek partition of the Development Property or any part thereof.

3. **Owner Liability for Damage.** Each Owner and any tenant, occupant, family member, guest, agent, servant, or invitee thereof shall be liable to the Association for any damage to the Development Property or for any expense or liability incurred by either Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Owner or tenant, occupant, family member, guest, agent, servant, or invitee of such Owner and for any violation by such Owner or tenant, occupant, family member, guest, agent, servant, or invitee of this Declaration, any Supplemental Declaration, or the Governing Documents. The Board shall have the power, as elsewhere provided in this Declaration to levy and collect Reimbursement Assessments against an Owner to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Declaration or Governing Documents, or for any increased insurance premiums directly attributable to any such damage or any such violation.

4. **Damage, Destruction, or Required Improvements.** In the event of damage to Common Areas by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement of any Development Property, the Association shall have the duty to repair, reconstruct, or replace the same.

Any insurance proceeds payable by reason of damage or destruction of Development Property by fire or other casualty shall be paid to the Association and shall be used and disbursed as provided herein. If funds from insurance proceeds or available reserves are insufficient to pay all costs of repair, reconstruction, or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, replacements, or Improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement, or Improvement, levy a Special Assessment as provided herein, or if an Owner or group of Owners is liable or responsible for such damage, levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, to provide the additional funds necessary as elsewhere provided in this Declaration. Repair, reconstruction, or replacement of Development Property shall be done under such contracting and bidding procedures as the Board shall reasonably determine are appropriate.

5. **Lot Damage, Destruction, or Maintenance.** In the event of damage or destruction to any Improvement on a Lot, the respective Owner thereof agrees as follows:

a. In the event of total destruction, the Owner shall promptly clear the Lot of debris and leave same in a neat and orderly condition. To the extent the Owner desires to reconstruct the Improvement, any such reconstruction shall be accomplished in conformity with the Plans and specifications of the original structure so destroyed, subject to any changes or modifications as approved by the Board or the ARC (defined below).

b. In the case of partial damage or destruction, the Owner shall promptly clear the Lot of debris and cause the damage or destruction to be repaired and restored in a first-class condition in accordance with the Plans and specifications of the original structure. Any change or alteration must be approved by the ARC. In no event, shall any damaged structure be left unrepaired and unrestored in excess of ninety (90) days.

c. If the correction of a maintenance or repair problem incurred on one Lot necessitates construction work or access on another Lot, the Owner shall have an easement on the property of the other Owner for the purpose of this construction. The Lot Owner performing said construction or repairs shall be responsible for the cost of restoration on any such Lot necessitated by the use of the easement thereon.

6. **Title to Association Properties upon Dissolution.** In the event of the dissolution of the Association, the Development Property shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies, or to a non-profit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for purposes similar to those for which the Development Property was held by the Association. To the extent the foregoing is not possible, the Development Property and the proceeds from the sale or disposition shall be distributed equally to the Owners.

Article VI
DECLARANT'S RIGHTS AND RESERVATIONS

1. **Applicability and Term.** Declarant shall have and hereby retains and reserves certain rights set forth in this Declaration with respect to the Association and the Development Property. Declarant's rights and reservations set forth herein shall be deemed excepted and reserved in each recorded Supplemental Declaration, in each conveyance of property by Declarant to the Association, and in each deed or other instrument by which any property within the Development Property is conveyed, whether or not specifically stated therein. The rights, reservations, and easements of Declarant set forth in this Declaration during the Appointment Period may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment hereto, including any amendment of this Article. Declarant's consent to any such amendment shall not be construed as consent to any other or subsequent amendment. In the event of any conflict between the rights reserved to Declarant hereunder and any other provisions of this Declaration, then Declarant's rights shall control. In the event of Declarant default of its development loan or other financing related to the development of the Development Property that results in the transfer of ownership of the Development Property or portion thereof to the lender, then all of Declarant's rights, duties, obligations, liabilities and any other responsibility set forth in this Declaration shall automatically be transferred and assigned to such lender and thereafter to the Person acquiring the Development Property or portion thereof from the lender.

2. **Additional Improvements.** Declarant shall have and hereby reserves the right, at any time and from time to time, but shall not have the obligation, to construct additional Improvements on Development Property which are for the betterment and enhancement thereof and for the benefit of the Association and the Owners. Declarant will convey or transfer such Improvements to the Association, which shall be obligated to accept title to, care for, and maintain the same as elsewhere provided herein.

3. **Conveyance of Additional Property.** Declarant shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and Improvements thereon to the Association at any time and from time to time in accordance with this Declaration, and the Association shall be obligated to accept title to, care for, and maintain the same as elsewhere provided herein.

4. **Promotion and Marketing.** Declarant shall have and hereby reserves the right to use the Development Property in connection with development, construction, promotion, marketing, sale and leasing of properties within the Development Property, by erecting and maintaining on any part of the Development Property such signs as Declarant, in its sole discretion, may deem desirable, necessary, or proper in connection with the development, construction, promotion, marketing, sale and leasing of parcels of real property within the Development Property, and by permitting prospective purchasers of any of such parcels who are not Owners to enter upon Development Property.

5. **Easements.** Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements and rights-of-way for access, utilities, water, drainage, and other purposes incident to development, construction, or sale within the Development Property as may be located in, under and across Development Property, provided that such easements and rights-of-way that are located within the Development Property do not unreasonably interfere with the rights of Owners.

Article VII **ASSESSMENTS**

1. **Covenant to Pay and Commencement.** Each Owner by acceptance of a deed to his Lot, whether or not it shall be so expressed in such deed, is thereby deemed to covenant and agree to pay to the Association: (a) Common Assessments, (b) Working Capital Fund Assessments; (c) Special Assessments, (d) Supplemental Assessments, (e) Reimbursement Assessments, and (f) fines or charges which may be imposed against such Lot in accordance with the provisions of this Declaration. An Owner's obligation to pay Assessments and any other duly levied charge shall commence on the first day of the first month following the transfer or conveyance to a Person other than the Declarant. Assessments for the then current Assessment Year shall be prorated on the basis of the number of months remaining in such Assessment Year.

2. **Common Assessment.** The Board shall have the power and authority to levy a "Common Assessment" to fund the annual or other periodic costs of operating the Association, including expenses incurred in connection with any Administrative Function and other expenses duly incurred by or on behalf of the Association which are to be paid by each Owner to the Association. Expenses which may be duly incurred on behalf of the Association in connection with the performance of Administrative Functions include, without limitation, the following:

a. Expenses of maintenance, operation, repair, replacement, and security of the Common Area, including, without limitation, costs of labor, equipment, and materials incurred in connection therewith.

b. Utility charges for utilities serving the Common Areas and for the lighting of streets throughout the Common Areas, as well as charges for other common services for the Development Property.

c. Expenses related to sprinkler systems, supplemental trash disposal, recycling collection, seasonal decorative lighting, and other seasonal landscaping.

d. Principal, interest, and other charges payable with respect to: (i) loans to the Association to provide funds to perform any Administrative Function or to pay any other obligation of the Association, including, without limitation, loans financing the construction of Improvements for the Development Property and (ii) loans from Declarant made to the Association to fund Association expenses prior

to the time when Common Assessments payable by Owners other than Declarant are sufficient to fund the normal operating expenses of the Association.

e. Other expenses as may be determined from time to time by the Board to be incurred necessarily or appropriately for the performance of Administrative Functions, including, without limitation, taxes, insurance premiums, utility charges, and government charges not separately assessed against Lots.

f. The establishment and maintenance of a reasonable reserve fund or funds for: (i) maintenance, repair, and replacement of those portions of the Development Property and Improvements thereon that are the responsibility of the Association and that must be maintained, repaired, or replaced on a periodic basis; and (ii) to cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board.

3. **Common Assessment Calculation.** Prior to commencement of each Assessment Year, the Board shall fix the amount of the Common Assessment by preparing a Budget for the Administrative Functions to be provided by the Association in the coming Assessment Year. The proposed Budget is to show the categories of expenses and the anticipated amounts of expenses for which Common Assessments are determined by the Board to be necessary or desirable, and shall reflect any expected income and estimated sources and amounts thereof of the Association for such Assessment Year, as well as any expected surplus from the prior Assessment Year. At the office of the Association or its agent, copies of the proposed Budget and the Budget for the current Assessment Year will be made available by the Association to any Person requesting a copy thereof upon payment of the reasonable expense of copying same. The Board shall allocate the Common Assessment equally among the Lots.

4. **Assessment Notice.** Notice of any Assessment set forth herein shall be sent by prepaid U.S. Mail, FedEx, UPS, or other reputable private carrier, facsimile transmission, or electronic transmission at the address or other contact information provided to the Board by the Owner for notices provided herein or in the event no separate address or other contact information has been provided, then by prepaid U.S. Mail or hand delivery to the Owner's Lot. Such notice shall state the type of Assessment being levied, the amount to be paid, payment frequency (annual, quarterly, monthly, or as otherwise set by the Board), and the payment due date(s), as well as any other required information. Notices will be given to Owners in a reasonable period of time prior to the payment or first installment due date.

5. **Delinquent Payment.** All Assessments or other duly levied charge or fine under this Declaration shall be due and payable on date set forth in the notice related thereto. Any Assessment or any portion thereof not paid when due shall be deemed delinquent. Any Assessment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as may be determined by the Board from time to time

and shall bear interest from the date due at 10% per annum until paid, but in no event shall the interest charged be in excess of the Delinquency Interest Rate.

6. **Failure to Establish Common Assessments.** The failure by the Board to levy Common Assessments for any Assessment Year shall not be deemed a waiver or modification of any provision of this Declaration or a release of liability of any Owner to pay Common Assessments, or installment thereof, for that or any subsequent Assessment Year. In the event of such failure, the amount of the Common Assessment for that Assessment Year shall be, until subsequently modified by the Board, the same as for the most recent year for which Common Assessments shall have been levied.

7. **Exempt Property.** Development Property or any portion thereof that is dedicated to and accepted by a local public authority, that is granted to or used by a utility company, or is designated as part of the Common Areas shall be exempt from Assessments.

8. **Working Capital Fund Assessment.** Each Owner of a Lot shall pay a "Working Capital Fund Assessment" in the amount of one year's Common Assessment or \$300, whichever is greater, to the Association at the closing of the sale of a Lot. The Working Capital Fund Assessment will apply to the first sale of a Lot and to every subsequent sale of such Lot. The Working Capital Fund Assessment shall not be considered as advance payment of any Assessment or other duly levied charge. The amount of the Working Capital Fund Assessment may be increased in the discretion of the Board. The Working Capital Fund Assessment shall be held and disbursed for the following purposes in the order of priority:

a. To fund costs of maintenance of the Common Areas and the Administrative Functions of the Association that cannot be funded by Assessments.

b. To reimburse the Declarant for all amounts loaned or otherwise expended by Declarant to the Association to fund any operating deficits.

c. To assure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board.

9. **Transfer Fee.** Each Owner of a home shall pay a "Transfer Fee" in the amount of \$500 per home to the Managing Agent of the Association at the closing of the sale of a home. The Transfer Fee will not apply to the Builder sale of a home but apply to every subsequent sale of such home. The Transfer Fee shall not be considered as advance payment of any Assessment or other duly levied charge.

10. **Special Assessments.** The Board may levy one or more Assessments to be known as "Special Assessments" for the purpose of raising funds, not provided by Common Assessments to: (a) construct or reconstruct, repair, remodel, replace, or

maintain Improvements upon Development Property, including necessary personal property related thereto, and to pay ad valorem taxes and insurance on Development Property; (b) add to the Development Property; (c) provide for necessary facilities and equipment to offer the services authorized in this Declaration; (d) repay any loan made to the Association to enable it to perform any duty or function authorized in this Declaration; or (e) pay for any other cost or expense as determined by the Board. The amount of Special Assessment to be paid by each Owner shall be calculated in the same manner as Common Assessments and may be made payable in installments over a period that may extend beyond the Assessment Year in which the resolution was adopted. In addition to the other information required to be set forth in Assessment notices, a Special Assessment notice shall state the purpose of the Special Assessment.

11. **Supplemental Assessments.** In any Assessment Year, if the Board determines that the important and essential functions of the Association may not be fully funded by the Common Assessment received or receivable for that Assessment Year, the Board may levy one or more Assessments to be known as "Supplemental Assessments," applicable to that year only, by resolution authorizing same. The amount of Supplemental Assessment to be paid by each Owner shall be calculated in the same manner as Common Assessments and may be made payable in installments over a period that may extend beyond the Assessment Year in which the resolution was adopted. In addition to the other information required to be set forth in Assessment notices, a Supplemental Assessment notice shall state the amount of the deficit and the reasons therefor.

12. **Reimbursement Assessment.** Subject to the provisions hereof, the Board may levy an Assessment, known as a "Reimbursement Assessment" against any Owner(s) to reimburse the Association for any loss sustained by reason of the willful or negligent failure of such Owner(s) to comply with this Declaration, any Supplemental Declaration the Governing Documents, which resulted in the expenditure of funds by the Association to remedy a problem or to cause such compliance. In addition to the other information required to be set forth in Assessment notices, a Reimbursement Assessment notice shall state the reason(s) therefor.

13. **Developer Responsibility.** Until the termination of the Appointment Period, the Declarant shall not be liable for payment of assessments on its unsold Lots. However, Declarant may, but shall not be obligated to, elect to contribute to the Association the difference between the amount of Assessments levied on all other Lots subject to assessment and the amount of the Association's actual expenditures during the fiscal year (a "Subsidy"). Any Subsidy may be treated, in Declarant's discretion, as either: (a) voluntary contribution; (b) an advance against future Assessments (if any); or (c) a loan by Declarant to the Association. A Subsidy may be evidenced by one or more promissory notes from the Association in favor of Declarant or Declarant may cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Development Property. Any Subsidy shall be disclosed as a line item in the Budget. The payment of a Subsidy in any year shall under no circumstances obligate Declarant to continue payment of such

Subsidy in future years. In the event Declarant expends any of its own funds for Administrative Functions, Declarant shall be entitled to reimbursement from the Association or a credit for such sums against any Assessment that Declarant might be required to pay by virtue of being an Owner. Declarant will not be obligated to pay any operating fund deficiencies that are due to non-payment of Assessments by Owners other than Declarant, and nothing contained in this Paragraph shall be deemed to relieve or release any Owner from the obligation of that Owner to pay Assessments. The decision of Declarant to fund any deficit provided for herein may be satisfied in the form of a cash substitute or by "in kind" contribution of materials and substances or a combination thereof. All "in kind" contributions of services and materials shall be valued at the reasonable market value of such service or materials.

14. Enforcement: Liens and Personal Obligation. In order to secure payment of Assessments, fines, or other duly levied charges assessed against any Lot within the Development Property pursuant to this Declaration as same become due, there shall arise a continuing lien and equitable charge ("Assessment Lien") in favor of the Association for all such sums, together with court costs, reasonable attorney's fees, late charges, any other collection costs, and interest thereon as provided herein (collectively, "Non-compliance Damages"). If any Assessment, fine, or other duly levied charge remains unpaid for sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect Noncompliance Damages, foreclose its Assessment Lien, or both. The Assessment Lien shall be in favor of the Association and each Owner, by acceptance of a deed to a Lot vests in the Association, or its agents, the right and power to sue or otherwise proceed against such Owner for the collection of Noncompliance Damages and/or to foreclose the Association's Assessment Lien. The Association shall have the power to bid on the Lot at any such foreclosure sale and to acquire, hold, lease, mortgage, and convey same except that the amount the Association may bid at any such sale may not exceed the total amount owed to the Association by the delinquent Owner. The Noncompliance Damages shall also be the personal obligation of the Person who was the Owner at the time the Assessment, fine, or other duly levied charge became due. Such personal obligation shall not pass to successors in title unless expressly assumed by them. Any sale or transfer described herein shall not relieve such Lot from liability for any Assessments accruing after such sale or transfer.

15. Priority of Assessment Lien. The Assessment Lien described in the preceding Paragraph shall be superior to all other liens and encumbrances on such Lot except for: (a) liens of ad valorem taxes; and (b) a lien for all sums unpaid on a first Mortgage, on any secondary purchase money Mortgage, or on any Mortgage to Declarant, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument; provided, however, that the subordination of the Assessment Lien to the foregoing Mortgages shall apply only to Assessments that shall have become due and payable prior to a sale or transfer of such Lot pursuant to a foreclosure. Further, notwithstanding the foregoing, any Mortgage held by a party related to, affiliated with, or controlled by the Owner of the Lot on which such Mortgage exists shall not be entitled to such priority unless such Mortgagee obtains the written agreement of the Association that it will be entitled to such priority before making

such Mortgage. All Persons acquiring other liens or encumbrances on any Lot after the recording of this Declaration shall be deemed to consent that such liens or encumbrances shall be inferior to such future equitable charges and liens for Assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

16. **No Offsets.** All Assessments shall be payable in the amounts specified in the notice related thereto, and no offsets or reductions thereof shall be permitted for any reason, including, without limitation, any claim of non-use of Development Property or Improvements thereon or any claim that the Association, the Board, or any committee of the Board is not properly exercising its duties and powers under this Declaration.

17. **Estoppel Certificate.** Upon the payment of such reasonable fee as may be determined from time to time by the Board and upon the written request of any Owner or any Mortgagee or Person intending to acquire any right, title, or interest in the Lot of such Owner, the Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and owing to the Association and then unpaid with respect to such Lot and/or the Owner thereof, as well as the amount of any Assessment levied against such Lot, which is not yet due and payable. Such statement shall, with respect to the Person to whom it is issued, be conclusive against the Association to establish that no greater or other amounts were then due or accrued and unpaid and that no other Assessments were then levied and unpaid against such Lot.

18. **Records of Assessments.** The Association shall cause to be maintained in the office of the Association or their Managing Agent a record of all Owners, their Lot(s), and the Assessments, fines, and/or other duly levied charges applicable thereto that shall be open to inspection by any Owner.

Article VIII **ANNEXATION AND WITHDRAWAL OF PROPERTY**

1. **Annexation by Declarant.** From time to time during the Appointment Period, Declarant may unilaterally add to the Development Property additional real property adjacent to the Development Property and subject same to the Development Property as Future Phase Property. Declarant may transfer or assign this right to annex property, provided that such transfer is memorialized in a written, recorded instrument executed by Declarant. Nothing in this Declaration shall be construed to require Declarant to annex or develop any additional property in any manner whatsoever.

2. **Annexation by Members – Post Appointment Period.** Following the termination of the Appointment Period, the Members may annex additional real property adjacent to the Development Property and subject same to the Development Property as Future Phase Property, upon the affirmative Vote of Members representing at least two-thirds (2/3) of the total collective Votes in the Association present in person or by proxy at a meeting duly called for such purpose.

3. **Manner of Annexation.** Any parcel of real property to become part of the Development Property and to be made subject to this Declaration ("Future Phase Property") shall be effective upon Recording of a Supplemental Declaration that meets the following requirements: each Supplemental Declaration shall (a) be executed by the then Owner(s) of the Future Phase Property described therein; (b) contain an adequate legal description of the Future Phase Property; (c) contain a reference to this Declaration stating its Recording book and page or instrument number; and (d) contain a statement that the Future Phase Property is declared to be part of the Development Property under this Declaration and that the Future Phase Property shall be subject to this Declaration.

4. **Withdrawal Annexed Property by Declarant.** Annexed Property or any portion thereof for which a Supplemental Declaration has been recorded may be withdrawn by the Declarant from the Development Property, from this Declaration, and/or from such Supplemental Declaration related thereto. The withdrawal of such Annexed Property or portion thereof may be accomplished by Declarant's execution and Recording of a written notice of such withdrawal ("Notice of Withdrawal").

Article IX

IMPROVEMENTS AND ARCHITECTURAL STANDARDS

1. **General.** No structure shall be placed, erected or installed upon any Lot and no Improvements (including staking, clearing, other site work, exterior alteration of existing improvements, painting or modifying fences, and planting or removal of landscaping materials) shall take place except in compliance with this Article and approval by the appropriate entity. Notwithstanding the foregoing, the Board may, by resolution, exempt certain activities from the application and approval requirements of this Article provided such activities are undertaken in strict compliance with the requirements of such resolution. Any Owner may remodel, paint, or redecorate the interior of structures on his Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. This Article shall not apply to the activities of Declarant or the Association.

2. **Designation of Committee.** The Association may have an Architectural Review Committee ("ARC"), which shall consist of up to five (5) members. During the Appointment Period, the Declarant shall appoint the members of the ARC, who shall be subject to removal at any time by Declarant. Declarant in its sole discretion, may alone constitute the ARC and until the ARC is so appointed, all references herein to the ARC shall mean the Declarant. After the termination of the Appointment Period, the members of the ARC shall be appointed and shall be subject to removal at any time by the Board. After the termination of the Appointment Period, the Board alone may constitute the ARC and until the ARC is so appointed, all references herein to the ARC following the termination of the Appointment Period shall mean the Board. The ARC shall designate

an individual as its secretary, and all communications with the ARC shall be conducted through the secretary.

3. **Function of ARC.** No Improvement shall be erected, constructed, placed, maintained, or permitted to remain on any portion of the Development Property until the Plans and specifications therefor showing the nature, shape, height, materials, color, location, and any other information required by the ARC have been submitted to and approved in writing by the ARC. The ARC shall determine in its sole discretion whether or not the proposed Improvement, and all features thereof, is consistent with the overall development scheme for the Development Property and otherwise compatible with other Improvements constructed in the Development Property. The ARC shall be the sole judge and arbiter of such consistency and compatibility. As a prerequisite to consideration for such approval, and prior to commencement of proposed work, the Owner, Builder, or any agent thereof shall make the necessary submissions as required by the ARC, together with the applicable fee(s), if any, to be charged by the ARC to defray its costs incurred in considering and acting upon any proposed Plans that may require changes for approval, including costs incurred for an architect's review of the proposed Plans, if necessary. The ARC may refuse approval of any Plans that in its sole judgment are inconsistent with the overall purpose and aesthetic values of the Development Property or the architectural standards described herein and in the Design Guidelines, if any. The ARC shall be the sole arbiter of submitted Plans and may withhold its approval for any reason, including purely aesthetic reasons. The ARC has the authority to waive the requirements set forth in this Article or any portion thereof, as well as to pre-approve Plans and specifications for Builders constructing Improvements upon multiple Lots.

4. **Design Guidelines.** The ARC may, in its discretion, promulgate Design Guidelines specifying acceptable architectural styles, permissible materials, and acceptable locations for the construction of all Improvements within the Development Property. All Plans for Improvements must be consistent with such Design Guidelines, which may be amended from time to time by the Declarant during the Appointment Period and thereafter the Board. Copies of the current Design Guidelines, if any, may be purchased at a reasonable cost.

5. **Submission of Plans.** Any Owner, Builder, or any agent thereof desiring to construct an Improvement upon any Lot shall first have detailed Plans prepared for such Improvement, which shall be prepared by a licensed architect or approved home designer acceptable to the ARC. The scaled Plans to be submitted for ARC review are to include the following: (a) plot plan, survey or copy of the recorded plat showing the dimensions of the Lot, the proposed location of all Improvements to be placed upon the Lot, including but not limited to any detached structures such as sheds, garages, swimming pools, pool houses, guest houses, walls and/or fences; and the relationship of all such Improvements to the front, rear, and side property lines; (b) elevation drawings of the front, sides, and rear of any new structure included within the Improvements, together with all exterior color selections / schemes and building materials to be used; (c) a landscaping plan, including all driveways, sidewalks, and terraces; and (d) such other information as may be necessary or otherwise requested by the ARC.

6. **Approval of Plans.** The ARC will certify its approval or disapproval of the Plans in writing within thirty (30) days of the ARC's acknowledged receipt of the Plans, specifications, review fee, and/or other requested information and/or materials. In its sole and uncontrolled discretion, the ARC may grant or withhold its approval of the Plans. By the purchase of property in the Development Property, every Owner shall be conclusively presumed to have consented to the exercise of discretion by the ARC. The ARC's approval of Plans for any Improvement shall be effective for a period of six (6) months only; and if construction of the proposed Improvements shall not have commenced within that time period, the approval shall no longer be valid. In the event written approval is not received within thirty (30) days after the Plans, specifications, review fee, and all requested additional information have been submitted and acknowledged as received by the ARC, then the request for approval shall be deemed DENIED.

7. **Limited Effect of Plan Approval.** The approval by the ARC of an Owner's Plans for the construction of an Improvement is not intended to be an approval of the structural stability, integrity, or design of a completed Improvement, the safety of any component therein, or the compliance thereof with the regulatory requirements or any federal, state, or local law, regulation, or ordinance. This approval by the ARC is required solely for the purpose of insuring compliance with the covenants contained herein and further to insure the harmonious and orderly architectural and aesthetic development and improvement of the Development Property. Notice is hereby given to any future Owner and/or occupant of any completed Improvement and all invitees and other persons who may from time to time enter or go on or about such completed Improvement that no permission or approval granted by the ARC, the Declarant, or the Association with respect to the construction of any Improvement pursuant to this Declaration shall constitute or be construed as an approval of the structural stability, integrity, or design of a completed Improvement, the safety of any component therein or the compliance thereof with the regulatory requirements or any federal, state, or local law, regulation, or ordinance. As such, no liability shall accrue to the Declarant, the ARC, or to the Association in the event that any such construction shall subsequently prove to be defective or not in compliance with such requirements.

Article X

IMPROVEMENT RESTRICTIONS

1. **General.** The construction or installation of Improvements upon Development Property shall comply with Notes on any Plat, as may be amended from time to time; shall comply with all requirements set forth on the overall development plan for the Development Property, if any and as may be amended from time to time; and shall comply with all other applicable laws, ordinances, and regulations of governmental agencies (federal, state and local). In addition, the following provisions shall govern the construction and installation of all Improvements upon the single family residential Lots within the Development Property.

2. **Lot Combination and Re-subdivision.** If one or more contiguous Lots are owned by the same Owner, they may be combined subject to compliance with applicable subdivision laws and regulations upon consent of Declarant during the Appointment Period and thereafter the Board for the purpose of placing approved Improvements thereon. Once combined, however, they shall retain their status as individual Lots for purposes of Voting and Assessments. No Lot shall be re-subdivided in order to create additional building sites except by Declarant, unless such re-subdivision is first approved by the applicable governing authority and the Board. Declarant shall have the right, but not the obligation, to re-subdivide Lots by recorded plat or in any other lawful manner, and such lots, as re-platted, shall be subject to this Declaration as if such Lots were originally included herein as Lots. Any such re-plat must comply with pertinent re-platting ordinances, statutes, regulations, and requirements.

3. **Mailboxes.** The ARC shall have the power to designate a specific, uniform type of mailbox for the Development Property or any subsection thereof. In the event that the specific, uniform mailbox required herein is not reasonably available, the ARC shall select the replacement mailbox to be used.

4. **Solar Panels.** The type, size, and location of any solar panels shall be shown on Plans related to such Improvement and shall be subject to approval of the ARC, in its sole discretion.

5. **Driveways and Sidewalks.** The ARC shall approve the location, construction, design, and types of materials for all driveways and sidewalks. Except as otherwise approved by the ARC, all driveways shall be finished with a hard surface of an approved material that is compatible with the Improvements located on the Lot and the overall Development Property. At the time of the construction of the dwelling, every Owner shall be responsible for the installation of the portions of the sidewalk across the Owner's Lot. In the event the dwelling is not constructed on the Lot, the Owner shall install the sidewalk by the earlier of twelve (12) months following the conveyance of the Lot or thirty (30) days after the installation of the final topping of asphalt on the street fronting such Lot. In the event the Owner fails to timely install the sidewalk as provided in this Paragraph, the Association may cause the sidewalk to be installed, and the cost thereof shall be a lien against the Lot to secure the repayment of such amounts. Such lien may be enforced in the same manner and with the same priority that the lien for Assessments may be enforced.

6. **Curb Cuts and Damage.** Any Owner or Builder who makes a curb cut or damages any Common Area shall be responsible for repairing same at his sole expense and at the direction and to the satisfaction of Declarant during the Appointment Period and thereafter the Board. Any such Owner or Builder shall reimburse Declarant or the Association for the cost of any such repairs, if Declarant or the Board repairs the damages.

7. **Fencing, Walls, and Hedges.** Location, style, type, and materials of fencing, walls, and/or hedges must be approved by the ARC. No fence nor wall shall be

shall be erected or maintained nearer to the front lot line than the rear of the dwelling, and for corner lots, not nearer to the lot line facing the more minor side street than the side the dwelling. Hedges, shrubbery or evergreens may be located nearer to the lots lines than fencing and walls, but their location must be approved by the ARC. No fence, wall, or hedge shall be allowed in any drainage easements that may exist on a Lot. No fence, wall or hedge shall be more than six (6) feet in height, unless otherwise approved. Chain link and wire fences are specifically prohibited.

8. **Landscaping.** Landscaping of each Lot shall be completed per the plans approved by the ARC within thirty (30) days of the final completion of the construction of the Improvements on the Lot and shall include all grading, planting of trees or other shrubbery and sodding of the remainder of the Lot not otherwise landscaped. Developer during the Development Period and thereafter the Board shall in its sole discretion extend or postpone the 30-day period for completion of landscaping to allow for weather conditions or other special considerations.

9. **Yards.** Lots are to be landscaped and maintained in an attractive manner that is compatible with neighboring Lots and respectful of views and privacy of adjacent Owners. Flowers, hedges, shrubs, trees, and other vegetation may be planted without ARC approval; however, Owners shall replace in a diligent manner any vegetation on their Lot that should die.

10. **Grading and Drainage.** No Owner shall excavate earth from any Lot for any business purpose, except for the construction of the approved Improvements thereon, and no elevation changes will be permitted that could materially affect the surface grade of the Lot without the consent of the ARC, which must also approve the nature, manner, and methods of the earthwork. Drainage of each Lot shall conform to the general drainage plans for the Development Property. No storm water drain, roof down-spout, or ground water shall be introduced into the sanitary sewage system.

11. **Swimming Pools.** Outdoor swimming pools, therapy pools, and spas for the use of Owners and their guests may be constructed on Lots so long as: (a) they are below ground level and of a permanent nature; (b) the location complies with the minimum setback requirements shown on the Plat; (c) all applicable laws, ordinances, rules and regulations of governmental agencies are satisfied and all necessary governmental permits are obtained by the Owner at his expense; (d) such pools and spas are completely fenced in a manner approved by the ARC; (e) the ARC has approved the design and location that shall be in the rear yard only; and (f) construction is not commenced until after the commencement of the construction of the dwelling.

12. **Hot Tubs.** Hot tubs, Jacuzzis, or spas for the use of Owners and their guests may be constructed on Lots so long as: (a) they are of a permanent nature and are below ground level or are incorporated into other improvements such as decking, gazebo, or otherwise and approved by the ARC; (b) the location complies with the minimum setback requirements shown on the Plat; (c) all applicable laws, ordinances, rules, and regulations of governmental agencies are satisfied and all necessary

governmental permits are obtained by the Owner at his expense; (d) such spas are completely fenced in a manner approved by the ARC; (e) the ARC has approved the design and location that shall be in the rear yard only; and (f) construction is not commenced until after the commencement of the construction of the dwelling.

13. **View Impairment.** Neither Declarant nor the Association guarantee or represent that any view over and across the Lots, or any open space or Common Area within the Development Property will be preserved without impairment. Neither the Declarant, the ARC, nor the Association shall have any obligation to relocate, prune, or thin trees or perform other landscaping. The Association (with respect to any Common Area) will have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

14. **Compliance and Penalty.** Failure to comply with any provision of this Article, Declarant during the Appointment Period and thereafter the Board may take such action as necessary to achieve compliance therewith, including, without limitation, assessment of fines or corrective action to bring such violation into compliance. The Owner shall, upon demand, immediately pay the fine and/or reimburse Declarant or other performing party for all costs incurred, including reasonable attorney's fees. Declarant and thereafter the Association shall have a lien on the Lot and Improvements thereon to secure payment of fines and/or reimbursement for such costs. Such lien may be enforced in the same manner and with the same priority as a lien for Assessments.

Article XI **USE RESTRICTIONS**

1. **General.** The following use restrictions apply to all Lots and Improvements constructed thereon within the Development Property.

2. **Residential Use.** No Lot shall be used for any purpose other than private, single family residential purposes and purposes incidental and necessary thereto. The foregoing restriction shall not, however, be construed in such a manner as to prohibit an Owner from: (a) keeping his personal business or professional records or accounts; or (b) handling his personal business or professional calls or correspondence from his Lot. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restriction. Home businesses which are expressly prohibited by statute or municipal code are also expressly prohibited under this Declaration. Further, the foregoing restriction shall not preclude real estate sales offices and construction trailers from being maintained on Lots by or on behalf of Declarant for purposes of construction, development, and sale of same.

3. **Occupancy Permit.** No dwelling upon any Lot may be occupied prior to the issuance of a final use and occupancy permit related to same by the applicable governing authority and approval of the ARC.

4. **Lease.** No dwelling, or interest therein, shall be leased by an Owner except by a written lease. No lease shall be for a term of less than one (1) year. No Owner may lease less than the whole of a dwelling; and no Owner shall be permitted to lease more than one dwelling within the Development Property at any given time. The Lessee under such lease shall be bound by and subject to all of the terms, conditions, restrictions, rights, and obligations of this Declaration and the Governing Documents, which shall be expressly provided in the lease. Upon request by the Board, the Owner of a Lot shall deliver to the Board within ten (10) days a copy of the lease for the Lot. Failure to comply with this Declaration shall be a default under such lease. The Association or its Managing Agent shall be entitled to establish and maintain a Lease Registration Program and to change fees for the operation of same. This restriction shall not be deemed to prohibit Mortgagee who takes title to a Lot pursuant to the terms of its security instrument from leasing same for a limited time until the Mortgagee can find a buyer for the Lot.

5. **Yards and Landscaping.** Lawns shall be maintained in a neat and orderly fashion so that the grass does not become overgrown. In the event an Owner fails to maintain his lawn as provided in this Paragraph after five (5) days written notice to do so, the Board shall have the right to complete the lawn maintenance and the cost thereof shall be a lien against the Lot to secure the repayment of such amounts. Such lien may be enforced in the same manner and with the same priority that the lien for Assessments may be enforced. Yard art and water features shall not be permitted in the front yard or otherwise visible from any street.

6. **Clotheslines and Lighting.** No clotheslines, clothes hanging devices, or the like upon any Lot shall be permitted. Outside lights at eaves and door entrances, flood lights, and spot lights shall be permitted; provided, however, these lights must be adjusted so that the rays of any beam or floodlight shall not interfere with neighboring Lots. Exterior flashing lights or spot/flood lights on the exterior that shine on or into adjacent Lots shall be prohibited. Any walkway, driveway, or landscape lighting shall be of low intensity. Seasonal decorative lighting shall be permitted only during the holiday season. Any lighting inconsistent with these restriction must be approved by Declarant during Appointment Period and thereafter the Board.

7. **Screening of Mechanical and Storage Areas.** Excepting the initial construction period, any and all equipment, air conditioner condensers, garbage cans, woodpiles, or storage piles on any Lot, whether temporary or permanent, shall be screened to conceal same from the view of neighboring Lots, streets, or Common Area with the Plans for any screening, fences, and/or landscaping being approved by the ARC.

8. **Outside Recreation Equipment.** All playground and recreational equipment (e.g. swings, slides, trampolines, playhouses, basketball hoops / backboards) must be used, erected, placed, or maintained to the rear of the Lot and adequately screened from view from the street. The Board shall have the authority to govern the location, any required screening, materials, and types of various recreational equipment.

9. **Antennae and Flags.** No transmitting or receiving equipment (antennas, dishes, etc.) in excess of eighteen (18) inches in diameter (or such larger size as shall be expressly authorized by the regulations of the Federal Communications Commission) for radio, television, or communications may be located on the exterior of any Improvement or on the Lot without the approval of the ARC as to location and screening, if necessary. In no event, may such equipment be in the front of any Lot or be visible from the roads. No flag poles or flag mounting structure or devise may be located on a Lot without the approval of the ARC as to location and size.

10. **Temporary Structures.** No trailer, camper, garage, tent, shack, barn, shed, carport, or other outbuilding shall be erected, moved onto, stored or used on any Lot as a residence, temporarily or permanently, nor shall any residence of a temporary character be permitted. Any detached structure must be located in the rear yard and approved by the ARC.

11. **Detention Pond.** Any detention pond or detention area, which encroaches on or lies wholly or partially within any Lot shall not be filled, disturbed, or altered in any way by the Owner. The visible areas of these detention ponds or detention areas will be maintained and mowed within the boundaries of same as shown on the Plat. A perpetual easement is reserved to Declarant or any successor, assignee, or appointee of Declarant and/or the Board across any Lot to repair or maintain such areas.

12. **Garage / Yard Sales.** Garage sales or any other similar private or public sale of goods, personal property, or services shall not be allowed except for Association sponsored sales to be authorized by the Board and held only on specified days and at specified times on a community wide basis and in accordance with any Rules and Regulations to be established by the Board in connection therewith.

13. **Garbage Disposal.** Trash, garbage, or other waste shall be kept in sanitary containers and shall be disposed of in a clean and sanitary manner. All equipment for storage or disposal of such materials shall be kept in a clean, orderly, and sanitary condition and shall be kept inside the garage or other designated area serving each Lot. No garbage cans, trash containers, recycling containers, nor any other such trash receptacles shall be permitted in public view except for a twenty-four (24) hour period surrounding the designated date and time for trash pickup as set by the provider of said services.

14. **Vehicle Storage.** No mobile home, bus, camper, boat, trailer, truck, or vehicles having a load capacity in excess of one ton may be parked or stored on any street or in public view on or within the residential areas of the Development Property, except for vehicles and equipment necessary for and being used in the development, construction, repair, or service of same. No commercial trucks, vans, or trailers shall be parked in the streets other than during active service calls to Lots within the Development Property.

15. **Vehicle Service.** Junk vehicles, inoperable vehicles, unlicensed vehicles not for immediate use, or vehicles of any kind in disrepair, may not be kept or parked on any street or in public view within the Development Property. Vehicles may not be assembled or serviced unless completely hidden from public view. For purposes of this Paragraph, "serviced" shall not be deemed to include the cleaning, washing, or polishing of a vehicle; the changing of oil, lubricants, anti-freeze, or other fluids; nor the replacing of air, oil, or other filters used in the vehicle ("Routine Care Items"). Any repairs or other work on a vehicle beyond the scope of the Routine Care Items must be performed in the garage and completely hidden from public view.

16. **Parking and Entertainment.** All Owners shall park their vehicles first, to the extent possible, in the garage for that Lot, if applicable and then in the driveway. Owners shall take all steps necessary to keep garage doors closed except for such limited and reasonable periods of time which may be necessary for access and/or repair. Vehicles may not be parked on grass or yard areas, except when entertaining. No Owner shall permit any vehicle (operable or inoperable) owned by such Owner or by any person occupying his Improvements or by any guest or invitee of such Owner to remain parked on any street within the residential areas of the Development Property for a period of more than seventy-two (72) consecutive hours. Any vehicle which remains parked on the street in violation of the foregoing covenant, or in violation of any other rules and regulations now or hereafter adopted by the Board, may be towed at the expense of the owner of such vehicle or the Owner of the Lot visited by such vehicle owner. Neither the Declarant, the Association, nor the Board shall be liable to the owner of such vehicle for trespass, conversion, or otherwise, nor be guilty of any criminal act by reason of such towing. Neither the removal nor the failure of the owner of such vehicle to receive any notice of said violation shall be grounds for relief of any kind. The term "vehicle" as used herein shall include, without limitation, golf carts, motorhomes, buses, watercraft, trailers, motorcycles, scooters, trucks, all-terrain vehicles, campers, and automobiles.

17. **Livestock, Poultry, and Pets.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided they are not kept, bred, or maintained for commercial purposes. At all times, when such household pet is not confined on the Lot of its owner, said pet shall be leashed or otherwise under the immediate control of the Person(s) with it. It is the responsibility of the pet owner to clean and dispose of any waste produced by the pet anywhere other than on the Lot of its owner.

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

19. **Signs.** The following restrictions shall apply to signs: (a) Declarant shall have the right to erect and to approve the erection of reasonable and appropriate signs for its own use and the use of Builders and other parties engaged in the construction and sale of Improvements within the Development Property; (b) Declarant shall have the right

to remove any unapproved sign, billboard, poster, or advertising device that is placed on any Lot or Improvement thereon and in doing so shall not be subject to any liability for trespass or other course of action in connection therewith or arising from such removal; (c) no sign, billboard or poster of any kind of a permanent nature shall be erected, exhibited, maintained, or placed upon any Lot; (d) temporary signs, not to exceed a maximum surface area of six (6) square feet, such as "For Sale" signs, shall be permitted so long as there are no more than two (2) signs per Lot, and no such sign shall be placed outside the boundary of the Lot, within any right-of-way, Common Area, or Lot owned by another Person; (e) all signs shall comply with regulations that may be adopted by the Board from time to time; and (f) all Owners grant to Declarant and thereafter to the Board the right to remove all signs not in compliance with the sign restrictions and in doing so shall not be subject to any liability or criminal action for trespass, destruction of property, or other tort in connection therewith or arising from such removal.

20. **Hazardous Activities.** No activities may be conducted on or within the Development Property or Lot and no Improvements may be constructed on or within any portion of the Development Property or Lot, which, in the opinion of the Board, are or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, no firearms or fireworks may be discharged upon any portion of the Development Property unless discharged in conjunction with an event approved in advance by the Board, and no open fires may be lighted or permitted except within safe and well-designed fireplaces or in contained barbecue units. No portion of the Development Property may be used for the takeoff, storage, or landing of passenger aircraft (including, without limitation, helicopters) except for medical emergencies.

21. **Noise.** No Owner shall cause or allow any use of his Lot that results in noise which disturbs the peace and quiet of the Development Property. This restriction includes, without limitation, dogs whose loud and frequent barking, whining, or howling disturbs other Owners, exterior music systems, public address systems, or other noise sources which disturb other Owners' ability to peacefully possess and enjoy their Lot.

22. **Nuisances.** Each Owner shall refrain from any act or use of his Lot that could reasonably cause discomfort, annoyance, or nuisance to the neighboring Lots. No noxious, offensive, or illegal activity shall be carried out upon any Lot.

23. **Additional Prohibited Activities.** The Board may from time to time reasonably prohibit certain activities on or within the Development Property and such prohibition shall be final and binding on all Owners.

24. **Compliance and Penalty.** Failure to comply with any provision of this Article, Declarant during the Appointment Period and thereafter the Board may take such action as necessary to achieve compliance therewith, including, without limitation, assessment of fines or corrective action to bring such violation into compliance. The Owner shall, upon demand, immediately pay the fine and/or reimburse Declarant or other performing party for all costs incurred, including reasonable attorney's fees. Declarant and thereafter the Association shall have a lien on the Lot and Improvements thereon to

secure payment of fines and/or reimbursement for such costs. Such lien may be enforced in the same manner and with the same priority as a lien for Assessments.

Article XII **MORTGAGEE PROVISIONS**

1. **General.** In addition to any other rights granted to Mortgagees elsewhere in this Declaration, the rights and protections of this Article are hereby granted to and for the benefit of any Mortgagee.

2. **Actions Requiring Mortgagee Approval.** Without the prior written consent of at least fifty-one percent (51%) of all recorded first Mortgagees of Lots or the beneficiaries thereunder of record (based upon one vote for each Lot upon which a Mortgage is owed), who have requested such notice, the Association shall not be entitled by act or omission to seek to abandon or terminate the restrictions declared herein; provided, however, approval of such action shall be implied against any eligible Mortgagee in the event such Mortgagee fails to submit a response in writing to the Association within sixty (60) days of service of such notice by certified or registered mail, return receipt requested, to said Mortgagee at the address listed in the records of the Association.

3. **Records Examination.** Mortgagees shall have the right to examine the books, records, and financial statements of the Association, as well as this Declaration and the Governing Documents at reasonable times and upon reasonable notice.

4. **Insurance Policy.** Mortgagees shall have the right, upon written request, to receive notice from the Association of any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

5. **Insurance Proceeds – Common Areas.** No Owner or any other party shall have priority over any rights of the Mortgagees pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

6. **Mortgagor Default – Lots.** Mortgagees, upon written request, shall be notified by the Association in writing of any default by the mortgagor of a Lot in the performance of such mortgagor's obligations under this Declaration and its constituent documents not cured within sixty (60) days from the date of such default.

7. **Owner Notice to Board.** Upon request, each Owner shall be obligated to furnish to the Board the name and address of the holder of any Mortgage encumbering such Owner's Lot.

8. **Mortgagee Notice to Board.** Mortgagees shall request notice of the matters set forth herein by making written request to the Board upon becoming a Mortgagee hereunder and requesting that the name and address of such Mortgagee and

the Lot so encumbered be identified by the Board in the records for the Association. Any notice requesting approval of any Mortgagee as required herein shall advise said Mortgagee that failure to respond within sixty (60) days of said notice shall be deemed to be approval by said Mortgagee of the matter for which approval is being sought.

9. **Disposition by Mortgagee.** Any Mortgagee who obtains title to a Lot pursuant to remedies provided in the Mortgage or deed of trust, or upon foreclosure of the mortgage or deed of trust, or upon receiving a deed (or assignment) in lieu of foreclosure, shall take the Lot free of any claims for unpaid Assessments and charges against the mortgaged Lot, which accrue prior to the time such holder comes into possession of same. Specifically, and without limitation, the provisions of this Declaration, Supplemental Declarations, or the Governing Documents shall not impair the rights of any Mortgagee to: (a) foreclose or take title to a Lot pursuant to remedies provided in the Mortgage; (b) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or (c) sell a Lot acquired by the Mortgagee.

Article XIII **AMENDMENTS**

1. **Owners.** Except as otherwise provided herein, the provisions of this Declaration may be changed, modified, or amended by Supplemental Declaration or other written and properly recorded instrument setting forth such change, modification, or amendment, upon the affirmative Vote of more than fifty percent (50%) of the Members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present unless a higher percentage Vote is required elsewhere in this Declaration or applicable law. However, any such change, modification, or amendment that would change or delete any right, remedy, benefit, or privilege afforded to the Declarant under this Declaration shall require the verified written consent of the Declarant upon such instrument in order to be effective. Unless a higher percentage is required by law, revocation of this Declaration shall require the affirmative Vote of not less than sixty-seven percent (67%) of the all the Members of the Association entitled to Vote at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present. Any such change, modification, amendment, or revocation shall not become effective until the instrument evidencing such change has been recorded in the Register's Office for Davidson County, Tennessee.

2. **Declarant.** The Declarant hereby reserves and shall have the right, power, privilege, and authority, in its sole discretion, to amend this Declaration and any Exhibit hereto without the consent, joinder, or approval of the Association, the Board, Owner, any Person having a contractual right to purchase a Lot, any Mortgagee or beneficiary of any Mortgage or deed of trust on any Lot or any other Person. Such right, power, privilege, and authority of Declarant shall expire two (2) years after the termination of the Appointment Period. Declarant shall be in no way obligated to amend this Declaration or any Exhibit hereto pursuant to this Paragraph.

3. **Discrimination.** No amendment shall discriminate against any Owner or against any group of Owners, unless the Owner(s) so affected shall consent. No amendment shall change the Voting rights provided herein unless the Owner(s) so affected shall consent.

Article XIV
MISCELLANEOUS PROVISIONS

1. **Duration.** The covenants and restrictions of this Declaration shall run with and bind title to the Development Property, shall be binding upon and inure to the benefit of Declarant, the Association, and all Owners and Mortgagees, and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect until the tenth (10th) anniversary of the date of the recording of this Declaration, whereupon this Declaration shall be automatically renewed for successive terms of five (5) years unless Owners holding at least two-thirds of the Vote of all Owners entitled to cast a Vote elect to terminate the Declaration by vote taken at least six (6) months prior to the end of the current term and unless such termination is approved by the applicable governing authority. Notwithstanding the foregoing, any easements granted pursuant hereto or in any Supplemental Declaration are and shall be perpetual, except to the extent, if any, otherwise provided in the creation of any such easement, and except that any dedication to and acceptance by an appropriate governmental authority or any conveyance or grant to any appropriate public utility of the facilities that are the subject of any such easements shall terminate those easements if such dedication, conveyance, or grant so provides.

2. **Notice to Owners.** Notice to any Owner set forth herein shall be sent by prepaid U.S. Mail, FedEx, UPS, or other reputable private carrier, facsimile transmission, or electronic transmission at the address or other contact information provided to the Board by the Owner or in the event no separate address or other contact information has been provided, then by prepaid U.S. Mail or hand delivery to the Owner's Lot. It shall be the obligation of every Owner to notify the Board in writing of any change in address. Any Person who becomes the Owner after the date on which notice was made upon such Owner's predecessor in title to the Lot shall be deemed to have received such notice.

3. **Notice to Declarant or Association.** The address of the Declarant and the Association for the purposes of furnishing notice(s) as provided in this Declaration or the Governing Documents shall be the principal office of the Declarant or the Association of record in the Office of the Secretary of State for the State of Tennessee, unless and until notice of an alternative address is given in writing to all Owners. Notices addressed as above shall be delivered in person with written acknowledgment of the receipt thereof or sent by prepaid U.S. Mail, FedEx, UPS, or other reputable private carrier, receipt signature required.

4. **Statute of Limitation.** No action in contract, tort, or otherwise against the Association, the Board, or the Declarant for any action or inaction by the same or to challenge the validity of this Declaration, any Supplemental Declaration or other duly

adopted amendment may be brought more than one (1) year after the occurrence of such action or inaction or the date this Declaration, the Supplemental Declaration, or other instrument is recorded.

5. **Books and Records.** Except for confidential, non-public information of the Association or that affect the privacy rights of third parties or otherwise subject to confidentiality or non-disclosure protections or objections under any basis, the books and records of the Association are subject to inspection at the principal office of the Association by any Owner during reasonable business hours and upon five (5) business days prior written notice. Copies of such records may be purchased at a reasonable cost.

6. **Right to Mortgage Information.** Each Owner hereby authorizes any Mortgagee holding a Mortgage on such Owner's Lot to furnish information to the Board concerning the status of such Mortgage and the loan which it secures, to the extent such information is appropriate to assist the Board in determining if such loan is a valid first Mortgage or secondary purchase money Mortgage.

7. **Perpetuities and Restraints on Alienation.** If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States serving as of the date of the Recording of this Declaration.

8. **Land Outside Development Property.** The restrictions created by this Declaration benefit and burden only the Development Property and no other land whatsoever. Notwithstanding any possible sharing of present or future facilities by other land, whether developed by Declarant or others, the general plan created by the restrictions of this Declaration extends only to the Development Property, and such restrictions are not intended to benefit any Persons other than those having an interest in the Development Property. No Person owning land or having an interest in land outside of the Development Property shall have any right whatsoever to enforce this Declaration for the benefit of such land, and neither the Association, nor any Owner shall have the right to extend the enforcement of this Declaration to any real property not within the Development Property. Provided, however, nothing contained herein shall in any way preclude or limit the applicable governing bodies from enforcing its laws or the terms of this Declaration and the Governing Documents.

9. **General Development Information.** Any brochures, maps, models, handouts, schematics, plans, and facilities provided or available in connection with the Development Property or the development, construction, promotion, sale, marketing, or leasing of Development Property or Improvements thereon: (a) are provided for general information purposes only; (b) are subject to change and deletion without notice by Declarant or by public or governmental authorities; and (c) shall not obligate Declarant to develop, construct, promote, market, sell, or lease any such property or Improvements

whatsoever or in any particular manner, or to add to the Development Property any Future Phase Property.

10. **Governing Law.** This Declaration shall be construed, governed, and enforced under and in accordance with the laws of the State of Tennessee.

11. **Interpretation.** The Board shall have the right, power, and authority to determine all questions arising under or in connection with this Declaration and the Governing Documents and to construe and interpret its provisions, and any determination, construction, or interpretation made in good faith by the Board shall be binding on all Owners. In all cases, the provisions set forth in this Declaration shall be construed, in the opinion of the Board, to best effect the intent of the general purposes of this Declaration. The provisions hereof shall be liberally interpreted to effectuate the purposes set forth herein, and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective.

12. **Remedies Cumulative.** The rights, powers and remedies provided in this Declaration shall be cumulative and not restrictive of other remedies at law or in equity, and the exercise by a Person of any particular right, power, or remedy shall not be deemed an election of remedies or to preclude such Person's resort to other rights, powers, or remedies available to it.

13. **Partial Invalidity.** Invalidation of any one or more of the provisions of this Declaration by judgment or court order shall not affect any other provision not expressly held to be void or the provisions so void in circumstances or applications other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

14. **No Warranty of Enforceability.** Declarant and thereafter the Board make no warranty or representation as to the present or future validity or enforceability of the Restrictions. Any Owner acquiring a Lot in reliance on one or more of the restrictions set forth in this Declaration shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant and thereafter the Board harmless therefrom.

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

16. **Captions and Gender.** The captions herein are inserted only as a matter of convenience, and in no way define, limit or describe the scope of these provisions or

the intent of any provision hereof. The use of the masculine gender in this Declaration and in the Governing Documents shall be deemed to include the feminine and neuter references, and the use of the singular shall be deemed to include the plural whenever the context so requires.

17. **Exoneration of Declarant.** Each Owner or any other party having an interest in any portion of the Development Property expressly agree that no duty or obligation is imposed upon the Declarant to enforce or attempt to enforce any of the covenants or restrictions contained herein, nor shall the Declarant be subject to any liability of any kind or nature whatsoever in respect to any claim that the Declarant has failed to enforce same.


18. **Conflicts and Effective Date.** In case of conflicts between the provisions in this Declaration and the Governing Documents this Declaration shall control. The effective date of this Declaration shall be the date of its recording in the Register's Office for Davidson County, Tennessee.

[Notarized Signature on Next Page]

IN WITNESS WHEREOF, the undersigned, the owner of the Development Property to be subject hereto, has caused this Declaration to be duly executed this the 15th day of April, 2019.

OWNER and DECLARANT:

**BMCH Tennessee, LLC,
A Delaware Limited Liability company**

By: 
 Print Name: John Hennebery

Its: President

STATE OF TENNESSEE)
)
 COUNTY OF Davidson)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared John Hennebery with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged him/herself to be the Division President of the above-named entity (the "Entity"), and that he/she, as such officer, being duly authorized to do so, executed the foregoing document for the purposes contained therein, by signing his/her name as such officer acting on behalf of the Entity.

Witness my hand and official seal the 15th day of April, 2019.


 NOTARY PUBLIC

My Commission Expires: 3 / 8 / 22

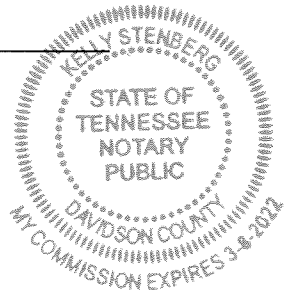
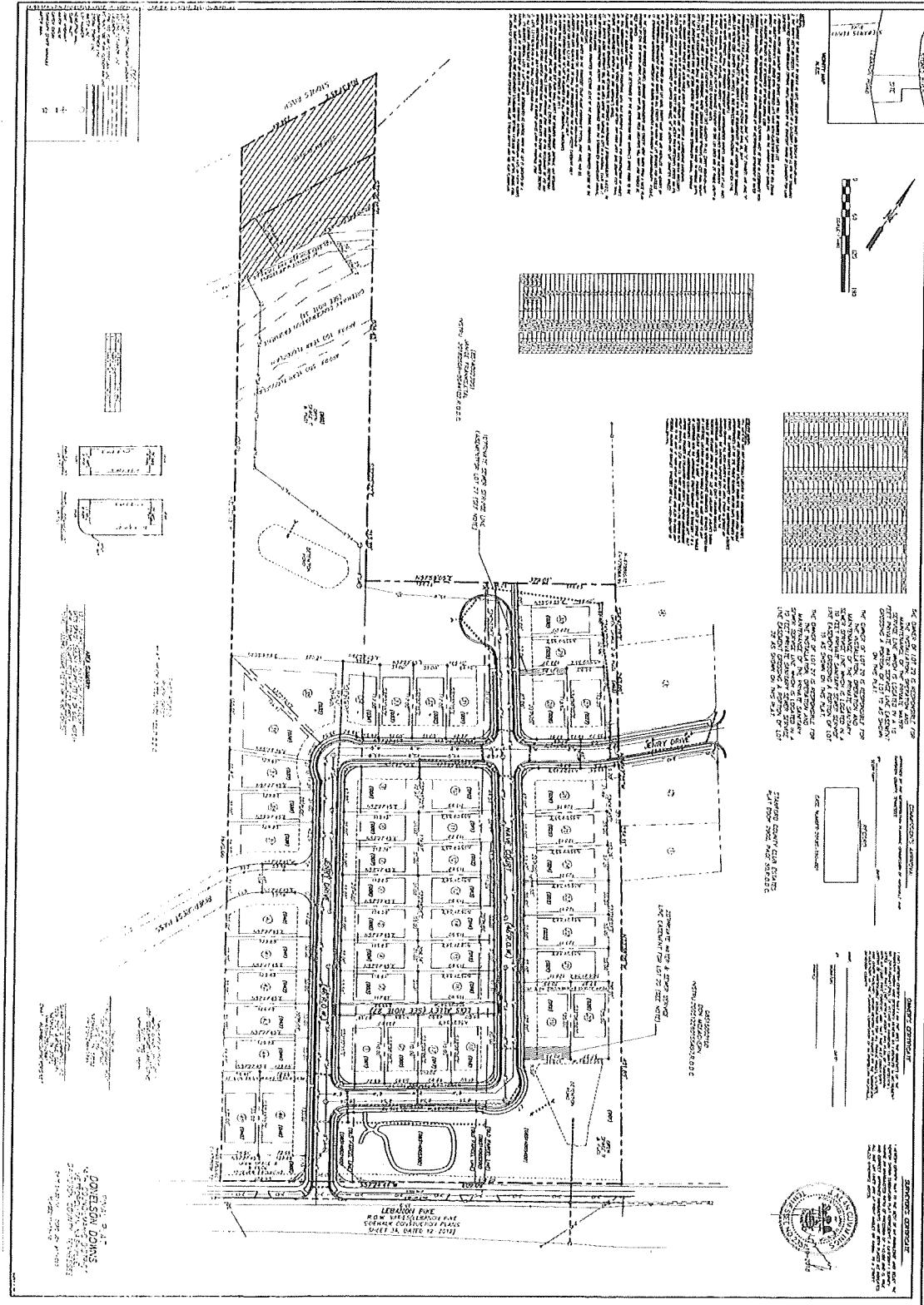
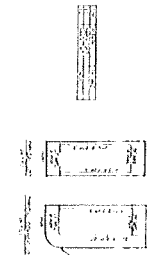


EXHIBIT A

Development Property



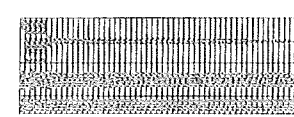
Project Name: _____
Site No: _____
Date: _____



Notes:
1. All dimensions are in feet and inches.
2. All bearings are true bearings.
3. All areas are in square feet.

CONSENT OF THE
OWNER
THIS PLAN AND SPECIFICATIONS
ARE HEREBY APPROVED AND
AGREED TO BY THE OWNER
ON THIS _____ DAY OF _____
20____

THE DEVELOPER OF THIS PROPERTY HAS BEEN ADVISED BY THE ENGINEER THAT THE PROPERTY IS SUBJECT TO THE FOLLOWING EASEMENTS AND ENCUMBRANCES:
1. A 10-foot wide utility easement for water, gas, and electric lines runs along the northern boundary of the property.
2. A 20-foot wide easement for a future road or driveway runs along the eastern boundary of the property.
3. A 5-foot wide easement for a utility line runs along the southern boundary of the property.



NOTES:
1. All dimensions are in feet and inches.
2. All bearings are true bearings.
3. All areas are in square feet.

THE DEVELOPER OF THIS PROPERTY HAS BEEN ADVISED BY THE ENGINEER THAT THE PROPERTY IS SUBJECT TO THE FOLLOWING EASEMENTS AND ENCUMBRANCES:
1. A 10-foot wide utility easement for water, gas, and electric lines runs along the northern boundary of the property.
2. A 20-foot wide easement for a future road or driveway runs along the eastern boundary of the property.
3. A 5-foot wide easement for a utility line runs along the southern boundary of the property.

CONSENT OF THE
OWNER
THIS PLAN AND SPECIFICATIONS
ARE HEREBY APPROVED AND
AGREED TO BY THE OWNER
ON THIS _____ DAY OF _____
20____

NOTES:
1. All dimensions are in feet and inches.
2. All bearings are true bearings.
3. All areas are in square feet.

CONSENT OF THE
OWNER
THIS PLAN AND SPECIFICATIONS
ARE HEREBY APPROVED AND
AGREED TO BY THE OWNER
ON THIS _____ DAY OF _____
20____

EXHIBIT B

BY-LAWS OF DONELSON DOWNS OWNERS ASSOCIATION, INC.

Article I DEFINITIONS

The words defined in the Declaration of Covenants, Conditions, and Restrictions for Donelson Downs of Record in the Register's Office for Davidson County, Tennessee shall have the same meaning in these By-Laws.

Article II NAME AND OFFICES

1. **Name.** The name of the Association for all Lot Owners within the Development Property shall be Donelson Downs Owners Association, Inc.

2. **Registered Office and Agent.** The initial registered office of the Association is Donelson Downs Owners Association, Inc. c/o Synergy Real Estate Group Inc., 179 Belle Forest Circle, Suite 302, Nashville, TN 37221, Attn: Brian Krebs, as may be relocated by the Board from time to time. The name of the initial registered agent of the Association is Brian Krebs, who may be located at the registered office.

3. **Other Offices.** The Association may also have offices at such other places both within and outside the State of Tennessee as the Board may from time to time determine or the business of the Association may require.

Article III MEMBERS AND PRIVILEGES

1. **Eligibility and Membership.** The Members of the Association shall consist of the Owners of a Lot within the Development Property. If an Owner is a trust, then the Member shall be a beneficiary of such trust; and if an Owner or such a beneficiary is a corporation or partnership, the Member may be an officer, partner, or employee of such Owner or beneficiary. No Member shall be required to pay any consideration whatsoever solely for membership in the Association.

2. **Succession.** The membership of each Owner shall terminate when he ceases to be an Owner, and upon sale, transfer, or other disposition of his ownership interest in the Development Property, his membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

Article IV
MEETINGS OF MEMBERS

1. **Annual Meetings.** The first regular annual meeting of the Members may be held, subject to the terms hereof on any day, at the option of the Board; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four (4) months after all the Lots within the Development Property have been sold by the Declarant or (b) five (5) years following conveyance of the first Lot within the Development Property by the Declarant. Each subsequent regular annual meeting of the Members shall be held within twenty-five (25) days of the anniversary of the first regular annual meeting each year thereafter at such time as set by the Board.

2. **Special Meeting.** Following the Appointment Period, special meetings of the Members, for any purpose or purposes, may be called by the president, a majority of the Board, or by Members having not less than sixty-seven percent (67%) of the total Vote entitled to be cast at such meeting, except as otherwise required by Tennessee statute, the Declaration, or these By-Laws. Business transacted at all special meetings shall be confined to the business stated in the notice of such meeting. During the Appointment Period, special meetings of the Members, for any purpose or purposes, may only be called by the Declarant.

3. **Place and Time of Meetings.** Meetings of the Members of the Association may be held at a place and at such time to be determined by the Board within Davidson County, Tennessee as specified in the written notice of such meeting.

4. **Notice.** At the direction of Declarant, president, secretary, or other officer or Person authorized to call the meeting, written notice shall be sent to every Member of the Association entitled to Vote at such meeting by prepaid U.S. Mail, FedEx, UPS, or other reputable private carrier, or facsimile or electronic transmission to the address or other contact information provided to the Board by the Owner or in the event no separate address or other contact information has been provided, then by prepaid U.S. Mail or hand delivery to the Owner's Lot not less than ten (10) nor more than sixty (60) days prior to the date of such meeting. Said notice shall state the place, day, and hour of the meeting and in the case of a special meeting, the purpose(s) for which the meeting is called.

5. **Quorum.** The presence in person or by proxy of at least thirty-five percent (35%) of the Votes entitled to be cast at a meeting of the Members shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, the Members entitled to Vote in person or represented by proxy present at a meeting fail to satisfy a quorum, the Members present shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. Further, if a quorum is not present, a subsequent meeting may be called, and the required quorum shall be reduced by ten percent (10%) at such meeting. Such procedure may be repeated until a quorum is established, although in no event may the

required quorum be less than fifteen percent (15%) of the Votes entitled to be cast at a meeting of the Members.

6. **Majority Vote; Withdrawal of Quorum.** When a quorum is present at any meeting, the majority Vote of Members present, in person or by proxy, and entitled to Vote shall decide any question brought before such meeting, unless the question is one upon which by express provision of an applicable Tennessee statute, the Declaration, or these By-Laws, a different Vote is required, in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawal of enough Members to leave less than a quorum.

7. **Method of Voting; Proxies.** Each Member shall be entitled to cast one (1) Vote each Lot owned by such Member as further provided in the Declaration. The Vote of each Member may only be cast by such Member or by a proxy duly executed and given by such Member to his authorized representative as set forth on such proxy. No proxy shall be valid for more than one meeting and shall bear the signature of the Member making the proxy, the date of the meeting to which the proxy relates, and the name of the authorized representative to Vote on behalf of the Member. Such proxy may not be revoked except by actual notice to the Person presiding over the meeting for which the proxy relates; and such proxy is void, if it is not dated or purports to be revocable without notice. Such proxy shall be filed with the secretary prior to or at the time of the meeting. If title to any property ownership interest in a Lot of the Development Property entitling the Member to Voting rights as provided in the Declaration is in the name of two or more Persons as co-owners, all such Persons shall be Members of the Association, referred to herein as a "Joint Member." Any such Joint Member is entitled to one unanimous Vote per entitled Member as provided in the Declaration at any meeting of the Members of the Association, and such Vote shall be binding upon the Joint Member until written notice to the contrary has been received by the Board identifying the authorized manner in which the Joint Member's unanimous Vote is to be cast (in person or by proxy). In the event of disagreement among such Joint Member to cast a Vote, such Joint Member shall not be recognized, and such Vote shall not be counted.

8. **Assessment Default.** No Owner who is in default in the payment of any Assessment or other duly levied charge shall be entitled to exercise his right to Vote until he has cured such default. An Owner may protest the amount of any Assessment or other duly levied charge, but it still must be paid during the pendency of his protest to the Association or its agent.

9. **Action Taken Without a Meeting.** The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of the number of members which would otherwise be required to approve such action. For instance, if an action required the approval of Members holding a majority of the total Voting rights of the members, then a writing signed by Members holding a majority of the total Voting rights of the Members would be effective as if such approval was given at a meeting duly called for such purpose. Any action so

approved shall have the same effect as though taken at a properly called meeting of the Members.

Article V
BOARD OF DIRECTORS

1. **Board Authority and Number.** The affairs of the Association shall be managed by a Board of Directors. During the Appointment Period, the members of the Board, who need not be Members of the Association, shall be appointed by the Declarant and shall serve at the pleasure of the Declarant. After the Appointment Period, the Board shall consist of no fewer than three (3) nor more than seven (7) directors each of whom must be a member of the Association or be the Declarant, its assignee or officer, agent, or representative thereof.

2. **Election.** After the Appointment Period, the election of the members of the Board to be elected for a particular year shall occur at the annual meeting of the Members. The election of the Board by the Owners shall be based on the number of Persons receiving the highest number of Votes for as many candidates as there are Directors being elected at a meeting of the Owners at which a quorum is present. Cumulative Voting is not permitted.

3. **Nomination.** Nomination for election to the Board shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

4. **Term of Office.** Directors shall be elected for terms of two (2) years or until their successor is elected. Provided, however, the initial Directors elected by the Members after the Appointment Period shall be grouped into two (2) separate classes so that approximately one-half of total number of initially elected Directors are up for re-election each year. Thus, as to such initial Directors elected by the Members, the one-half of the Directors (or the minority if there is an odd number of Directors) receiving the fewest number of Votes will serve a one (1) year term, and the other one-half of the Directors (or the majority if there is an odd number of Directors) receiving the highest number of Votes will serve for a two (2) year term.

5. **Vacancies.** If any vacancy occurs in the Board, caused by death, removal from office, retirement, resignation or disqualification, a successor(s) shall be elected by majority vote of the remaining Directors for the unexpired term of his predecessor in office. Any Director who ceases to be a Member of the Association during such Director's term

in office shall cease being a Director effective with such change, and such Director's successor shall be selected by the remaining Members of the Board.

6. **Director Removal by Board Members.** Any Director may be removed from office with or without cause by the majority vote of the Directors, who shall elect a successor Director for the unexpired term of his predecessor in office by majority vote.

7. **Director Removal by Members.** Notwithstanding any provision to the contrary in the Declaration or these By-Laws, any member of the Board other than a member appointed by the Declarant may be removed with or without cause by majority Vote of all the Members of the Association.

8. **Place of Meetings.** The Board shall hold their meetings, both regular and special, in Davidson County, Tennessee or such other location as may be selected by unanimous consent of the Directors then elected and serving. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the president or a majority of the Directors upon three (3) days written notice to each Director, either personally, by mail, by facsimile, or by other electronic transmittal. Except as may be otherwise expressly provided by Tennessee statute, the Declaration, or these By-Laws, neither the business to be transacted nor the purpose of any special meeting need be specified in a notice or waiver of notice.

9. **Quorum.** At all meetings of the Board, the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any such meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Directors, the Directors present may adjourn the meeting by announcement at the meeting without notice until a quorum shall be present.

10. **Action Taken Without a Meeting.** The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

11. **Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

12. **Agents and Delegation of Powers.** Except as otherwise prohibited by statute, the Declaration, or these By-Laws, the Board may delegate any of its powers to other Persons or Management Agent. Any such delegated powers shall be identified in writing maintained in the records of the Association.

Article VI
BOARD POWERS AND DUTIES

1. **Powers.** The Board shall have the following powers subject to the provisions of the Declaration of the Association:

a. Enforce the Declaration; and adopt, enforce, and amend Rules and Regulations and/or other Governing Documents governing the use of the Development Property and facilities and the personal conduct of Owners and their guests thereon; and establish penalties for the infraction thereof.

b. Elect and remove the officers of the Association and declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.

c. Suspend the Voting rights of a Member during any period in which such Member shall be in default in the payment of any Assessment or other duly levied charge by the Association.

d. Make contracts and incur liabilities and borrow money for the purpose of repair or restoration of Common Areas that are the responsibility of the Association to repair or restore.

e. Regulate the use, maintenance, repair, replacement, or modification of Common Areas and formulate policies for administration, management, and operation of the Development Property and the Common Areas.

f. Cause additional Improvements to be made as a part of the Common Areas.

g. Grant easements, leases, licenses, and concessions through or over the Common Areas.

h. Appoint a Nominating Committee and any other desired committee of the Board and delegate to such committees the Board's authority to carry out certain duties of the Board or other such directives of the Board.

i. Assign the Association's right to future income, including the right to receive Assessments.

j. Exercise any other powers conferred by the Declaration and these By-Laws and exercise any other powers necessary and proper for the governance and operation of the Association and the administration of the affairs of the Association and Development Property.

k. Exercise all other powers that may be exercised in this State by legal entities of the same type as this Association.

2. **Duties.** The Board shall have the following Duties subject to the provisions of the Declaration of the Association.

a. Adopt and amend budgets for revenues, expenditures, and reserves; send notice of Assessments and any other duly levied charges to Owners; collect Assessments and any other duly levied charges from Owners; and impose charges for late payment of Assessments or other duly levied charges.

b. Determine the fiscal year of the Association and change said fiscal year from time to time as the Board deems necessary or appropriate.

c. Hire and discharge managing agents and independent contractors, other employees, and agents; and supervise all officers, agents, and employees of the Association to see that their duties are properly performed.

d. Comply with the instructions expressed in resolutions duly adopted at any regular or special meeting of Owners at such meeting.

e. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property.

f. Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Areas and for services provided to Owners.

g. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or the production of Association information and/or documents.

h. Impose reasonable charges for services rendered in connection with the transfer of a Lot.

i. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or any two (2) or more Owners on matters affecting the Development Property.

j. Foreclose the lien against any property for which Assessments or other duly levied charges are not paid or to bring an action at law against the Owner personally obligated to pay such amounts.

k. Provide for the indemnification of the Association's Officers and members of the Board and maintain liability insurance on such Directors and Officers.

I. Secure insurance policies as required or allowed by the Declaration, and in this regard, review the amounts of coverage afforded under such policies.

3. **Non-Delegation.** Nothing in these By-Laws shall be considered to grant to the Association, the Board or the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

Article VII **OFFICERS**

1. **Enumeration of Offices.** The officers of the Association shall be a president, a secretary, and such other officers as the Board may from time to time create.

2. **Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. The officers shall be elected by the Directors from among the members of the Board.

3. **Term.** The officers of the Association shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

4. **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the affirmative vote of a majority of the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. **Multiple Offices.** The offices of secretary and treasurer may be held by the same Person. No Person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

8. **Compensation.** The Board shall have the right, but not the obligation, to establish salaries or other compensation for Officers of the Association. The salaries of all officers of the Association shall be fixed by the Board but shall never be greater than an amount equal to the Common Assessment due per Owner for that Assessment Year. A person holding multiple offices may only collect a salary for one (1) office.

9. **President.** The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members and the Board. The president shall have general and active management of the affairs of the Association shall see that all orders and resolutions of the Board are carried into effect and shall perform such other duties as the Board shall prescribe. The president may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

10. **Vice-President.** The vice-president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

11. **Secretary.** The secretary shall attend all sessions of the Board and all meetings of the Members and shall record all votes and the minutes of all proceedings. The secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board and shall perform such other duties as may be prescribed by the Board or president. If the secretary is not able to perform any duty as herein or otherwise provided, it is the sole responsibility of the secretary to delegate such duties until such time that the secretary resumes these duties. The secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

12. **Treasurer.** The treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements of the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements. At the regular meetings of the Board or whenever they may require it, the treasurer shall render to the president and Board an account of all transactions of the treasurer and of the financial condition of the Association. The treasurer shall perform such other duties as the Board may prescribe.

Article VIII

MISCELLANEOUS PROVISIONS

1. **Reserves.** The Board shall provide for such reserves as the Directors, in their discretion, determine proper to provide for contingencies, to repair or maintain any portion of the Development Property, or for such other purpose as the Directors determine beneficial to the Association.

2. **Checks.** All checks or demands for money and notes of the Association shall be signed by such officer(s) or such other Person(s) as the Board may designate.

3. **Books and Records.** Except for confidential, non-public information of the Association or that affecting the privacy rights of third parties or otherwise subject to confidentiality or non-disclosure protections or objections under any basis, the books and records of the Association are subject to inspection at the principal office of the

Association by any Owner during reasonable business hours and upon five (5) business days prior written notice. Copies of such records may be purchased at a reasonable cost.

4. **Amendment.** Except as otherwise provided herein, the provisions of these By-Laws may be changed, modified, or amended upon the affirmative Vote of more than fifty percent (50%) of the Members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present unless a higher percentage Vote is required elsewhere in these By-Laws, the Declaration, or by Tennessee statute. However, any such change, modification, or amendment that would change or delete any right, remedy, benefit, or privilege afforded to the Declarant under this Declaration shall require the verified written consent of the Declarant upon such instrument in order to be effective.

5. **Indemnification.** The Association shall indemnify any current or former Director, officer, or employee of the Association against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters in which he shall have been adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his duty. The Association may also reimburse to any Directors, officer, or employee the reasonable costs of settlement of any such action, suit, or proceedings; if it shall be found by a majority of the Directors not involved in the matter of controversy, whether or not a quorum, that it was in the interest of the Association that such settlement be made and that such Director, officer, or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under by-law, agreement, Vote of Members, or otherwise.

6. **Inconsistencies.** In the event, these By-Laws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

7. **Headings.** The headings used in these By-Laws have been inserted for administrative convenience only and do not constitute matters to be construed in interpretation.

[*Signature on Next Page*]

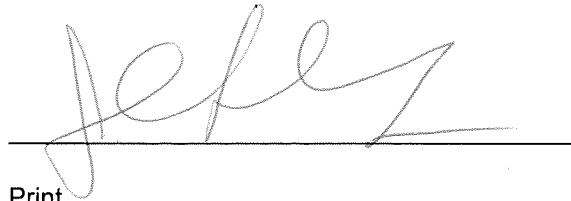
CERTIFICATION

The undersigned hereby certifies that the foregoing By-Laws were duly executed and adopted by the Declarant on the 15th day of April, 2019.

DECLARANT:

**BMCH Tennessee, LLC,
A Delaware Limited Liability company**

By: _____

A handwritten signature in black ink, appearing to read "John Hennebery", is written over a horizontal line. The signature is cursive and somewhat stylized.

Print
Name: John Hennebery

Its: President

EXHIBIT C

**ARTICLES OF INCORPORATION
OF DONELSON DOWNS OWNERS ASSOCIATION, INC.**

In compliance with the requirements of the Tennessee Nonprofit Corporation Act (the "Act"), the undersigned, having the capacity to contract and acting as the incorporator of a non-profit property owners association under the Act, adopts the following Charter for such association:

**Article I
NAME**

The name of the corporation is Donelson Downs Owners Association, Inc., hereunder called the "Association".

**Article II
MUTUAL BENEFIT CORPORATION**

The Association is a mutual benefit corporation.

**Article III
INITIAL REGISTERED OFFICE**

The street address, county, and zip code of the Association's initial registered office is: Donelson Downs Owners Association, Inc. c/o Synergy Real Estate Group Inc., 179 Belle Forest Circle, Suite 302, Nashville, TN 37221, Attn: Brian Krebs, as may be relocated from time to time. The name of the initial registered agent of the Association is Brian Krebs, who may be located at the registered office.

**Article IV
INCORPORATOR**

The name, address, and zip code of each incorporator is: John Hennebery, 2630 Elm Hill Pike, Suite 110 Nashville, TN 37214.

**Article V
PRINCIPAL OFFICE**

The street address and zip code of the principal office of the Association is: Donelson Downs Owners Association, Inc. c/o Synergy Real Estate Group Inc., 179 Belle Forest Circle, Suite 302, Nashville, TN 37221, Attn: Brian Krebs.

Article VI
NON-PROFIT CORPORATION

The Association is non-profit.

Article VII
PURPOSE AND POWERS

This Association does not contemplate pecuniary gain or profit to the members thereof. The purpose for which the Association is organized is to maintain the common facilities of Donelson Downs subdivision in Davidson County, Tennessee and perform all duties and functions of Donelson Downs Owners Association, as described in the Declaration of Protective Covenants, Conditions, and Restrictions for Donelson Downs recorded in the Register's Office for Davidson County, Tennessee, hereinafter called the "Declaration" and any additions and amendments thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

1. Exercise all of the powers, rights, and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided.
2. Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.
3. Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association.
4. Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.
5. Have and to exercise any and all powers, rights, and privileges which a corporation organized under the Act by law may now or hereafter have or exercise.
6. Except for those amendments which the Tennessee Non-Profit Corporation Act expressly permits to be made by the Directors of the Association, any amendment to these Articles of Incorporation of the Association to be adopted must be approved by the affirmative Vote of more than fifty percent (50%) of the members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the members at which a quorum is present unless a higher percentage vote is required elsewhere in the Declaration or the Act.

Article VIII
MEMBERSHIP

The Association will have members. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Article IX
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors. The number of directors and the method of electing the same shall be provided in the By-Laws of the Association.

As provided in Tennessee Code Annotated Section 48-58-501 *et seq.*, all directors and officers of the Association shall be immune from suit and no present or former director or officer of the Association shall have any personal liability to the Association or its members for monetary damages arising from the conduct of the affairs of the Association, except when such conduct amounts to willful, wanton, or gross negligence. The Association shall indemnify all current and former directors and officers of the Association to the maximum extent allowed by law, including, without limitation, advancing expenses pursuant to Tennessee Code Annotated Section 48-58-504, for any and all claims brought against such persons in connection with their actions or inactions in their official capacity as directors and officers of the Association.

Article X
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than sixty-seven (67%) of all the members of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed to the Members.

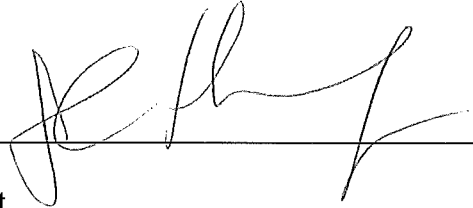
[Signature on Next Page]

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Tennessee, the undersigned, being the incorporator of this Corporation, has executed these Articles of Incorporation the 15th day of April, 2019.

INCORPORATOR:

**BMCH Tennessee, LLC,
A Delaware Limited Liability company**

By:



A handwritten signature in black ink, appearing to read 'J. Hennebery', is written over a solid horizontal line.

Print

Name: John Hennebery

Its: President

This instrument prepared by:
J. Quinton Horner – Attorney
PO Box 90509
Nashville, TN 37209
(615) 708-0555

Karen Johnson Davidson County
Batch# 868963 REST
06/09/2022 10:14:54 AM 10 pgs
Fees: \$52.00 Taxes: \$0.00



20220609-0065773

**FIRST AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
DONELSON DOWNS**

This First Amendment to the Declaration of Covenants, Conditions, and Restrictions for Donelson Downs is effective the 3rd day of May, 2022 having been adopted by the Owners/Members in the Donelson Downs Owners Association, Inc. (“Donelson Downs” or “Association”) in accordance with Article XIII, Section 1 of the Declaration of Covenants, Conditions, and Restrictions for Donelson Downs and Article VIII, Section 4 of the By-Laws for Donelson Downs Owners Association, Inc. (hereinafter collectively the “Declaration”) dated April 15, 2019 and recorded in the Register’s Office for Davidson County, Tennessee, on April 23, 2019 in Instrument No. 20190423-0037390.

WITNESSETH

WHEREAS, all capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration; and,

WHEREAS, to the extent that any change or new Article and/or Section created by this Amendment, conflicts with any existing Article and/or Section of the Declaration, the Article and/or Section created by this Amendment shall control; and,

WHEREAS, pursuant to Article XIII, Section 1 of the Declaration and Article VIII, Section 4 of the By-Laws for Donelson Downs Owners Association, Inc., the same may be amended upon the affirmative vote of more than fifty percent (50%) of the Members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present; and,

WHEREAS, as evidenced by their signatures below, the President and Secretary of Donelson Downs Owners Association, Inc., certify that more than fifty percent (50%) of the Members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present have consented to this Amendment and as such, this Amendment to the Declaration of Covenants, Conditions and Restrictions for Donelson Downs shall be adopted.

NOW, therefore, the above-referenced Declaration is amended as follows:

1. Article XI, Section 4, of the Declaration is hereby deleted in its entirety and replaced with the following:

4. Leasing.

A. Definitions.

- i. **"Leasing"**. For purposes of this Declaration is defined as any short-term transient or vacation-type occupancy or the regular, exclusive monthly, quarterly or annual occupancy of a Home by any person or persons other than the Owner, or any lease-purchase or similar agreement, regardless of whether the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.
- ii. **"Tenant"**. Means a person entitled under a rental agreement to occupy a Home to the exclusion of others.
- iii. **"Home or House"**. Shall mean an independently owned structure on a separate Lot that has been constructed for use as a single-family residential dwelling.
- iv. **"Transient"**. Means any right to use, occupy or possession, or the use, occupancy or possession of a Home for a period of thirty (30) calendar days or less.
- v. **"Short-term rental Unit" or "STR"** means a Home that is rented wholly or partially for a fee for a period of less than thirty (30) continuous days.
- vi. **"Single-Family"**. An individual, or two or more persons related by blood, marriage or law, or, unless otherwise required by federal or state law, a group of not more than three unrelated persons living together in a Home.
- vii. **"Biological Unit Owner Heir" or "Biological Heir"** Means the biological or legally adopted children or grandchildren of a Unit Owner; the parent(s), of a Unit owner; the sisters, brothers, nieces or nephews of a Unit Owner; the step-parent and step-sister or step-brother of a Unit Owner.

B. Lease Restrictions and Exceptions

- i. **Occupancy Requirement.** All new Owners of a Home who become an Owner subsequent to the date of this Amendment, shall own and occupy such Home as the Owner's primary place of residence for the immediate twelve (12) consecutive months after the date of purchase or other acquisition of title, as a prerequisite to being eligible to lease such Home. The occupancy requirement herein may be satisfied only by the Owner whose name appears on the deed or other instrument which vests fee simple title in such Owner's name. No agent, assignee or other person or entity affiliated with the Owner

may occupy the Home as a means of satisfying the twelve (12) month occupancy requirement herein.

ii. **Hardship Exceptions.** With the exception of Owners in the Association as of the date of this Amendment all of whom are expressly permitted to lease their Homes, no person or entity who becomes an Owner after the date of this Amendment, shall be permitted to lease any Home owned by such Owner unless approved pursuant to this Section 4, part B, ii. And if so approved, all such leasing shall further be subject to Section 4, parts C, D, E, F, and G contained in this Amendment. Subject to all of the restrictions recited within this Section 4, the Board in its discretion, shall be empowered to allow reasonable leasing of Homes to avoid undue hardship for reasons to include, but not limited to:

- a) Owners who must relocate their place of residence and cannot, within ninety (90) calendar days from the date that the Home was placed on the real estate market, sell the Home for at least the current appraised market value, after having made reasonable and diligent efforts to do so.
- b) Deceased Owners whose Homes must be occupied by their heirs or devisees, or whose estate is being administered by their estate and/or surviving heirs at law and must be leased until such Home is sold or permanently occupied by heirs devisees and/or heirs at law.
- c) Owners who take a leave of absence or are temporarily relocated a distance of fifty (50) miles or greater from the Home but who intend to return to reside in the Home.
- d) Owners who are members of the United States armed forces and are deployed for more than sixty (60) calendar days from their Home and who produce a copy of such orders to the Board as evidence of such deployment.
- e) In all such hardship situations the Owner shall reapply at the end of the natural lease term for renewal of the hardship exception created herein.

Those Owners who are required to demonstrate, and who have so demonstrated, that the inability to lease their Home would result in undue hardship and who have obtained the requisite written approval from the Board, may lease their Home for such duration as the Board reasonably determines is necessary to prevent undue hardship. Under no circumstances however, shall the Board grant any such hardship exception for more than one (1) year at a time, and the Owner shall reapply for the renewal of a hardship exception no less than sixty (60) calendar days prior to the natural expiration of the lease. If the Owner makes such application for renewal of hardship

exception to the Board and does not receive a written approval of renewal hardship exception from the Board prior to the natural expiration of the lease, the hardship exception shall be presumed to be approved. The Board shall not unreasonably withhold approval.

C. Lease Requirements Such Leasing as is permitted herein, shall be subject to reasonable rules promulgated by the Board as may be adopted from time to time, and the following requirements:

- i. All leases shall be in writing and a copy of the fully executed lease or lease summary naming all tenants and occupants, the cellular number and email address of all tenants and occupant above the age of eighteen (18) years of age, shall be filed with the Association Secretary or community manager prior to occupancy. The names and contact information provided to the Association Secretary or community manager shall only be used in the event of an emergency or to provide other notices as may reasonably need to be provided.
- ii. Names of all tenants and occupants shall be filed with the Board or community manager prior to occupancy.
- iii. Lease terms shall be for no less than one (1) year.
- iv. There shall be no assignment of any lease unless such assignment is in writing and made only to those excluded transfers of ownership identified Paragraph (4)(b)(ii) below and a copy of such written assignment is provided to the Board or community manager.
- v. There shall be no subleasing of leases except with the prior written approval of the Owner and a copy of such written sublease provided to the Board or community manager.
- vi. No transient tenants shall be accommodated in any Home.
- vii. No Home shall be advertised and/or used as an STR, vacation or seasonal rental, or bed and breakfast through any service such as Vacation Rental by Owner ("VRBO®"), Airbnb®, hometogo.com, or any similar short-term leasing marketing service.
- viii. No Home shall be leased except in its entirety.
- ix. Tenants and occupants named in all leases shall be subject to the Declaration, By-Laws and rules and regulations for Donelson Downs, all existing amendments thereto and future amendments as they may be adopted from time to time.

- x. The Association shall be considered a third-party beneficiary of all leases and subleases for the limited purpose of enforcing all lease terms and conditions in the event the Owner fails or refuses to do so.
- xi. The Board in its discretion, shall be permitted but not required to adopt a reasonable leasing fee to be charged to Owners wishing to lease their Home for the purpose offsetting any damage to Common Area which is attributed to a Tenant or occupant of a Home. If such leasing fee is so adopted, it shall be paid by the Owner on or before the date of occupancy of all Tenants and occupants.

D. Excluded Parties

- i. **Mortgage/Deed of Trust:** With the exception of Section 4, part C of the Lease Requirements section above, and Section 4, parts E, F, and G below, the prohibition upon Leasing imposed by this Amendment shall not apply to any Leasing transaction entered into by the holder of any first mortgage and/or Deed of Trust on a Home who becomes the Owner of the Home through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage and/or Deed of Trust.
- ii. **Existing Owners:** Subject to Section 4, part C of the Lease Requirements section above, and Section 4, parts E, F, and G below, existing Owners as of the date of this Amendment may lease their Home and are effectively “grandfathered”. The exclusion herein shall only be applicable to Owners, Tenants and occupants who, as of the date of this Amendment, currently are in compliance with the existing Declaration, By-Laws, amendments thereto and Association rules and regulations and other policies for the Association.
 - a) Once an Owner who has enjoyed this grandfathered status, transfers ownership to any third party, his or her Home shall then be subject to the provisions recited within this Amendment.
 - b) A transfer of ownership for the purposes of this part, shall expressly exclude the following transfers of ownership: transfers of title between spouses; transfers of ownership to a Trust, the beneficiary and/or trustor of which, is the homeowner; transfers of ownership by homeowner to a legal entity for tax or estate planning purposes; transfers of title by testate or intestate succession. All such transfers however, shall be subject to Section 4, part C of the Lease Requirements section above, and Section 4, parts E, F, and G below.
 - c) All existing Owners who currently lease their Homes shall provide a copy of their written lease to the Association within thirty (30) calendar days of this Amendment. Owners who currently do not lease their Home, but who may lease at a future date, shall provide a copy of

the fully executed written lease agreement which shall name all tenants and occupants, to the Association management company within thirty (30) calendar days prior to tenant's occupancy.

- iii. **Family Members:** Homes which are occupied by the children or grandchildren of a Home Owner; Homes which are occupied by the parent or parents of a Home Owner; and Homes occupied by aunts, uncles, sisters, brothers, nieces or nephews of the Home Owner, shall not be considered as Homes which are leased. Such Homes shall however, be subject to the lease restrictions recited in Section 4, part C of the Lease Requirements section above, and Section 4, parts E, F, and G below.
 - iv. **Association:** With the exception of Section 4, part C of the Lease Requirements section above, and Section 4, parts E, F, and G below, the provisions of this Amendment shall not apply to any leasing transaction entered into by the Association who becomes the Owner of a Home through foreclosure of its lien or any other means pursuant to the satisfaction of a Notice of Lien or judgment in the Association's favor.
- E. Tenants and Occupants Liability Tenants, occupants and invitees of any Owner shall be subject to and shall comply with the Declaration, By-Laws and all amendments thereto, and all Association rules and regulations and other policies duly adopted by the Board for the Association.
- F. Rental Fine Policy Violations of this Section 4 shall be subject to the same remedies within the Declaration which currently exist for other violations, including the failure and/or refusal to pay assessments. In addition to such remedies, the Board shall adopt reasonable rules and regulations for the enforcement of any leasing restriction created herein. Such rules and regulations shall include procedures for issuing notices and reasonable fines against Home Owners in violation. All costs, including reasonable attorney's fees incurred in the enforcement of this part, shall be the responsibility of the Home Owner. Any and all such costs and reasonable attorney's fees, together with fines created by such rules and regulations, shall be a continuing lien against the Home and shall further be the personal obligation of the Home Owner.
- Fines created by Rules and Regulations composed for the enforcement of this Section 4, together with the costs and reasonable attorneys' fees for the enforcement thereof, shall be a charge on the land and shall be a continuing lien upon the Home against which each such fine is levied; and such fines, together with costs and reasonable attorneys' fees for the enforcement thereof, shall be the personal obligation of the person who was the Home Owner of such Home at the time the fine(s) were levied.
- G. Tenant/Occupant Violations

- i. Written notice shall be mailed to tenants, occupants and the Owner at the last address provided by the Owner to the Association, of any and all violations of the Declaration, By-Laws, Association rules and regulations and amendments thereto by such tenant or occupant. Such written notice shall give the Owner ten (10) business days to provide the Association with written evidence of the measures such Owner has taken to ensure such violations by their tenant or occupant does not continue. Any violation by such tenant or occupant of the same or similar nature within sixty (60) days of the original violation, shall be considered a continuation of the previous violation. The rules and regulations adopted by the Board for the enforcement of this Section 4 shall be implemented against any Owner who fails to provide such written notice to the Association as required in this part or whose tenant's or occupant's actions are considered a continuation of a previous violation.
- ii. **Lease Termination.** After the Board-adopted rules and regulations for the enforcement of this part has been implemented as a measure and prerequisite to compel the tenant's or occupant's compliance through the Owner, should such violations continue, the Association shall be entitled to file suit against such tenant or occupant and Owner for unlawful detainer, and the Association shall further be entitled to file Writs to seek possession of the Owner's Home, and evict such tenant or occupant. All costs for such action, including reasonable attorneys' fees, shall be a continuing lien and charge against such Owner's Home, and be the personal obligation of such Owner.
- iii. **Lease Termination due to Violence or Threats to Health, Safety or Welfare.** Should any tenant or occupant willfully or intentionally commit a violent act, or behave in a manner which constitutes or threatens to be a real and present danger to the health, safety or welfare or the life or property of other owners, tenants or occupants at Donelson Downs; or creates a hazardous or unsanitary condition in their Home or within Donelson Downs that affects the health, safety or welfare or the life or property of other owners, tenants or occupants; or permits such acts by any person present at Donelson Downs at the invitation of such tenant or occupant, the Association shall, on behalf of the Owner, be entitled to exercise all of the remedies and shall comply with all of the requirements of Tenn. Code Ann. § 66-28-517 as the same may be amended from time to time, and the Association shall further be entitled to file suit against such tenant and/or occupant for unlawful detainer seeking eviction and shall be entitled to file Writs seeking possession of the House on behalf of the Owner.

All costs incurred by this part, together with reasonable attorneys' fees for the enforcement thereof, shall be a charge on the land and shall be a continuing lien upon the Home against which such costs and reasonable attorney's fees were incurred; and such costs, together with reasonable attorneys' fees, shall be the personal obligation of the person who was the Owner of such Home at the time the fine(s) were levied.

2. Article IV, Section 3, of the By-Laws is hereby deleted in its entirety and replaced with the following:

3. **Place and Time of Meeting.** Meetings of the Members of the Association may be held at a place and at such a time to be determined by the Board and as specified in the written notice of such meeting. Meetings shall be allowed to take place virtually if so decided upon by the Board.

3. Article V, Section 1, of the By-Laws is hereby deleted in its entirety and replaced with the following:

1. **Board Authority and Number.** The affairs of the Association shall be managed by a Board of Directors. During the Appointment Period, the members of the Board, who need not be Members of the Association, shall be appointed by the Declarant and shall serve at the pleasure of the Declarant. After the Appointment Period, the Board shall consist of five (5) directors each of whom must be a member of the Association or be the Declarant, its assignee or officer, agent, or representative thereof.

4. Article V, Section 4, of the By-Laws is hereby deleted in its entirety and replaced with the following:

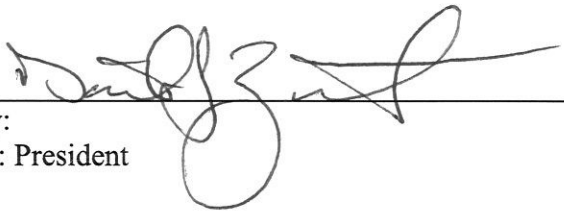
5. **Term of Office.** Directors shall be elected for terms of three (3) years or until their successor is elected. Provided, however, that the terms of the initial Directors elected by the Members after the Appointment Period shall be staggered where one (1) Director serves for a one (1) year term, two (2) Directors serve for a two (2) year term, and two (2) Directors serve for a full three (3) year term. After all initial Director terms have lapsed, all terms thereafter will be for a full three (3) years. If the individual terms of the initial Directors can't be agreed upon by the Board the decision for such shall be decided by the then setting President for the Association.

Only the changes and amendments made by this Amendment to the Declaration of Covenants, Conditions and Restrictions for Donelson Downs shall be changed. All other terms, conditions, restrictions and provisions of the Declaration and previous amendments thereto, shall survive and continue to remain in full force and effect.

(signatures and acknowledgements appear on the following page)

IN WITNESS WHEREOF, the undersigned have executed this instrument as of this the 3rd of May, 2022.

**DONELSON DOWNS OWNERS
ASSOCIATION, INC.**



By:
Its: President

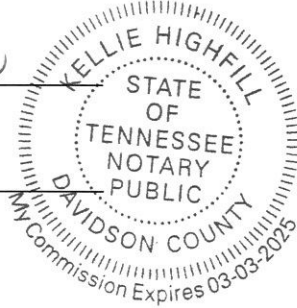
STATE OF TENNESSEE
COUNTY OF Davidson

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, David Zaritsch, to me known (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged themselves to be the President of Donelson Downs Owners Association, Inc., the within named bargainor, and that they, as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

Witness my hand and official seal, this the 3rd day of May, 2022.

Kellie Highfill
Notary Public

My Commission Expires: 3/3/25



**AFFIDAVIT OF MEMBER CONSENT FOR AMENDMENT
BY
SECRETARY OF DONELSON DOWNS OWNERS ASSOCIATION, INC.**

The undersigned, Robert Stout, Secretary of Donelson Downs Owners Association, Inc., certifies and affirms that in accordance with Article XIII, Section 1 of the Declaration of Covenants, Conditions, and Restrictions for Donelson Downs and Article VIII, Section 4 of the By-Laws for Donelson Downs Owners Association, Inc., that certify that more than fifty percent (50%) of the Members present at a duly called meeting of the Association or the affirmative written consent of such percentage of the Members at which a quorum is present have consented to this Amendment and as such, this Amendment to the Declaration of Covenants, Conditions and Restrictions for Donelson Downs shall be adopted.

**DONELSON DOWNS OWNERS
ASSOCIATION, INC.**



By:
Its: Secretary

STATE OF TENNESSEE
COUNTY OF Davidson

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, Robert Stout, to me known (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged themselves to be the Secretary of Donelson Downs Owners Association, Inc., the within named bargainer, and that they, as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

Witness my hand and official seal, this the 3rd day of May, 2022.

Kellie Highfill
Notary Public

My Commission Expires: 3/3/25

