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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELLEWETHER
A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS**

THIS DECLARATION is made and entered into by EA HOMES ASSETS LP, a Delaware limited partnership, (hereinafter referred to as the "Declarant" and "EA Homes"), and AG EHC II (EMP) MULTI STATE 2, LLC, a Delaware limited liability company ("AG").

WITNESSETH:

WHEREAS, AG is the owner of certain real property located in the County of Hamilton, State of Tennessee, and described on **Exhibit A** attached hereto (the "Property"). Declarant and AG intend to and do hereby submit the Property together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto to the provisions of the Horizontal Property Act, Tenn. Code Ann. § 66-27-101 *et seq.* (the "Act"), for the express purpose of establishing thereon a horizontal property regime with private elements to be known as "Bellewether." Declarant and AG further desire to establish said horizontal property regime for its own benefit and for the mutual benefit of all future owners or occupants of the Property, herein described, or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring any interest in the Property, shall hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property. See **Exhibit E** hereto attached, for the required Attorney's Certificate.

WHEREAS, it is the intent of Declarant and AG that it be established that each of the ninety-nine (99) Units (as defined herein) constructed on the Property be separately taxable and alienable residential dwellings. More specifically, it is the Declarant's and AG's intent that by the filing of this Declaration the improvement existing on the Property be divided by the Hamilton County Property Assessor into ninety-nine (99) separately taxed parcels, and that thereafter the ninety-nine (99) Units may be sold or transferred to and owned by ninety-nine (99) separate owners or groups of owners. In the event that such taxes for any year are not separately taxed to each Owner (as defined herein), but rather are taxed on the Property as a whole, then each Owner shall pay their proportionate share thereof in accordance with their respective percentage of ownership interest in the Common Elements (as defined herein), and, in said event, such taxes shall be a Common Expense (as hereinafter defined).

WHEREAS, Declarant specifically states that the intention of this Declaration is not to create a Condominium, as set out in Tenn. Code Ann. § 66-27-201 *et seq.*, but rather a Horizontal Property Regime

with Private Elements as set out in the Tennessee Horizontal Property Act, Tenn. Code Ann. § 66-27-101 *et seq.*

NOW THEREFORE, in consideration of the premises and benefits to each of the Units provided for herein and for other good and valuable consideration, Declarant and AG hereby declare that the Property, including the improvements located thereon, is hereby submitted and made subject to the form of ownership set forth in the Act and is hereby subjected to the provisions of this Declaration. Declarant and AG hereby establish the joint and reciprocal covenants, conditions, restrictions and easements set forth herein, for the use, benefit and enjoyment of the respective Owners and their successors-in-title to all or any portion of each of the Units, as defined herein. By virtue of the recording of this Declaration, the Property shall be held, sold, transferred, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the provisions of the Act and the covenants, conditions, restrictions, easements, Assessments and liens set forth and/or described in this Declaration, which are for the purpose of protecting the value and desirability of and which shall run with the title to, the real property subject to this Declaration and shall be binding on all Persons (as hereinafter defined) having any right, title or interest in all or any portion of the real property subject to this Declaration, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall be for the benefit of all Owners of the Property subject to this Declaration.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. NAME.....	1
ARTICLE 2. DEFINITIONS	1
Section 2.1. "Act"	1
Section 2.2. "AG"	1
Section 2.3. "Architectural Review Committee" or "ARC"	1
Section 2.4. "Area of Common Responsibility"	1
Section 2.5. "Assessment"	1
Section 2.6. "Assessment Exemption Period"	1
Section 2.7. "Assignment of Leasing Permit"	1
Section 2.8. "Association"	1
Section 2.9. "Base Assessment"	1
Section 2.10. "Board" or "Board of Directors"	1
Section 2.11. "Buildings"	1
Section 2.12. "Bylaws"	2
Section 2.13. "Charter"	2
Section 2.14. "Claim"	2
Section 2.15. "Common Element Requested Repairs"	2
Section 2.16. "Common Elements"	2
Section 2.17. "Common Expenses"	2
Section 2.18. "Common Profits"	2
Section 2.19. "Townhome Instruments"	2
Section 2.20. "Townhome Project Approval Requirements"	2
Section 2.21. "Declarant"	2
Section 2.22. "Declarant Control Period"	3
Section 2.23. "Declaration"	3
Section 2.24. "Development"	3
Section 2.25. "Development Period"	3
Section 2.26. "Electronic Document"	3
Section 2.27. "Electronic Signature"	3
Section 2.28. "Eligible Mortgage Holder"	3
Section 2.29. "Emergency"	3
Section 2.30. "Environmental Laws"	4
Section 2.31. "Governmental Authority"	4
Section 2.32. "Hazardous Substances"	4
Section 2.33. "Leasing"	4
Section 2.34. "Leasing Permit"	4
Section 2.35. "Leasing Permit Transferee"	4
Section 2.36. "Leasing Permit Transferor"	4
Section 2.37. "Legal Requirements"	4
Section 2.38. "Limited Common Elements"	4
Section 2.39. "Majority"	4
Section 2.40. "Mold"	4
Section 2.41. "Mortgage"	4
Section 2.42. "Mortgagee" or "Mortgage Holder"	5
Section 2.43. "Nondiscretionary Expenses"	5
Section 2.44. "Notice of Application Completion"	5
Section 2.45. "Notice of Leasing Permit Transfer"	5
Section 2.46. "Occupant"	5
Section 2.47. "Official Records"	5
Section 2.48. "Option Agreement"	5

Section 2.49.	"Owner"	5
Section 2.50.	"Percentage Interests"	5
Section 2.51.	"Person"	5
Section 2.52.	"Private Elements"	5
Section 2.53.	"Property"	5
Section 2.54.	"Plat"	5
Section 2.55.	"Rules and Regulations"	5
Section 2.56.	"Secure Electronic Signature"	6
Section 2.57.	"Site Plan"	6
Section 2.58.	"Special Assessment"	6
Section 2.59.	"Specific Assessment"	6
Section 2.60.	"Total Association Vote"	6
Section 2.61.	"Unit"	6
Section 2.62.	"Unit Requested Repairs"	6
Section 2.63.	"Working Capital Fund"	6
ARTICLE 3.	LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS	7
ARTICLE 4.	UNITS AND BOUNDARIES	7
Section 4.1.	Unit Description and Percentage Interests	7
Section 4.2.	Unit Boundaries	7
ARTICLE 5.	COMMON ELEMENTS	7
ARTICLE 6.	LIMITED COMMON ELEMENTS	8
Section 6.1.	Limited Common Elements Identified	8
ARTICLE 7.	ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES	8
ARTICLE 8.	ASSOCIATION RIGHTS AND RESTRICTIONS	8
Section 8.1.	General	8
Section 8.2.	Rules and Regulations	8
Section 8.3.	Right of Enforcement	8
Section 8.4.	Permits, Licenses, Easements, Etc.	9
Section 8.5.	Common Elements	9
Section 8.6.	Rights of Maintenance	9
Section 8.7.	Casualty Loss	9
Section 8.8.	Condemnation	9
Section 8.9.	Property Rights	9
Section 8.10.	Approval of Contractors and Subcontractors	9
Section 8.11.	Insurance	10
Section 8.12.	Management Firm	10
Section 8.13.	Financial Accounts	10
Section 8.14.	Joint Agreements, Contracts, Etc.	10
Section 8.15.	Governmental Authority	10
ARTICLE 9.	ALLOCATION OF LIABILITY FOR COMMON EXPENSES	10
Section 9.1.	Percentage Interests	10
ARTICLE 10.	ASSESSMENTS	11
Section 10.1.	Purpose of Assessment	11
Section 10.2.	Types of Assessments	11
Section 10.3.	Annual Budget and Base Assessments	11
Section 10.4.	Capital Reserve Budget and Contribution	12
Section 10.5.	Special Assessments	12
Section 10.6.	Specific Assessments	12
Section 10.7.	Payment of Assessments	13
Section 10.8.	Assessment Exemption Period	13
Section 10.9.	Creation of the Lien and Personal Obligation For Assessments	13
Section 10.10.	Non-Payment of Assessments	14
Section 10.11.	Surplus Funds and Common Profits	15
Section 10.12.	Statement of Account	15

Section 10.13.	Working Capital Fund	15
ARTICLE 11.	INSURANCE	15
Section 11.1.	General.	15
Section 11.2.	Property Insurance.....	16
Section 11.3.	Liability Insurance.....	17
Section 11.4.	Annual Review and Allocation of Costs Among the Units.....	17
Section 11.5.	Insurance Coverage Requirements.....	17
Section 11.6.	Other Required Insurance.....	18
Section 11.7.	Insurance to be Maintained by Owners.....	19
Section 11.8.	Required Insurance Provisions.....	19
Section 11.9.	Insurance Certificate Requirements.....	19
Section 11.10.	Application of Deductibles.....	20
Section 11.11.	Delinquency.....	20
Section 11.12.	Coverage by Owner.....	20
ARTICLE 12.	REPAIR AND RECONSTRUCTION	20
Section 12.1.	General.....	20
Section 12.2.	Cost Estimates.....	21
Section 12.3.	Source and Allocation of Proceeds.....	21
ARTICLE 13.	ARCHITECTURAL CONTROLS	21
Section 13.1.	During Declarant Control.....	21
Section 13.2.	After Declarant Control.....	21
Section 13.3.	National Flags.....	22
Section 13.4.	Signs.....	22
Section 13.5.	Alteration of Units.....	22
Section 13.6.	Applications.....	22
Section 13.7.	Appeal.....	23
Section 13.8.	Encroachments onto Common Elements.....	23
Section 13.9.	Condition of Approval.....	23
Section 13.10.	Limitation of Liability.....	23
Section 13.11.	No Waiver of Future Approvals.....	23
Section 13.12.	Enforcement.....	24
Section 13.13.	Commencement of Construction.....	24
ARTICLE 14.	USE RESTRICTIONS	24
Section 14.1.	General.....	24
Section 14.2.	Use of Units.....	25
Section 14.3.	Number of Occupants.....	25
Section 14.4.	Outbuildings.....	26
Section 14.5.	Use of Common Elements.....	26
Section 14.6.	Voluntary Oversight and Assistance Program.....	26
Section 14.7.	Use of Limited Common Elements.....	27
Section 14.8.	Prohibition of Damage, Nuisance and Noise.....	27
Section 14.9.	Firearms and Fireworks.....	27
Section 14.10.	Animals and Pets.....	28
Section 14.11.	Parking.....	28
Section 14.12.	Garages.....	29
Section 14.13.	Rubbish, Trash, and Garbage.....	29
Section 14.14.	Unightly or Unkempt Conditions.....	29
Section 14.15.	Garage Sales.....	29
Section 14.16.	Window Treatments.....	29
Section 14.17.	Antennas and Satellite Dishes.....	30
Section 14.18.	Grilling.....	30
Section 14.19.	Abandoned Personal Property.....	30
Section 14.20.	Sale Period.....	31
ARTICLE 15.	LEASING	31

Section 15.1.	General.	31
Section 15.2.	Assignment of Leasing Permits.	31
Section 15.3.	Records of Leasing Permits and Hardship Leasing Permits; Transfer of Leasing Permits.	32
Section 15.4.	Leasing Provisions.	32
Section 15.5.	Applicability of this ARTICLE 15.	34
ARTICLE 16.	TRANSFER OR SALE OF UNITS.	34
ARTICLE 17.	MAINTENANCE RESPONSIBILITY.	35
Section 17.1.	By the Owner.	35
Section 17.2.	By the Association.	35
Section 17.3.	Failure to Maintain.	36
Section 17.4.	Measures Related to Insurance Coverage.	36
Section 17.5.	Mold Disclosure and Waiver.	37
ARTICLE 18.	EMINENT DOMAIN.	38
ARTICLE 19.	EASEMENTS.	38
Section 19.1.	General.	38
Section 19.2.	Use and Enjoyment.	38
Section 19.3.	Support.	38
Section 19.4.	Utilities.	38
Section 19.5.	Pest Control.	39
Section 19.6.	Community Bulletin Board.	39
Section 19.7.	Declarant and AG Easements During the Development Period.	39
ARTICLE 20.	MORTGAGEE'S RIGHTS.	39
Section 20.1.	Powers Denied to the Association.	39
Section 20.2.	Exemption from Liens.	40
Section 20.3.	Mortgage Holder Entitled to Notice.	40
Section 20.4.	Copy of Financial Statement.	40
Section 20.5.	No Impairment of Rights.	41
Section 20.6.	No Priority.	41
Section 20.7.	Notice to Association.	41
Section 20.8.	Failure of Mortgagee to Respond.	41
Section 20.9.	Construction of this ARTICLE 20.	41
ARTICLE 21.	GENERAL PROVISIONS.	41
Section 21.1.	SECURITY.	41
Section 21.2.	Parking Spaces, Garages, Vehicles and Storage Spaces.	41
Section 21.3.	Dispute Resolution.	42
Section 21.4.	Litigation.	44
Section 21.5.	Successor Declarants.	45
Section 21.6.	Disclosures.	45
Section 21.7.	Services During the Development Period.	45
Section 21.8.	Constructive Notice and Acceptance.	45
Section 21.9.	Substantial Compliance With the Act.	45
Section 21.10.	Amendments.	46
Section 21.11.	Severability.	47
Section 21.12.	Declarant Rights.	47
Section 21.13.	AG.	48

EXHIBITS

LEGAL DESCRIPTION OF THE SUBMITTED PROPERTY A
PLAT AND SITE PLAN.....A-1
DISCLOSURES B
SAMPLE FORM - INITIAL ASSIGNMENT OF LEASING PERMITC-1
SAMPLE FORM - NOTICE OF TRANSFER OF LEASING PERMIT.....C-2
BYLAWS D
ATTORNEY CERTIFICATE E

ARTICLE 1. NAME

The name of the Development is Bellewether ("Bellewether") which Development is hereby submitted by Declarant and AG to the Tennessee Horizontal Property Act, Tenn. Code Ann. § 66-27-101, *et seq.*, as amended.

ARTICLE 2. DEFINITIONS

Generally, terms used in this Declaration, the Bylaws, and the Charter shall have their normal, generally accepted meanings or the meanings given in the Act. Unless the context otherwise requires, certain terms used in this Declaration, the Bylaws and the Charter shall be defined as follows:

Section 2.1. "Act" shall mean and refer to the Tennessee Horizontal Property Act, Tenn. Code Ann. § 66-27-101, *et seq.*, as may be amended from time to time.

Section 2.2. "AG" means AG EHC II (EMP) Multi State 2, LLC, a Delaware limited liability company.

Section 2.3. "Architectural Review Committee" or "ARC" shall mean and refer to the committee established to exercise the design and architectural review powers set forth in this Declaration. During the Development Period, Declarant shall serve as the Architectural Review Committee, and upon the expiration of the Development Period, the Board of Directors shall serve as the Architectural Review Committee unless the Board of Directors, by resolution, appoints a separate Architectural Review Committee.

Section 2.4. "Area of Common Responsibility" shall mean and refer to the Common Elements (which include the Limited Common Elements, with the exception of any improvements made to the Limited Common Elements), together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any other Person, become the responsibility of the Association.

Section 2.5. "Assessment" shall mean and refer to all assessments authorized and levied under ARTICLE 10 of this Declaration and shall refer to Base Assessments, Specific Assessments and Special Assessments.

Section 2.6. "Assessment Exemption Period" shall have the same meaning as set forth in Section 10.8 of this Declaration.

Section 2.7. "Assignment of Leasing Permit" shall have the meaning set forth in Section 15.3(a) of this Declaration.

Section 2.8. "Association" shall mean and refer to Bellewether Association, Inc., a Tennessee nonprofit corporation, and its successors or assigns.

Section 2.9. "Base Assessment" shall mean and refer to the Assessment to be uniformly levied by the Board of Directors against each Unit in accordance with its Percentage Interests as more particularly described in Section 10.3(b) below.

Section 2.10. "Board" or "Board of Directors" shall mean and refer to the board of directors of the Association, which shall be the body responsible for the management and operation of the Association.

Section 2.11. "Buildings" shall mean and collectively refer to those improvements located on the Property that contains one (1) or more Units.

Section 2.12. "Bylaws" shall mean the Bylaws of Bellewether Association, Inc., attached to this Declaration as **Exhibit D** and incorporated herein by this reference.

Section 2.13. "Charter" shall mean and refer to the Charter of Bellewether Association, Inc., which has been filed with the Tennessee Secretary of State.

Section 2.14. "Claim" shall have the meaning set forth in Section 21.4 of this Declaration.

Section 2.15. "Common Element Requested Repairs" shall have the meaning set forth in Section 21.3(v) of this Declaration.

Section 2.16. "Common Elements" shall mean and collectively refer to those portions of the Property subject to this Declaration, which are not included within the boundaries of a Unit, as more particularly described in ARTICLE 5 of this Declaration.

Section 2.17. "Common Expenses" shall mean and refer to the expenses lawfully made or incurred by or on behalf of the Association, including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Area of Common Responsibility, and all funds lawfully assessed for the creation and maintenance of reserves pursuant to the Townhome Instruments.

Section 2.18. "Common Profits" shall mean and refer to all income collected or accrued by or on behalf of the Association other than income derived from Assessments.

Section 2.19. "Townhome Instruments" shall mean and refer to this Declaration and all exhibits to this Declaration (including the Bylaws), the Charter, the Plat and Site Plan, and the Rules and Regulations, as such documents may be supplemented or amended from time to time.

Section 2.20. "Townhome Project Approval Requirements" shall have the meaning set forth in Section 15.1 of this Declaration.

Section 2.21. "Declarant" shall mean and refer to EA Homes Assets, LP, a Delaware limited partnership, its respective successors-in-title and assigns, provided that such successor and/or assignee is designated in writing by Declarant as its successor-in-title and/or assign of the rights of Declarant as set forth in this Declaration; provided, however, no transfer or assignment shall be effective unless it is in a written Recorded instrument signed by Declarant, and, so long as AG owns a Unit or any other portion of the Property, AG, and recorded in the Official Records. So long as AG owns a Unit or any portion of the Property, any assignment of the Declarant Rights without the consent of AG shall be deemed void and of no force and effect.

Notwithstanding the foregoing, if the Option Agreement is terminated in accordance with the provisions thereof, prior to AG's conveyance of all the real property described in Exhibit "A" hereof, as evidenced by the filing of a Notice of Termination of Option Agreement ("Notice of Termination") or similar document in the Official Records, AG shall, upon the filing by AG of a Notice to Succeed Declarant Rights or similar document in the aforesaid records, automatically become the Declarant in which event any and all references to Declarant under this Declaration shall thereafter mean and refer only to AG, or its successors or assigns and neither EA Homes nor any approved successor of EA Homes shall be the Declarant under this Declaration or be entitled to exercise any of the rights of Declarant under this Declaration, the Bylaws, or Charter. In such event, AG shall not be liable to any Member or any other Person for any act or omission of Declarant including, without limitation, Declarant's failure to pay any amounts owing or to be paid or reserved for hereunder or as may otherwise be required by statute or at law or as determined appropriate based on a reserve study or to perform any act or obligation required to be performed by Declarant under this Declaration, the Bylaws, or Charter or as may otherwise be required by statute or at law, arising prior to the date AG succeeds to Declarant's rights under this Declaration, and

AG shall assume the obligations under this Declaration only for matters and obligations arising or to be performed from and after the date AG succeeds to Declarant's rights hereunder, and AG is hereby released and discharged from any and all obligations under this Declaration, the Bylaws, or Charter accruing prior to the date AG succeeds to Declarant's rights under this Declaration. Notwithstanding anything to the contrary herein, from and after the date of recording of a Notice to Succeed Declarant Rights or similar document by AG in the Official Records (the "Transfer Date"), with respect to Units owned by EA Homes as of the Transfer Date, EA Homes shall: (a) retain the right to exercise architectural control over exterior modifications and construction on any Unit on which construction has commenced as of the Transfer Date; (b) be entitled to exercise architectural control over exterior modifications and construction on any Unit on which construction has not commenced as of the Transfer Date if the plans and elevations for the homes on such Units are consistent with those of existing homes constructed by EA Homes in the Development, (c) remain exempt from the payment of Assessments under this Declaration for any Unit owned; and (d) retain such easement rights described in ARTICLE 19 of this Declaration. Notwithstanding anything to the contrary set forth in this Declaration, there shall be only one "Declarant" at any one time, and in no event shall more than one (1) Person have the right to exercise the power and authority of the "Declarant" at any one time. The expiration of the Declarant Control Period shall not terminate or alter the status of the above-referenced entity and its successor-in-title and/or assign, as Declarant or divest it of other rights specifically reserved to Declarant in this Declaration.

Section 2.22. "Declarant Control Period" shall mean and refer to the period of time during which Declarant or AG owns any Unit or portion of the Property.

Section 2.23. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for the Bellewether Development, a Horizontal Property Regime with Private Elements, filed in the Official Records, as may be amended.

Section 2.24. "Development" shall mean and refer to Bellewether, a horizontal property regime created under the Act.

Section 2.25. "Development Period" shall mean and refer to the period of time commencing on the Effective Date and terminating upon the date on which neither Declarant nor AG owns any Unit or portion of the Property.

Section 2.26. "Electronic Document" shall mean and refer to information created, transmitted, received or stored by electronic means and retrievable in humanly perceivable form including, without limitation, e-mail, web pages, electronic documents, and facsimile transmissions.

Section 2.27. "Electronic Signature" shall mean and refer to a signature created, transmitted, received or stored by electronic means and includes, but is not limited to, a Secure Electronic Signature.

Section 2.28. "Eligible Mortgage Holder" shall mean and refer to those holders of first Mortgages secured by a lien on a Unit in the Development who have requested notice of certain items as set forth in this Declaration.

Section 2.29. "Emergency" shall mean and refer to any situation or condition where the applicable Person, in its reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary to: (i) protect the Property from imminent danger of material damage; (ii) protect any natural Person from imminent danger of personal injury; or (iii) avoid an interruption or suspension of utility services or other necessary material services to the Property, the failure of which service would have a material adverse effect (as that term is generally used and not as defined herein) on the Property.

Section 2.30. "Environmental Laws" shall mean and refer to all Legal Requirements pertaining to environmental regulation or the use, processing, storage disposal, generation or transportation of Hazardous Substances or any contamination, cleanup or disclosure related thereto, including but not limited to, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.* and state equivalents, and such regulations as may be promulgated with respect thereto.

Section 2.31. "Governmental Authority" shall mean and collectively refer to any federal, state, county, city or local governmental or quasi-governmental authority, entity or body (or any department or agency thereof) exercising jurisdiction over a particular subject matter.

Section 2.32. "Hazardous Substances" shall mean and collectively refer to those substances now or hereafter included within (whether as a result of such substance's inclusion on a list, physical characteristics or otherwise) any of the definitions of "hazardous substances," "hazardous waste," "hazardous materials," "pollutant," "contaminant" or "toxic substance" under or otherwise regulated by, any Environmental Laws, including but not limited to, the following: (i) mixtures containing listed Hazardous Substances and waste generated from the treatment, storage or disposal of Hazardous Substances, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) radioactive materials, (v) petroleum (including crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas and synthetic gas, and (vi) Mold.

Section 2.33. "Leasing" shall mean and refer to the regular, exclusive occupancy of a Unit by a Person other than the Owner, as more specifically set forth in Section 15.1 of this Declaration.

Section 2.34. "Leasing Permit" shall mean and refer to a leasing permit assigned to a specific Unit and the Owner of such Unit by Declarant (during the Development Period) or the Board of Directors (after the expiration of the Development Period and subject to the availability of Leasing Permits), as provided in Section 15.2 of this Declaration.

Section 2.35. "Leasing Permit Transferee" shall have the meaning set forth in Section 15.3(b) of this Declaration.

Section 2.36. "Leasing Permit Transferor" shall have the meaning set forth in Section 15.3(b) of this Declaration.

Section 2.37. "Legal Requirements" shall mean and collectively refer to applicable federal, state and local laws including but not limited to, Environmental Laws, statutes, ordinances, codes, rules, regulations, common law, orders, requirements and applicable judicial decisions or decrees, as presently existing and hereafter amended, of any Governmental Authority.

Section 2.38. "Limited Common Elements" shall mean and refer to those portions of the Common Elements reserved for the exclusive use of those Persons entitled to occupy one (1) or more, but less than all of the Units, as more particularly set forth in this Declaration and identified on the Plat.

Section 2.39. "Majority" shall mean and refer to more than fifty percent (50%) of the total eligible number.

Section 2.40. "Mold" shall have the meaning set forth in Section 17.5 of this Declaration.

Section 2.41. "Mortgage" shall mean and refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation including but not limited to, a transfer or conveyance of fee title for such purpose.

Section 2.42. "Mortgagee" or "Mortgage Holder" shall mean and refer to the holder of any Mortgage.

Section 2.43. "Nondiscretionary Expenses" shall mean and refer to the following Common Expenses, the payment and amount of which are not within the discretion of the Association: utility charges, real estate and personal property taxes and assessments, insurance premiums for policies obtained by the Association, and amounts due and payable under the service contracts and other agreements entered into by the Association.

Section 2.44. "Notice of Application Completion" shall have the meaning set forth in Section 13.6 of this Declaration.

Section 2.45. "Notice of Leasing Permit Transfer" shall have the meaning set forth in Section 15.3(b) of this Declaration.

Section 2.46. "Occupant" shall mean and refer to any natural Person (i) staying overnight in a Unit for a total of more than thirty (30) days, either consecutive or nonconsecutive, in any calendar year, regardless of whether such natural Person is a tenant or lessee, or the Owner of such Unit.

Section 2.47. "Official Records" shall mean and refer to the official land records of the Register's Office of Hamilton County, Tennessee.

Section 2.48. "Option Agreement" shall mean that certain Option Agreement having an effective date of October 31, 2023, as evidenced by that certain Memorandum of Option Agreement (Bellewether) recorded in the Official Records as Document No. 2023110200146. Notwithstanding any other provision of this Declaration, Declarant and AG acknowledge that, upon recordation of a Notice of Termination of the Option Agreement, the Option Agreement, for the purposes of this Declaration, shall be deemed terminated and shall no longer be in force or have any effect hereunder.

Section 2.49. "Owner" shall mean and refer to the record titleholder of a Unit but excluding any Person who is only a Mortgage Holder.

Section 2.50. "Percentage Interests" shall mean and refer to the undivided ownership percentage interest in the Common Elements and liabilities for the Common Expenses appurtenant to each Unit, being each Unit divided by the total number of Units in the Development and multiplied by one hundred (100).

Section 2.51. "Person" shall mean and refer to any natural person, limited liability company, corporation, firm, association, partnership, trust, or other legal entity.

Section 2.52. "Private Elements" shall mean the Unit, including the land upon which a Unit is located as shown on the Plat.

Section 2.53. "Property" shall mean and refer to all the real property described in Exhibit A attached hereto and incorporated herein by this reference, submitted to the provisions of the Act by this Declaration.

Section 2.54. "Plat" shall mean the plat for Bellewether, attached hereto and incorporated herein as Exhibit A-1.

Section 2.55. "Rules and Regulations" shall mean and refer to those rules and regulations that are adopted by the Association, acting through its Board of Directors, as amended from time to time.

Section 2.56. "Secure Electronic Signature" shall mean and refer to an electronic or digital method executed or adopted by a Person with the intent to be bound by or to authenticate a record, which is unique to the Person using it, is capable of verification, is under the sole control of the Person using it, and is linked to data in such a manner that if the data is changed, the electronic signature is invalidated.

Section 2.57. "Site Plan" shall mean and refer to the site plan for Bellewether, filed in the Official Records, as may be supplemented or amended, a copy of which is attached hereto as Exhibit A-1.

Section 2.58. "Special Assessment" shall mean and refer to an Assessment uniformly levied by the Board against all Units in accordance with their appurtenant Percentage Interests to fund an expense of the Association not included in the annual budget or to otherwise fund a shortfall in the operating account of the Association.

Section 2.59. "Specific Assessment" shall mean an Assessment levied by the Board of Directors against a Unit or Units as provided below:

(i) Any Common Expenses benefiting less than all of the Units (including but not limited to, Common Expenses associated with the maintenance, repair, renovation, restoration, or replacement of any Limited Common Element) may be specifically assessed equitably, in the reasonable discretion of the Board of Directors, among all of the benefited Units according to the respective benefit received.

(ii) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the guests, tenants, licensees and invitees of any such Unit(s) may be specifically assessed by the Board of Directors against such Unit(s) based upon the conduct committed which occasioned any such Common Expenses.

(iii) Any Common Expenses significantly disproportionately benefiting all the Units may be specifically assessed equitably, in the reasonable discretion of the Board of Directors, among all of the benefited Units according to the respective benefit received.

Additionally, fines and other charges assessed against less than all the Units shall be deemed Specific Assessments.

Section 2.60. "Total Association Vote" shall mean and refer to all of the eligible votes attributed to members of the Association (including votes attributable to Declarant), and the consent of Declarant and AG during the Development Period.

Section 2.61. "Unit" shall mean and refer to that portion of the Property intended for individual ownership and use as a residence as shown on the Plat and shall include the undivided ownership in the Common Elements assigned to such Unit by this Declaration. Each Unit shall be subject to fee simple ownership and exclusive use of the owner. Each Unit in the Development will be understood to be an "Apartment" as that term is used in the Act, and the legal description of each Unit shall consist of the identifying number or letter of such Unit shown on the Plat.

Section 2.62. "Unit Requested Repairs" shall have the meaning set forth in Section 21.3(iv) of this Declaration.

Section 2.63. "Working Capital Fund" shall have the meaning set forth in **Error! Reference source not found.** of this Declaration. As provided in ARTICLE 16 of this Declaration, a non-refundable contribution to the Working Capital Fund of the Association (which may be referred to as an

“initiation fee”) shall be paid to the Association by the purchaser of a Unit at the closing of each sale or resale of a Unit in the amount of two (2) months of the Base Assessment assigned to such Unit in accordance with ARTICLE 10 hereof.

ARTICLE 3. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

The property subject to this Declaration and the Act is located in Hamilton County, City of Chattanooga, Tennessee, all as more particularly described on Exhibit A attached hereto and incorporated herein by this reference. The Plat and Site Plan are shown on Exhibit A-1 attached hereto and incorporated herein by reference as fully as if the same were set forth in their entirety herein.

During the Development Period, Declarant and AG reserve the right, but shall have no obligation, to make improvements and changes to all or part of the Common Elements and the Units owned by Declarant or AG, respectively, including, without limitation: the addition and realignment of parking spaces; the renovation and installation of changes to utility systems and facilities; the rearrangement and installation of security and refuse facilities; work relating to the exteriors of the Buildings; and extension of the drives and utility lines and pipes constituting a part of the Property.

ARTICLE 4. UNITS AND BOUNDARIES

Section 4.1. Unit Description and Percentage Interests. The Development initially will be divided into ninety-nine (99) Units and Common Elements (some of which will be assigned as Limited Common Elements as set forth in ARTICLE 6 of this Declaration). The Units are depicted on the Site Plan and Plat. Each Unit consists of its defined space, as more specifically set forth in Section 4.2 below together with its appurtenant Percentage Interest. The ownership of each Unit shall include, and there shall pass with each Unit, whether or not separately described in the conveyance thereof, the Unit's appurtenant Percentage Interest. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Townhome Instruments.

Section 4.2. Unit Boundaries. Each Unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Townhome Instruments. The Units are more specifically depicted on the Site Plan and Plat. The boundaries of each Unit include exterior perimeter walls, the middle of interior demising walls, together with the heating, hot water, and air conditioning apparatus exclusively serving the Unit whether or not located within the boundaries of the Unit. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Unit by its identifying number or letter as shown on the Plat.

ARTICLE 5. COMMON ELEMENTS

The Common Elements consist of all portions of the Property not located within the boundaries of a Unit. The Common Elements include, without limitation, certain utility infrastructures, fences, entry feature and lighting for same, paving, rights of way, retaining walls, and related improvements, landscape areas, outside parking area and lighting for same, mail area, any dumpster, trash bin or compactor, fitness facility, any club/meeting room, and all other lighting in any Common Element.

Each Owner shall own an undivided interest in and to the Common Elements based on the Percentage Interests attributable to each Unit, which may be altered only with the written consent of all Owners and Mortgagees in a duly recorded amendment to this Declaration (or such lesser number of Owners and Mortgagees as may hereafter be prescribed by the Act).

The Common Elements shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the whole or any part thereof except as provided in the Act. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association

may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

ARTICLE 6. LIMITED COMMON ELEMENTS

Section 6.1. Limited Common Elements Identified. The Limited Common Elements located on the Property, as may be shown on the Site Plan and/or the Plat, and the Unit(s) to which they are assigned are as follows:

(i) the exterior walls, foundation, and roof of a Building that serve more than one (1), but less than all, Units, as shown on the Site Plan, are assigned as Limited Common Elements to such Units;

(ii) the portion of the Common Elements on which there is located any portion of the air conditioning or heating system exclusively serving one (1) particular Unit, but less than all, Units, is assigned as a Limited Common Element to the Units so served;

(iii) any utility meter that serves more than one (1) Unit is assigned as a Limited Common Element to the Units so served; and

(iv) any driveway leading exclusively to a garage and walk-ways serving more than one (1), but less than all, Units, are assigned as a Limited Common Element to the Units so served.

ARTICLE 7. ASSOCIATION MEMBERSHIP AND ALLOCATION OF VOTES

All Owners, by virtue of their ownership of a fee or undivided fee interest in any Unit on the Property, excluding Persons holding such interest under a Mortgage, are members of the Association, and, except as otherwise provided herein or in the Bylaws, shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to this Declaration and in accordance with the Bylaws. Subject to the provisions of the Townhome Instruments, the Owner or collective Owners shall be entitled to one (1) equally weighted vote for such Unit.

ARTICLE 8. ASSOCIATION RIGHTS AND RESTRICTIONS

Section 8.1. General. The Association, acting through its Board of Directors, shall have the rights set forth in this Section 8.1 in addition to, and not in limitation of, all other rights it may have pursuant to Tennessee law and the Townhome Instruments. Notwithstanding anything to the contrary herein, all actions required or permitted to be taken by the Board of Directors may be taken by the Association unless and until the Association determines otherwise.

Section 8.2. Rules and Regulations. The Board of Directors shall have the right and authority to adopt and to enforce reasonable Rules and Regulations governing the use of the Property. All Rules and Regulations shall be promulgated and enforced in a fair, uniform and commercially reasonable manner against all Owners.

Section 8.3. Right of Enforcement. The Board of Directors shall have the right and authority to enforce the provisions of the Townhome Instruments and the Rules and Regulations. Any fines levied in accordance with the Townhome Instruments shall be considered an Assessment against the Unit and may be collected in the manner provided for collection of other Assessments. The Board of Directors may enforce the provisions of the Townhome Instruments and the Rules and Regulations for the benefit of the Association. In addition, the Board of Directors, by contract or other agreement, may enforce county,

state, and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Property for the benefit of the Association.

Section 8.4. Permits, Licenses, Easements, Etc. The Board of Directors shall have the right and authority to grant and accept permits, licenses, utility easements, leases and other easements over, through and under the Common Elements; provided that no such grant shall (i) cause the Property or any Unit to fail to comply with applicable Legal Requirements; (ii) unreasonably interfere with or obstruct utility service to, or drainage and support of, any Unit or the Common Elements; or (iii) unreasonably interfere with ingress or egress to and from any Unit or the remaining Common Elements.

Section 8.5. Common Elements. The Board of Directors shall have the right and authority to close temporarily any portion of the Common Elements to perform its obligations to maintain and repair the same (excluding any Common Elements the use of which is reasonably necessary for access to or from a Unit) with five (5) days prior notice to all Owners, except that, in an Emergency requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. No Common Elements shall be closed permanently without the prior written consent of all Owners.

Section 8.6. Rights of Maintenance. The Board of Directors shall have the right and authority to control, manage, operate, maintain, improve and replace all portions of the Property for which the Association is assigned maintenance responsibility under this Declaration.

Section 8.7. Casualty Loss. The Board of Directors shall have the right and authority to represent and act on behalf of the Owners in the event of damage or destruction as a result of casualty loss in accordance with the provisions of the Act and ARTICLE 11 and ARTICLE 12 of this Declaration.

Section 8.8. Condemnation. The Board of Directors shall have the right and authority to represent and act on behalf of the Owners in the event of any loss resulting from condemnation or eminent domain in accordance with the provisions of the Act and ARTICLE 18 of this Declaration.

Section 8.9. Property Rights. The Board of Directors shall have the right and authority to acquire, hold and dispose of tangible and intangible personal property and real property; and provided that no such disposal of real property shall (i) cause the Property or any Unit to fail to comply with applicable Legal Requirements, (ii) unreasonably interfere with or obstruct utility service to, or drainage and support of, any Unit or the Common Elements, or (iii) unreasonably interfere with ingress or egress to and from any Unit or the remaining Common Elements.

Section 8.10. Approval of Contractors and Subcontractors. The Board of Directors shall have the right and authority to approve, in writing and in advance of work being done, contractors and subcontractors who have access to the Property for the purpose of making repairs or improvements: (i) of a structural nature to a Limited Common Element or a Unit (but only if the structural change could materially and adversely affect other portions of the Property); or (ii) will impede ingress or egress to and from any portion of the Property. The approval rights set forth herein may be based on the Rules and Regulations, which may include, without limitation, the following: (iii) financial stability of the contractors and subcontractors; (iv) history of compliance with the Townhome Instruments and the Rules and Regulations; and (v) other factors that may be reflective of quality and ability. The Board of Directors may also impose reasonable insurance requirements on contractors and subcontractors performing the above-described work. Notwithstanding the foregoing, this Section 8.10 shall not apply to Declarant, AG, or any affiliate of Declarant or AG that is controlled by, under common control with, or controls Declarant or AG, as applicable, and any contractors and subcontractors hired by or on behalf of Declarant, AG, or their affiliate, in connection with the construction and completion of improvements on the Property.

Section 8.11. Insurance. The Board of Directors shall have the right and authority, subject to the Act, to purchase insurance for the Property, Common Elements, and/or the members of the Board of Directors, having deductibles authorized by the Board of Directors.

Section 8.12. Management Firm. The Board of Directors shall have the right and authority to designate, hire, and dismiss a management firm for the operation of the Association and the operation, maintenance, repair, and replacement of the Common Elements and any other areas that are the responsibility of the Association. In addition, the Board of Directors shall have the right and authority to provide for the compensation of such management firm, as well as for the purchase of equipment, supplies, and material to be used by such management firm in the performance of their duties. All costs and expenses related to the management firm shall constitute part of the Common Expenses.

Section 8.13. Financial Accounts. The Board of Directors shall have the right and authority to open bank accounts and other financial accounts and designate the required signatories.

Section 8.14. Joint Agreements, Contracts, Etc. The Board of Directors shall have the right and authority to enter into joint agreements and contracts with one or more Owners for the provision of services, including, without limitation, management, landscaping, utilities, and property monitoring services; provided that no such agreements shall (i) cause the Property or any Unit to fail to comply with applicable Legal Requirements; (ii) unreasonably interfere with or obstruct utility service to, or drainage and support of, any Unit or the Common Elements; or (iii) unreasonably interfere with ingress or egress to and from any Unit or the remaining Common Elements. Moreover, the fees and costs associated with any such joint agreements and contracts shall be commercially reasonable and market rate.

Section 8.15. Governmental Authority. The Board of Directors shall have the right and authority to represent and act on behalf of the Owners in dealings with a Governmental Authority in matters that will or may affect all Owners hereunder.

NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED IN THIS DECLARATION, THE ASSOCIATION SHALL NOT BE OBLIGATED TO TAKE ANY ACTION TO ENFORCE ANY COVENANT, USE RESTRICTION, OR RULE THAT THE BOARD OF DIRECTORS, IN EXERCISE OF ITS BUSINESS JUDGMENT, DETERMINES IS OR IS LIKELY TO BE CONSTRUED AS INCONSISTENT WITH APPLICABLE LEGAL REQUIREMENTS OR IN ANY CASE IN WHICH THE BOARD OF DIRECTORS REASONABLY DETERMINES THAT THE ASSOCIATION'S POSITION IS NOT STRONG ENOUGH TO JUSTIFY TAKING SUCH ACTION. SUCH A DECISION SHALL NOT BE CONSTRUED A WAIVER OF THE RIGHT OF THE ASSOCIATION TO ENFORCE SUCH PROVISION AT A LATER TIME UNDER OTHER CIRCUMSTANCES OR ESTOP THE ASSOCIATION FROM ENFORCING ANY OTHER COVENANT, USE RESTRICTION OR RULE.

IN ADDITION, NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED IN THE TOWNHOME INSTRUMENTS, DURING THE DEVELOPMENT PERIOD, THE ASSOCIATION SHALL NOT EXERCISE ANY AUTHORITY THAT WOULD (I) IMPAIR THE RIGHTS OF DECLARANT OR AG UNDER THIS DECLARATION, (II) INTERFERE WITH DECLARANT'S OR AG'S DEVELOPMENT OF, CONSTRUCTION ON, OR MARKETING OF ANY PORTION OF THE PROPERTY, (III) DIMINISH THE LEVEL OF SERVICES BEING PROVIDED BY THE ASSOCIATION, OR (IV) PASS ANY INCREASE IN ANY TRANSFER, INITIATION OR ADMINISTRATIVE FEES ASSOCIATED WITH THE TRANSFER OF TITLE TO A UNIT WITHOUT THE PRIOR WRITTEN PERMISSION OF THE DECLARANT OR AG, SO LONG AS AG OWNS ANY UNIT OR PORTION OF THE PROPERTY.

ARTICLE 9. ALLOCATION OF LIABILITY FOR COMMON EXPENSES

Section 9.1. Percentage Interests. Except for Specific Assessments or as provided elsewhere in the Act or the Townhome Instruments, the amount of all Common Expenses shall be levied against all the Units in accordance with their appurtenant Percentage Interests.

ARTICLE 10. ASSESSMENTS

Section 10.1. Purpose of Assessment. The Association shall have the power to levy Assessments as provided herein and in the Act. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the common benefit and enjoyment of the Owners and Occupants of the Units as may be more specifically authorized from time to time by the Board of Directors. Each Owner shall pay its share of the Common Expenses in accordance with the annual budget of the Association and Owner's Percentage Interest.

Section 10.2. Types of Assessments. Each Owner of a Unit, by acceptance of a deed to a Unit whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following types of Assessments with such Assessments to be established and collected as hereinafter provided:

- (i) Base Assessments;
- (ii) Special Assessments; and
- (iii) Specific Assessments.

Section 10.3. Annual Budget and Base Assessments.

(a) Preparation of the Annual Budget. For each fiscal year, the Board of Directors shall prepare a budget listing by category the estimated Common Expenses for such year (including the establishment and maintenance of such reserves as the Board of Directors may consider reasonable and appropriate for the Development). The Board of Directors shall cause the proposed annual budget and Base Assessments roster based thereon to be delivered to each Owner at least twenty-one (21) days prior to the Association's annual meeting. The budget and the Assessments shall become effective unless disapproved at a duly called and constituted annual meeting of the Association by a vote of a Majority of the Total Association Vote; provided, however, if a quorum is not obtained at the annual meeting, the budget and the Assessments shall become effective even though a vote to disapprove the budget could not be called for at such meeting.

(b) Base Assessments. Each Owner shall pay a Base Assessment based on the Percentage Interest allocated to the Owner's Unit. The amount of the Common Expenses paid as a Base Assessment shall be based on the total Common Expenses as estimated in the annual budget, less the following:

- (i) Any amounts in the budget to be funded by the payment of Specific Assessments; and
- (ii) Undistributed and unreserved Common Profits.

(c) Failure to Establish Annual Budget. In the event that the Owner, Declarant, and/or AG disapprove the proposed budget or the Board of Directors fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board of Directors may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and Base Assessment shall be delivered to the Owners at least twenty-one (21) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings. Notwithstanding anything to the contrary stated in

this Declaration, the Association shall pay all Nondiscretionary Expenses prior to the date on which payment of such Nondiscretionary Expenses is due.

(d) Annual Budget Adjustments. The Board of Directors shall have the right to:

(i) not spend the full amount budgeted for any particular line item in the budget;

(ii) spend more than what has been budgeted;

(iii) shift revenues within the annual budget from one line to another; and

(iv) adopt a revised annual budget during the fiscal year; provided, however, (A) such proposed revised annual budget and Base Assessment shall be delivered to the Owners at least twenty-one (21) days prior to the proposed effective date thereof and at least seven (7) days prior to a special meeting of the Association, and (B) the revised annual budget and the Base Assessments shall become effective unless disapproved at a duly called and constituted special meeting of the Association by a vote of a Majority of the Total Association Vote, provided, if a quorum is not obtained at such special meeting, the revised annual budget shall become effective even though a vote to disapprove the revised annual budget could not be called for at such meeting.

Section 10.4. Capital Reserve Budget and Contribution. The Board of Directors shall annually prepare a capital reserve budget, which may take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board of Directors may set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve budget, with respect both to amount and timing by equal Base Assessments over the period of the budget. The annual capital reserve contribution required, if any, shall be fixed by the Board of Directors and included within the annual budget and Base Assessment as provided above. A copy of the capital reserve budget shall be distributed to each Owner in the same manner as the operating budget.

Section 10.5. Special Assessments. The Board of Directors shall have authority at any time to levy a Special Assessment against all Owners based upon Percentage Interest; provided, however, the Board of Directors may not levy any Special Assessment that would cause the Special Assessments levied in one (1) fiscal year to exceed one-sixth (1/6) of the Base Assessment for the Unit without the approval of a Majority vote of the Owners. The Board of Directors shall send notice of any Special Assessment to all Owners.

Section 10.6. Specific Assessments. Pursuant to this Section 10.6, the Board of Directors may, in its sole discretion and at any time and in addition to any other rights it may have, levy a Specific Assessment against the Units that the Board of Directors deems appropriate. The Board of Directors shall send notice of any Specific Assessment to the applicable Owner(s). Failure of the Board of Directors to exercise its authority under this Section 10.6 shall not be grounds for any action against the Association or the Board of Directors, and shall not constitute a waiver of the Board of Directors' right to exercise its authority under this Section 10.6 in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section 10.6. The Board of Directors may not levy Specific Assessments for periodic maintenance, repair or replacement of any portion of the Common Elements, but may levy Specific Assessments for the following:

(i) Any other Common Expenses that solely benefit only one (1) Unit shall be levied as a Specific Assessment against the benefitted Unit.

(ii) Any other Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Permittees of any such Unit(s) shall be levied as a Specific Assessment against such Unit(s) based upon the conduct committed which occasioned any such Common Expenses, provided that the Board of Directors' authority to specifically assess hereunder is limited only to those costs not covered by the Association's insurance policies.

(iii) Any other Common Expenses that significantly and disproportionately benefit one Unit more than the other Units shall be levied equitably as a Specific Assessment against the benefitted Unit(s); provided, however, such Specific Assessment shall be supported by measurable, objective criteria (e.g., invoices or other objective cost analysis showing relative usage of services or facilities by the benefitted Unit(s)). Notwithstanding the foregoing, the Board of Directors may not levy Specific Assessments for periodic maintenance, repair or replacement of any portion of the Common Elements (excluding Limited Common Elements) or the Units which the Association has the obligation to maintain, repair or replace.

(iv) Failure of the Board of Directors to exercise its authority under this Section 10.6 shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board of Directors' right to exercise its authority under this Section 10.6 in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority to assess as a Specific Assessment under this Section 10.6.

Section 10.7. Payment of Assessments.

(a) Base Assessments. Unless otherwise provided by the Board of Directors, the Base Assessments shall be paid in equal monthly installments due on the first day of each month. Notwithstanding anything to the contrary stated in this Declaration or the Bylaws, neither AG nor Declarant shall have any obligation to fund budgetary deficits of the Association.

(b) Special Assessment and Specific Assessments. The Board of Directors shall establish the date payment of any Special Assessment or Specific Assessment is due. In reasonable discretion of the Board of Directors, Special Assessments or Specific Assessments may be paid in installments.

(c) Exemptions. No Owner may exempt itself from liability for or otherwise withhold payment of Assessments for any reason whatsoever, including but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required hereunder or an inconvenience or discomfort arising from the Association's performance of its duties.

Section 10.8. Assessment Exemption Period. Notwithstanding anything to the contrary stated herein, Declarant and AG shall be exempt from the payment of Assessments to the extent permitted by the Act for a period commencing on the Effective Date and ending on the date Declarant and AG do not own any unoccupied Unit in the Development (the "Assessment Exemption Period").

Notwithstanding anything to the contrary stated herein, except to the extent provided otherwise in this Section 10.8, Declarant shall have the right but no obligation to fund budgetary deficits of the Association.

Section 10.9. Creation of the Lien and Personal Obligation For Assessments. All Assessments, together with charges, interest, and reasonable attorneys' fees and expenses that are actually incurred, in the maximum amount permitted by this Declaration or the Act, whichever is less, shall be a charge on a Unit and shall be a continuing lien upon a Unit against which each Assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Unit at the time when the Assessment fell due. Each such Owner of a Unit and its grantee shall be jointly and severally liable for all Assessments and charges due and payable at the time of any conveyance. The lien provided

for herein shall have priority as provided in the Act and otherwise under Tennessee law. The equitable charge and lien provided for in this Section 10.9 shall be in favor of the Association for the use and benefit of all Owners. Each Owner, by its acceptance of a deed or other instrument of conveyance of fee title to a Unit, vests in the Association or its agents the right and power to sue or otherwise proceed against such Owner for the collection of such charges and/or to foreclose such liens. The Association shall have the power to bid on a Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

Section 10.10. Non-Payment of Assessments. Any Assessment and related charges that are due to the Association pursuant to this Declaration, or any portion thereof, that is not paid when due shall be delinquent and the Owner shall be in default. Without limitation, the Board of Directors may impose the following:

(a) Late Charge. If any Assessment, any related charges or any portion thereof is not paid in full by the tenth (10th) day of the due date, a late charge equal to the lesser of ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by applicable law may be imposed without further notice or warning to the delinquent Owner and interest at the rate of the lesser of ten percent (10%) per annum or such higher rate as may be permitted by applicable law shall accrue from the due date. By taking title to a Unit, each Owner shall be deemed to agree that the foregoing late fee constitutes liquidated damages to the Association as the injury caused to the Association by the late payment is difficult or impossible of accurate estimation, the late fees are intended to provide for damages rather than for a penalty, and the sum stipulated is a reasonable pre-estimate of the probable loss to the Association.

(b) Application of Partial Payment. If part payment of the Assessment and/or related charges is made, the amount received may be applied first to costs and reasonable attorneys' fees actually incurred, then to late charges, then to interest, then to delinquent Assessments, and then to current Assessments.

(c) Acceleration. If any Assessment, any related charges or any portion thereof remains delinquent and unpaid for a period greater than fifteen (15) days from the date due, a notice of delinquency may be given to that Owner stating that if the Assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the Base Assessment for the then-current fiscal year and of any Special Assessment or Specific Assessment without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall be obligated to pay the entire amount so accelerated.

(d) Collection.

(i) If any Assessment or other charge is delinquent for thirty (30) days or more, in addition to all other rights provided under Tennessee law and herein, the Association shall have the right to deny an Owner's right to access and use any Common Elements; provided, however, the Association shall not deny an Owner's rights of ingress and egress to the Owner's Unit.

(ii) If Assessments and other charges or any portion thereof remain unpaid for more than thirty (30) days after the Assessment payments first become delinquent, the Association, acting through its Board of Directors, may institute suit to collect all amounts due pursuant to the provisions of this Declaration, the Bylaws, the Act and Tennessee law, including reasonable attorneys' fees actually incurred, and/or obtain an order to foreclose the Association's lien for such amounts as provided in Section 10.9 above.

Enforcement under this Section 10.10 is not dependent upon or related to other restrictions and/or other actions.

Section 10.11. Surplus Funds and Common Profits.

(i) Common Profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such Common Profits to the payment of Common Expenses shall, at the option of the Board of Directors, either be distributed to the Owners or credited to the next Assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit or added to the Association's capital reserve account.

(ii) If the Board of Directors reasonably determines that during a fiscal year there will likely be a surplus of Assessments paid by an Owner at the end of such fiscal year (excluding amounts designated for capital reserves), the Board of Directors may, but shall not be required to, reduce the amount of the Assessments to be collected from such Owner for the remainder of that fiscal year. Any Owner who has already paid such Owner's entire Assessment obligation for the fiscal year at the time of such reduction shall, in the discretion of the Owner, either receive a refund of the overpayment or a credit of the amount of the overpayment towards the Owner's Assessment obligation to the Association for the following fiscal year. Notwithstanding the above, the Association may first apply the amount of any overpayment toward any other amount the Owner may owe to the Association.

Section 10.12. Statement of Account. Any Owner, Mortgagee or a Person having executed a contract for the purchase of a Unit or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of Assessments due and unpaid, including any late charges, interest, or other charges against a Unit. The Association shall respond in writing within five (5) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a fee, not exceeding Ten Dollars (\$10) or such higher amount as may be authorized by the Act, as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of Assessments due on the Unit as of the date specified therein.

Section 10.13. Working Capital Fund.

(i) Declarant, on behalf of the Association, shall establish a Working Capital Fund to meet unforeseen Association expenditures, to purchase any additional equipment or services for the Association, or to pay for capital improvements.

(ii) A non-refundable contribution to the Working Capital Fund of the Association shall be paid by the purchaser of a Unit at the closing of each sale or resale of a Unit in the amount of two (2) months of the Base Assessment to be charged to such Unit.

(iii) Notwithstanding anything to the contrary herein, the contribution to the Working Capital Fund shall not be due from: (A) any grantee who is the spouse or former spouse of the grantor; (B) any grantee that is a wholly-owned entity of the grantor; (C) any grantee to whom a Unit is conveyed by a will or through the law of intestacy; (D) any grantee of a Unit who obtains title pursuant to judicial or nonjudicial foreclosure of any first Mortgage of record or secondary purchase money Mortgage of record or deed lieu of such foreclosure (provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Unit); (E) AG; or (F) any grantee that acquires the status of Declarant in conjunction with the acquisition of the Unit(s).

ARTICLE 11. INSURANCE

Section 11.1. General. By accepting a Deed to a Unit, all Owners shall be deemed to covenant and agree that the method of allocating insurance responsibilities in this Declaration complies with the Act, and not to assert a position in any judicial proceeding inconsistent with the foregoing. The Association, acting through its Board of Directors, shall obtain as a Common Expense and maintain at all times, insurance, as required herein, and as determined by the Board of Directors with regard to both limits

of insurance and coverage. All insurance policies obtained and maintained by the Association in accordance with this ARTICLE 11 shall be written as primary policies which do not contribute to and are not in excess of insurance coverage which any other Person may carry.

The Board (as defined in the Bylaws) shall have the authority, but not the obligation, to obtain (i) insurance for the Property (not including additions within and improvements to the Units by the Owners) against loss or damage by fire, vandalism, malicious mischief and other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Property, or other coverage amounts deemed suitable by the Board, and/or (ii) comprehensive public liability insurance in such amounts as the Board deems suitable. At the option of the Board, and upon written notice to the Owners, premiums for such insurance shall be separately billed to each Owner for their Unit at their corresponding percentage of ownership in the Common Elements.

Notwithstanding anything to the contrary set forth herein, the Association and each Owner hereby waives any and all claims against one another for damage to or destruction of real or personal property to the extent such damage or destruction is covered by a then existing policy of property insurance (whether fire and extended coverage, so called "all risk" property coverage, so called "causes of loss-special form" property coverage or any other property/casualty policy). Furthermore, the Owner whose property is damaged shall also be responsible for the payment of any deductible amounts allocated to it herein in connection with any property damage so covered by insurance (except as otherwise provided in this ARTICLE 11). The intent of this provision is that each Owner shall look solely to the available insurance with respect to property damage or destruction. The Board and the Owners shall use commercially reasonable efforts to cause each insurance carrier providing property coverage as aforesaid to waive subrogation against all parties as set forth in Section 11.5 below with respect to any property damage so covered. Any indemnities set forth in this Declaration shall be deemed to be subject and subordinate to the waivers set forth in this ARTICLE 11.

Section 11.2. Property Insurance.

(a) Scope of Property Insurance Coverage.

(i) The Board of Directors shall utilize commercially reasonable efforts to secure, at a minimum, property insurance coverage as is reasonably available from time to time and used with respect to property located in Hamilton County, Tennessee, which is of a similar size and which has a similar use and occupancy, insuring against perils commonly insured by the industry standard form of property insurance which, as of the Effective Date, is known as "causes of loss - special form," in an amount equal to the full insurable replacement cost, before application of deductibles (including insurance coverage for demolition cost and increased cost of construction in amounts determined by the Board), of the Area of Insurance Responsibility. If insurance coverage on a "causes of loss-special form" is not available at reasonable cost, the Board of Directors shall obtain, at a minimum, fire and extended coverage, including insurance coverage for vandalism, malicious mischief, and theft, in like amounts. In addition, the Board of Directors shall be obligated to obtain and maintain at all times business income interruption insurance coverage that meets the minimum insurance requirements as set forth by the Board of Directors. Subject to the provisions of this Declaration, the Association may obtain additional property insurance as the Association may determine to be necessary or desirable.

(ii) The Association's insurance policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property.

(b) Beneficiaries of Property Insurance. All property insurance obtained by the Association pursuant to this Declaration shall designate the following Persons as a "Named Insured": the Association, individually and as agent for the Owners without naming them individually (unless required by the insurance provider), and as agent for their respective Mortgage Holders. In addition, all property

insurance obtained by the Association pursuant to this Declaration shall include an endorsement that designates the Owners of the Units as an "Additional Insured." All such policies shall provide that payments by the insurer for losses shall be made to the Association, and all policies and endorsements on such policies must be deposited with the Association.

Section 11.3. Liability Insurance.

(a) Scope of Liability Insurance Coverage. The Association, acting through the Board of Directors, shall secure commercial general liability insurance from a reputable and financially responsible insurance company with single limit coverage for bodily injury, including death, to a single person and property damage of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) for general aggregate. The commercial general liability policy or policies shall cover occurrences commonly insured against arising out of or in connection with the use, ownership, or maintenance of the Common Elements and other portions of the Property which the Association has the responsibility to maintain. In addition, the commercial general liability insurance shall include cross liability (if commercially, reasonably available), and the Board shall use commercially reasonable efforts to obtain a waiver of subrogation applying to all parties as set forth in Section 11.5 below.

(b) Beneficiaries of Liability Insurance. All liability insurance obtained by the Association pursuant to this Declaration shall cover the Association and the officers, agents and employees of the Association, the Owners and their respective Mortgage Holders. In addition, all liability insurance obtained by the Association pursuant to this Declaration shall designate the following Persons as a "Named Insured": the Association, individually and as agent for the Owners collectively, without naming them individually, and as agent for their respective Mortgage Holders (except not as agent for a Mortgage Holder of a Unit where the Mortgage documents do not permit and the Owner of the applicable Unit provides written evidence of such to the Association).

Section 11.4. Annual Review and Allocation of Costs Among the Units. The Board of Directors shall, at least once every three (3) years (unless the Board of Directors determines that a shorter time interval is in the best interest of the Association), conduct an insurance review to determine if the policy or policies in force are adequate to meet the needs of the Association (including taking into consideration insurance carried on similar projects in Hamilton County, Tennessee). The Board shall be deemed to have fulfilled such responsibility by reasonably relying upon verification from the Association's insurance agent or insurance underwriter that the insurance policies in existence meet the needs of the Association. The property and liability insurance obtained by the Association will disproportionately benefit the different Units due to the scope and nature of: (i) the uses of each of the Units; (ii) the differing nature of insurance risk associated with the use of each Unit; (iii) the type and cost of the structural Improvements and betterments within each Unit; (iv) the size of each Unit; (v) any additional insurance or coverages benefiting less than all of the Units; and (vi) any other factors which the agent or underwriter reasonably determines would affect the equitable allocation of the costs of the insurance policies. Therefore, the Board of Directors shall retain at any Owner's written request (but not more often than annually) an insurance expert (which may be the insurance company or the Association's insurance agent/broker that is issuing the Association's policy or policies) familiar with allocating the costs of property and liability insurance in mixed-use communities to equitably allocate the cost of the Property and liability insurance policies being obtained by the Association between the different Units based on the factors referenced above. As contemplated in Section 10.6(iii) of this Declaration, the Board shall then disproportionately assess the cost of this insurance against the different Units in accordance with the recommendations of the independent insurance expert.

Section 11.5. Insurance Coverage Requirements.

(i) The Board shall use commercially reasonable efforts to obtain policies that will provide the following:

(A) the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent and the Owners;

(B) any "other insurance" clause contained in the policy shall expressly exclude individual Owners' policies from its operation;

(C) until the expiration of ten (10) days after the insurer gives notice in writing to the Mortgage Holder of any Unit, the Mortgage Holder's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees, or household members, nor be canceled for nonpayment of premiums;

(D) the policy may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days' prior notice in writing to the Board of Directors, Owners, and all Mortgage Holders; and

(E) an agreed value endorsement or elimination of any co-insurance provision.

(ii) All policies of insurance required by this Declaration shall be written with an insurance company licensed or authorized to do business in the State of Tennessee with a Best's Financial Strength Rating of at least A- and Best's Financial Size Category of at least VIII (or other comparable ratings in the event A.M. Best Company, or its successor, ceases to provide such ratings). The company shall agree to provide insurance certificates to the Association's property manager or management firm, each Owner and Mortgage Holder upon written request.

(iii) Exclusive authority to adjust losses under policies obtained by the Board of Directors shall be vested in the Board of Directors; provided, however, no Mortgage Holder having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(iv) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with other insurance purchased by the Owners, if any.

(v) Nothing contained herein gives any Owner or other party a priority over any rights of Mortgage Holders as to distribution of insurance proceeds. Any insurance proceeds payable to the Owner of a Unit on which there is a Mortgage Holder endorsement shall be disbursed jointly to such Owner and the Mortgage Holder as the case may be. This is a covenant for the benefit of any such Mortgage Holder and may be enforced by any such Mortgage Holder.

Section 11.6. Other Required Insurance. In addition to the insurance required hereinabove, the Board of Directors shall obtain as a Common Expense the insurance set forth below, which insurance will be allocated to each Unit in accordance with its Percentage Interest:

(i) if applicable, worker's compensation insurance if and to the extent necessary to meet the requirements of law and employer's liability in amounts not less than One Million Dollars (\$1,000,000);

(ii) officers' and directors' liability insurance in such amounts as the Association may determine;

(iii) if deemed necessary by the Association, environmental/pollution liability insurance in such amounts as the Association may determine.

Section 11.7. Insurance to be Maintained by Owners. Each Owner shall be obligated to obtain and maintain at all times property insurance coverage that meets the minimum insurance requirements as set forth by the Board of Directors. Notwithstanding anything to the contrary set forth in this Declaration, the Board shall not be deemed to make any warranty or representation that an Owner's insurance coverage is sufficient and nothing herein shall excuse an Owner's obligation to pay Assessments in the event an Owner's insurance coverage is insufficient.

Section 11.8. Required Insurance Provisions. Policies for all insurance coverage required in Section 11.7 and shall meet the minimum requirements as set forth by the Board of Directors, including, but not limited to, the following:

(i) The Association shall be identified as an "Additional Insured" on primary and non-contributory basis including products and completed operations;

(ii) The policy may not be canceled, substantially modified, or subjected to nonrenewal without at least thirty (30) days' prior notice (or at least ten (10) days' prior notice in the case of nonpayment of premium) in writing to the insured and to the additional insured and their respective Mortgage Holders;

(iii) The policy shall permit the insured to waive insurance company's rights of subrogation in writing prior to a loss to the extent the insured is grossly negligent;

(iv) The policy shall provide for severability of interests; and

(v) If commercially, reasonably available, the policy shall provide that an unintentional act or omission of the insured or the additional insured, which would void or otherwise reduce insurance coverage, shall not reduce or void the insurance coverage as to the other insured or their Mortgage Holders.

Section 11.9. Insurance Certificate Requirements. Insurance certificates for all insurance coverage required in Section 11.7 shall meet the minimum requirements as set forth by the Board of Directors, including, but not limited to, the following:

(i) The name of the insured shall be the same as the Owner of the Unit as reflected in the Official Records;

(ii) All policy periods must be active;

(iii) The certificate must list the Association and its property manager, if any; and

(iv) The certificate must be accompanied by a separate and appropriate "Additional Insured" endorsement.

In addition, if requested by the Board of Directors, each Owner of a Unit shall provide a certificate of insurance to the Secretary of the Association. Moreover, from time to time, the Board may require that each Owner provide evidence that such Owner has sufficient insurance coverage with respect to its Unit as required under this ARTICLE 11 and the Board may require such Owner to obtain additional insurance coverage if the Board determines that such Owner's existing insurance coverage does not meet the

requirements of this ARTICLE 11. Notwithstanding the foregoing, the Board shall not be deemed to make any warranty or representation that an Owner's insurance coverage is sufficient.

Section 11.10. Application of Deductibles. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one (1) Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding the foregoing, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to Owner's Unit, if any. If any Owner or Owners fail to pay the deductible when required under this ARTICLE 11, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Section 10.5 of this Declaration.

In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one (1) Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected owner's portion of the total cost of repair. Notwithstanding the foregoing, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to Owner's Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Section 11.10, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to ARTICLE 10 of this Declaration; provided, however, where the deductible is for insurance required under the Act, no Owner shall be assigned more than Five Thousand Dollars (\$5,000) per property loss.

Section 11.11. Delinquency. Notwithstanding anything to the contrary stated in this Declaration, in the event of an insured loss under the Association's hazard insurance policy for which the Association receives from the insurer payment for a loss sustained by an Owner who is delinquent in the payment of Assessments owed to the Association under ARTICLE 10 of this Declaration, then the Association may retain and apply such proceeds to the delinquency. The Board of Directors shall pay any surplus remaining after application of the proceeds to any delinquency to the affected Owner.

Section 11.12. Coverage by Owner. The insurance purchased by the Association shall not cover claims against an Owner due to accidents occurring within Owner's Unit, nor casualty or theft losses to the contents of an Owner's Unit or Limited Common Elements. It shall be the obligation of the individual Owners, if such Owner so desires, to purchase and pay for insurance as to all such other risks not covered by the insurance carried by the Association.

ARTICLE 12. REPAIR AND RECONSTRUCTION

Section 12.1. General. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon that shall constitute a nuisance or that shall in the judgment of the Board cause unreasonable noise or disturbance to others. Each Owner shall maintain such Owner's Unit in good condition and in good order and repair, at such Owner's expense, and shall not do or allow anything to be done in such Owner's Unit that may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. Each Owner shall be responsible for damage to the Property, Common Elements, and Units owned by other Owners to the extent caused by the negligence or intentional misconduct of such Owner, including any damage caused by alterations, additions or improvements made by an Owner to its Unit.

In the event of damage to or destruction of all or any part of the Common Elements as a result of fire or other casualty, unless provided otherwise in this Declaration, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. In the

event of substantial damage or destruction, each holder of a first Mortgage shall be entitled to written notice of the damage.

Section 12.2. Cost Estimates. As soon as is reasonably possible after a fire or other casualty causing damage to the Common Elements, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures to substantially the condition that existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds or insurance as the Board of Directors determines to be necessary.

Section 12.3. Source and Allocation of Proceeds. If the proceeds of insurance that the Association is required to obtain as provided in Section 8.11.

ARTICLE 13. ARCHITECTURAL CONTROLS

Section 13.1. During Declarant Control. Except as specifically authorized by this ARTICLE 13, during the Declarant Control Period there shall be no Architectural Review Committee and all encroachments onto the Common Elements or Limited Common Elements, exterior change, alteration or construction (including painting and landscaping), and any erection, placement or posting of any object, sign, clothesline, speaker, playground equipment, lights, fountain, or thing on the exterior or roof(s) of the Buildings, in any windows (except window treatments as provided herein), or on any Limited Common Elements or any Common Elements, must receive the prior written approval of Declarant. However, the following items shall be allowed:

(i) reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15; and

(ii) the flag of the United States of America or replica flag of any branch of the United States Armed Forces pursuant to Tenn. Code Ann. § 66-27-602.

Granting or withholding such approval shall be within the sole discretion of Declarant. Declarant shall have the sole and full authority to prepare, adopt, amend, repeal, and/or expand, in whole or in part, from time to time at its sole discretion and without notice any architectural guidelines. All references in the Townhome Instruments to the Architectural Review Committee or ARC shall refer to Declarant during the Declarant Control Period. Notwithstanding anything to the contrary stated herein, the initial improvements constructed on the Property and all architectural modifications thereto that are made by Declarant, affiliates of Declarant, AG, or affiliates of AG shall not be subject to approval pursuant to this ARTICLE 13.

This Article may not be amended without the written consent of Declarant and AG until: (a) Declarant and AG no longer own any property in the Development, and (b) each Unit has been improved with a dwelling for which a certificate of occupancy has been issued.

Section 13.2. After Declarant Control. After expiration of the Declarant Control Period, an Architectural Review Committee may be appointed by the Board of Directors and no Owner, Occupant, or any other Person may make any encroachment onto the Common Elements or Limited Common Elements, or make any exterior change, addition, alteration, or construction (including painting and landscaping), nor erect, place or post any object, sign, clothesline, speaker, playground equipment, lights, fountain, flag (except as stated in Section 13.1(ii) above), or thing on the exterior or roof(s) of the Buildings, in any windows (except window treatments as provided herein), on any Limited Common Elements, or on any other Common Elements, without first obtaining the written approval of the Architectural Review Committee. However, the following items shall be allowed:

(i) reasonable seasonal decorative lights may be displayed between Thanksgiving and January 15; and

(ii) the flag of the United States of America or replica flag of any branch of the United States Armed Forces pursuant to Tenn. Code Ann. § 66-27-602.

The standard for approval of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing Buildings, Units and structures, the location in relation to surrounding structures and topography, and the impact of such approval, if any, on the increase or decrease of sounds and vibrations between the Units and between the Units and the Common Elements. Notwithstanding the foregoing, Declarant and AG shall not be required to obtain any approvals under this ARTICLE 13 for so long as Declarant or AG owns any Unit.

Section 13.3. National Flags. Notwithstanding anything to the contrary herein, an Owner may display one (1) national flag of the United States or branch of the United States Armed Forces not exceeding twelve (12) square feet in size on a flag holder. No flag shall hang over or otherwise protrude outside of the vertical plane formed by the exterior surface of the deck, balcony or covered porch wall. No flag shall be displayed in a manner inconsistent with any provision of the Freedom to Display the American Flag Act of 2005, or any Legal Requirement. By taking title to a Unit, all Owners agree and acknowledge that the Board, on behalf of the Association, has a substantial interest in protecting the aesthetic appearance of the Property and therefore may adopt additional reasonable restrictions pertaining to the time, place, or manner of displaying the flag of the United States.

Section 13.4. Signs. Except as may be provided for herein or as may be required by legal proceedings, and except for signs that may be erected by Declarant or AG related to the development and sale of Units, no signs, advertising posters, flyers, political placards or billboards of any kind shall be erected, placed, or permitted to remain on the Property without the prior written consent of the Board or its designee. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

Section 13.5. Alteration of Units. Subject to the other provisions of this Declaration, alterations to the interiors of Units, relocation of the boundaries between adjoining Units, and subdivision of Units are subject to the following restrictions:

(a) Alterations to the Interiors of the Units. Except as provided herein, no Owner or Occupant may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits and/or other apparatus for access to common utilities without prior written ARC approval. Except as provided herein, no Owner or Occupant shall make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written approval of the Architectural Review Committee. Such approval shall not be granted by the Architectural Review Committee unless the Owner has presented to the Architectural Review Committee a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Building in which the Unit is located. All building code requirements must be complied with and necessary permits and approvals secured for any modifications. Notwithstanding the above, all Owners desiring to make any interior modifications or alterations to a Unit affecting the Common Elements or structure or load bearing portions of a Unit must make application to the Architectural Review Committee as described below in order for the Architectural Review Committee to make the determination of whether the Architectural Review Committee's approval is required.

(b) Relocation of Boundaries. Boundaries between adjoining Units shall not be relocated; provided, however, AG and Declarant shall have the right to relocate boundaries between Units owned by Declarant or AG, respectively, without the approval of the Board of Directors, and the Board of Directors shall execute the required amendment to this Declaration.

Section 13.6. Applications. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the Architectural Review Committee

may reasonably require, including but not limited to, the name, address, and phone number of any contractor or sub-contractor that will be performing work on the Unit, and copies of all permits required under the laws and regulations of the appropriate jurisdiction. Once an application and all required information is received by the Architectural Review Committee, the Architectural Review Committee shall stamp the application as being complete and shall then forward to the applicant a written notice of application completion (the "**Notice of Application Completion**"). The Architectural Review Committee shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction that is not in conformance with approved plans. The Board or ARC may publish written architectural standards for exterior and Common Element alterations or additions, and any request in substantial compliance therewith shall be approved; provided, however, each such requested change shall be in harmony with the external design of the existing Buildings and Units and the location in relation to surrounding structures and topography of the vicinity.

Section 13.7. Appeal. In the event that the Architectural Review Committee or its designated representative disapproves any application or part thereof, an Owner shall have the right to appeal the Architectural Review Committee's decision to the Board of Directors. The Board of Directors shall rule on the appeal within forty-five (45) days of receiving written notice requesting an appeal from the Owner. In ruling on the appeal, the Board of Directors shall consider all relevant materials presented to it by either the Owner or the Architectural Review Committee, the decision of the Architectural Review Committee, and the application of the Owner to the Architectural Review Committee. The Board of Directors shall have the final authority to approve, disapprove, or conditionally approve or disapprove the application of the Owner. If the Board of Directors does not receive written notice from the Owner by certified mail requesting an appeal within fourteen (14) days from the date of the Architectural Review Committee's notice to the Owner of its decision, the decision of the Architectural Review Committee shall become final and all rights of appeal shall terminate and thereafter be void.

Section 13.8. Encroachments onto Common Elements. The Architectural Review Committee may, subject to this ARTICLE 13, permit Owners to make encroachments onto the Common Elements or Limited Common Elements as it deems acceptable in its sole and absolute discretion.

Section 13.9. Condition of Approval. As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of him or herself and Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition, or alteration, unless otherwise agreed to in writing by the Architectural Review Committee. In the discretion of the Board or the Architectural Review Committee, an Owner may be made to verify such condition of approval by written instrument in recordable form acknowledged by such Owner on behalf of him or herself and all successors-in-interest. It is the responsibility of every Owner of a Unit to determine for him or herself what architectural modifications have been made to Owner's Unit by any predecessor-in-interest.

Section 13.10. Limitation of Liability. Review and approval of any application pursuant to this ARTICLE 13 is made on the basis of aesthetic considerations only, and Declarant, AG, the Association, the Board of Directors, the Architectural Review Committee, and the members of any of the foregoing, shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. In addition, Declarant, AG, the Association, the Board of Directors, the Architectural Review Committee, and the members of any of the foregoing shall not be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on, or modifications to, any Unit.

Section 13.11. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Board of Directors and the Architectural Review Committee will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the Board of Directors and the Architectural Review Committee may adopt different architectural standards for different parts of the Property, based on street visibility and

location of the proposed modifications in the Building. The approval of either the Board of Directors or the Architectural Review Committee of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors, or the Architectural Review Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 13.12. Enforcement. Any construction, alteration, or other work done in violation of this ARTICLE 13 shall be deemed to be nonconforming. Upon written request from the Board or the Architectural Review Committee, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Board or its designees shall have the right to enter the property, Limited Common Element or Unit, remove the violation and restore the property, Limited Common Element or Unit, as the case may be, to substantially the same condition as existed prior to the construction, alteration or other work. All costs thereof, including reasonable attorneys' fees actually incurred, shall be an Assessment and lien against such Owners' Unit and collected as an Assessment pursuant to this Declaration.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to impose reasonable fines and to pursue all legal and equitable remedies available to enforce the provisions of this ARTICLE 13 and its decisions. Furthermore, the Board, Declarant, or AG, shall have the authority to record in the Official Records notices of violation of the provisions of this ARTICLE 13.

If any Owner or Occupant makes any exterior change, alteration, or construction (including landscaping) upon the Common Elements or Limited Common Elements in violation of this ARTICLE 13, Owner does so at Owner's sole risk and expense. The Board may require that the change, alteration or construction be removed or that it remain on the Common Elements or Limited Common Elements without reimbursement to the Owner or Occupant for any expense Owner may have incurred in making the change, alteration or construction.

Section 13.13. Commencement of Construction. All changes, modifications and improvements approved by the Architectural Review Committee hereunder must be commenced within six (6) months from the date of approval. If not commenced within six (6) months from the date of such approval, then such approval shall be deemed automatically revoked by the Architectural Review Committee, unless the Architectural Review Committee gives a written extension for commencing the work. All work approved by the Architectural Review Committee hereunder shall be completed in its entirety within ninety (90) days from the date of commencement, unless otherwise agreed in writing by the Architectural Review Committee. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

ARTICLE 14. USE RESTRICTIONS

Section 14.1. General. Each Owner of a Unit shall be responsible for ensuring that the Owner's guests, tenants, licensees, invitees and Occupants comply with all provisions of the Townhome Instruments and the Rules and Regulations. Furthermore, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's guests, tenants, licensees, invitees or Occupants, as a result of such Person's violation of the Townhome Instruments, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's guests, tenants, licensees, invitees or Occupants. In addition to the use restrictions set forth in this ARTICLE 14 and elsewhere in this Declaration, the Board of Directors may adopt Rules and Regulations in accordance with the terms hereof and as specified in the Bylaws.

Section 14.2. Use of Units. Each Unit shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Unit or any part of the Property, except that the Owner or Occupant residing in a Unit may conduct ancillary business activities within the Unit so long as, in the opinion of the Board of Directors:

(i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Unit;

(ii) the business activity does not involve visitation of the Unit by non-domestic employees, clients, customers, suppliers or other business invitees;

(iii) the business activity is legal and conforms to all zoning requirements for the Property;

(iv) the business activity does not increase traffic on the Property in excess of what would normally be expected for Units in the Development without business activity (other than by a reasonable number of deliveries, as may be determined in the sole discretion of the Board of Directors, by couriers, express mail carriers, parcel delivery services and other such similar delivery services);

(v) the business activity within a Unit does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(vi) the business activity within a Unit is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as determined in the sole and absolute discretion of the Board of Directors; and

(vii) the business activity within a Unit does not result in a materially greater use of the Common Elements or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis that involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (A) such activity is engaged in full or part time; (B) such activity is intended to or does generate a profit; or (C) a license is required therefor. Notwithstanding the above, the use of any portion of the Common Elements by a full or part-time on-site management agent operating on behalf of the Association shall not be considered a trade or business within the meaning of this ARTICLE 14.

Section 14.3. Number of Occupants. The maximum number of Occupants in a Unit shall be limited to two (2) people per bedroom. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Unit is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Unit. The designated Person(s) to occupy the Unit may not be changed more frequently than once every twelve (12) months without the express written consent of the Board as determined in the Board's sole discretion.

Section 14.4. Outbuildings. No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be erected by any Owner or Occupant, other than Declarant, on any portion of the Property, at any time, either temporarily or permanently, without the prior written approval of the Board of Directors.

Section 14.5. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of the Board of Directors, except as specifically provided herein. With prior written Board of Directors approval, and subject to any restrictions imposed by the Board of Directors (including restrictions limiting the hours of operation), an Owner may reserve portions of the Common Elements for use for a period of time as set by the Board of Directors. Any such Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of such Owner and Owner's guests, tenants, licensees, invitees and Occupants, all risks associated with the use of the Common Elements and all liability for any damage or injury to any Person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. There shall be no use of the roof(s) of the Buildings, by an Owner, an Occupant and their respective guests, tenants or invitees. The Association and its agents and contractors shall have access to the roof(s) of the Buildings for performing its maintenance and repair responsibility. This paragraph shall not apply to Declarant or AG for so long as Declarant and/or AG shall own a Unit.

Section 14.6. Voluntary Oversight and Assistance Program. The Property is participating in the Tennessee Voluntary Oversight and Assistance Program ("VOAP") as evidenced by that certain Voluntary Brownfield Agreement (the "Brownfield Agreement") between Declarant and the Tennessee Department of Environment and Conservation ("TDEC") to address certain Hazardous Substances identified on or beneath the Property. The Property is subject to that certain Soil Management Plan ("SMP"), which was approved by TDEC on November 28, 2022. Copies of the SMP and Brownfield Agreements are available at TDEC's Chattanooga Field Office at 1301 Riverfront Parkway, Suite 206, Chattanooga, TN 37402. The SMP outlines the use of engineered barriers within specific portions of the Property, which may include, without limitation, soil caps and vapor intrusion mitigation systems.

No Owner shall be permitted to perform, or cause the performance of, any landscaping in any Common Element, including any Limited Common Elements, including, but not limited to the installation, maintenance, or removal of any sodding, brushes, shrubs, flowers, trees, or other vegetation. All landscaping within the Property shall be designed, created, installed and maintained by the Declarant or the Association in good and presentable condition and in accordance with the SMP.

In order to implement and effect the requirements of the SMP, and of this Section 14.6, the Association, or its agents, may enter upon the exterior of any Unit from time to time for the purpose of performing landscape work. Such entrance shall not be deemed a trespass. The cost of all landscaping work performed by the Association or Declarant shall be a Common Expense. No Owner shall excavate or extract earth from any portion of the Property for any business or commercial purpose. In no event shall excavation of any portion of the Property be permitted if such excavation is prohibited by the SMP.

The Brownfield Agreement requires that certain actions be taken concerning the Property, including without limitation, the execution and recording of a Notice of Land Use Restrictions ("NLUR"). The Association shall cooperate in the preparation of the NLUR and, if required by TDEC, execute the NLUR. The NLUR will provide notice of certain Hazardous Substances remaining on or beneath the Property and impose certain restrictions and obligations on the Property, including, without limitation, the maintenance of engineered barriers, such as soil caps and vapor intrusion mitigation systems, within specific portions of the Property and periodic compliance reporting. The Association, or its agents, shall comply with and shall ensure that all Owners and Occupants comply with terms of the Brownfield Agreement and the NLUR. The Association, or its agents, may enter upon any Unit from time to time to ensure compliance with the

Brownfield Agreement and the NLUR. The cost of compliance with the Brownfield Agreement and/or NLUR shall be a Common Expense.

Section 14.7. Use of Limited Common Elements. Except as otherwise provided herein, the use of the Limited Common Elements assigned to the Units is restricted exclusively to the Owner of the Unit to which such Limited Common Elements are assigned, and said Owner's guests, tenants, licensees and invitees. The Limited Common Elements are reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Elements in general.

Section 14.8. Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Property, or any part thereof, which would increase the rate of insurance on the Property or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any Governmental Authority, or which would increase the Common Expenses.

The Units are built in close proximity to one another, resulting in the sharing of common walls, floors and ceilings. As a result, noise and vibration may be detectable between Units or between Units and the Common Elements. Therefore, an Owner or Occupant shall not conduct activities within a Unit or use a Unit in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Unit by its respective Owner and/or Occupant.

Furthermore, noxious, destructive or offensive activity shall not be carried on within any portion of the Property. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Property at any time, in any way or for any purpose that may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. In addition, no Owner or Occupant of a Unit may use or allow the use of a Unit or the Common Elements in any manner that creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will, in the sole discretion of the Board of Directors, interfere with the rights, comfort or convenience of the other Owners or Occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with Owner's property or personal rights.

No Owner, Occupant or agent of such Owner or Occupant shall do any work which, in the reasonable opinion of the Board of Directors or its designee, would jeopardize the soundness or safety of the Property or any structure thereon, would reduce the value thereof, or would impair any easement or other interest in the real property thereto, without, in every such case, the prior unanimous written consent of all members of the Association and their Mortgagees.

No damage to or waste of the Common Elements, or any part thereof, shall be permitted by any Owner, Occupant or their respective guests, tenants, licensees and invitees. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, Occupant or their respective guests, tenants, licensees and invitees.

Notwithstanding the foregoing, each Owner and Occupant acknowledges that Declarant, AG, and their respective agents and assigns may engage in construction activities in the Development and further agrees that such construction activities shall not be deemed a nuisance as provided herein.

Section 14.9. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Property is prohibited; provided, however, the display of lawful firearms on the Common Elements or Limited Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements or Limited Common Elements to or from an Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary stated in this Declaration or the Rules and

Regulations, an Owner or Occupant shall not be restricted from using firearms in extreme situations for self-defense, provided that (i) any such use of a firearm shall be in accordance with all Legal Requirements, and (ii) this Section 14.9 is not interpreted as the Association endorsing or encouraging the use of any firearm.

Section 14.10. Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any portion of the Development; provided, however, an Owner or Occupant may keep up to a total of three (3) dogs and three (3) cats per Unit, unless otherwise permitted by the Board of Directors in its sole and absolute discretion. No pets shall be kept, bred or maintained for any commercial purpose, and no improvement for the care, housing, or confinement of any pet, such as dog houses and dog runs, shall be constructed or maintained on any part of the Development. Pets must be kept on a leash at all times when on the Common Property and on a Unit of another Owner. When on the Common Property or a Unit of another Owner, pets must be kept on a leash (or the physical control of a responsible person). Feces left by pets upon any portion of the Development must be removed by the owner of the pet or the person responsible for the pet.

No potbellied pigs, snakes or other animals determined in the Board's sole discretion to be dangerous may be brought onto or kept on the Development at any time. Furthermore, any pet that endangers the health of any Owner or Occupant (in the Board's sole discretion), makes objectionable noise, or constitutes a nuisance or inconvenience to the Owners or Occupants or to the owner of any property located adjacent to the Development, may be permanently removed by the Board from the Development upon seven (7) days' written notice to the owner of such pet. If the Owner or Occupant fails to remove the pet from the Development, the Board may remove the pet. Notwithstanding the foregoing, any pet which, in the Board's sole discretion, presents an immediate danger to the health, life-safety or property of any Occupant of the Development may be removed by the Board without prior written notice to the pet's owner.

All Owners and Occupants keeping pets within the Development shall comply with all applicable Laws. Without prejudice to the Board's right to remove any such household pets, the Board may prohibit a household pet that has caused damage or injury from being walked in the Development. Animal control authorities shall be permitted to enter the Development to patrol and remove pets. Pets shall also be registered, licensed and inoculated as required by Laws. Furthermore, any Owner or Occupant who keeps or maintains any pet upon the Development shall be deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Development.

Section 14.11. Parking. No Owner or Occupant may keep or bring onto the Property more than a reasonable number of vehicles, at any time, as determined by the Board. All vehicles permitted under this Section 14.11 shall be parked within a garage, a Limited Common Element parking space appurtenant to a Unit or on other portions of the Property, if any, that are authorized in writing by the Board.

Disabled and stored vehicles are prohibited from being parked on the Property, except in a garage. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Property without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, jet-skis and trailers for same, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped persons, mini vans or sport utility vehicles used as passenger vehicles, recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriffs, Marshals, or police officers' vehicles marked as such, are also prohibited from being parked on the Property, except in portions of the Property, if any, that may be designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, however, no such

vehicle shall remain on the Common Elements overnight or for any purpose unless prior written consent of the Board is first obtained.

If any vehicle is parked on any portion of the Property in violation of this Section 14.11 or in violation of the Rules and Regulations, the Board or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the Person that will do the towing or booting and the name and telephone number of a Person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle. No notice shall be required and the Board or agent of the Association may have the vehicle towed immediately if a vehicle: (i) is parked in a fire lane; (ii) is blocking another vehicle, garage or access to another Owner's Unit or Limited Common Element driveway; (iii) is obstructing the flow of traffic; (iv) is parked on any grassy area; (v) is parked in a parking space that has been assigned as exclusively serving another Unit; or (vi) is otherwise creating a hazardous condition. If a vehicle is towed in accordance with this Section 14.11, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Notwithstanding anything to the contrary in this Section 14.11, Declarant, AG, and their respective agents, employees, contractors, subcontractors and assigns shall have the right, during regular business hours to park vehicles on any and all streets within the Development as needed in order to facilitate the construction, development, maintenance, and buildout of the Development.

Section 14.12. Garages. A garage that is contained within a Unit shall be maintained as a garage for the parking of vehicles permitted under Section 14.11 of this Declaration and shall not be converted to an alternative use. No Owner or Occupant of a Unit that includes a garage shall park a permitted vehicle on any portion of the Property, including a Limited Common Element driveway appurtenant to such Unit, other than in the garage, unless the maximum number of cars or similarly sized motor vehicles which can be parked in the garage according to its design capacity are already parked in said garage. Garage doors shall remain closed at all times, except for necessary use, ingress, and egress.

Section 14.13. Rubbish, Trash, and Garbage. All rubbish, trash and garbage shall be regularly removed from a Unit and shall not be allowed to accumulate therein. No rubbish, trash or garbage shall be placed on the Common Elements (except for those portions of the Common Elements designated as recycling areas) or Limited Common Elements outside of the Unit, temporarily or otherwise, and shall be moved to the trash facilities for collection, or otherwise removed from the Property by an Owner or Occupant.

Section 14.14. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Unit.

Section 14.15. Garage Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited on the Property unless approved in writing by the Board of Directors.

Section 14.16. Window Treatments. The color of all window treatments visible from outside the Unit must be white or off-white or as approved by the Architectural Review Committee in accordance with this Declaration. Bed sheets, blankets, towels, temporary window coverings made of paper or other materials, and other similar type coverings shall not be used as window treatments.

Section 14.17. Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Property, including the Unit or Limited Common Elements assigned to the Unit; provided, however, the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Owners:

(i) No transmission antenna, of any kind, may be erected anywhere on the Property, including the Units, without written approval of the Board of Directors or the Architectural Review Committee.

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter shall be placed, allowed or maintained upon the Property, including the Units and the Limited Common Elements.

(iii) DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the Rules and Regulations, both as may be amended from time to time.

(iv) In the event of a transfer of the Unit which includes a satellite dish or antenna, the grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the Bylaws and the Rules and Regulations regarding satellite dishes and antennas, including but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

Section 14.18. Grilling. The use of outdoor grills or fire pits on any portion of the Buildings, including, without limitation, a deck, balcony or covered porch shall be governed by Legal Requirements having jurisdiction over the Property.

Section 14.19. Abandoned Personal Property. Without prior written permission of the Board of Directors, an Owner or Occupant shall not keep personal property (other than vehicles that are permitted in this ARTICLE 14) or allow personal property to remain for more than twenty-four (24) hours upon any portion of the Common Elements (other than on Limited Common Element(s) assigned to the Unit of the Owner or Occupant). If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the personal property owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the personal property. The notice shall include the name and telephone number of the Person that will remove the personal property and the name and telephone number of a Person to contact regarding the alleged violation.

The Board, in its sole and absolute discretion, may determine that an Emergency exists and may exercise its removal rights hereunder without prior notice to the personal property owner; provided, however, in such case, the Board shall give the personal property owner, if known, notice of the removal of the personal property and the location of the personal property within three (3) days after the personal property is removed.

The Association, Declarant, or AG, any director, officer or agent thereof shall not be liable to any Person for any claim of damage resulting from the removal of personal property under this Section 14.19. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove personal property hereunder.

Section 14.20. Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Units, it shall be expressly permissible for Declarant and AG, their contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Property as Declarant or AG may deem necessary, such facilities and activities as in the sole opinion of Declarant or AG may be reasonably required, convenient or incidental to the completion and sale of the Units, including, but without limitation, business offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Property for such purposes and to use the Units owned by Declarant or AG as model Units and as offices for the sale of the Units and related activities.

ARTICLE 15. LEASING

Section 15.1. General. In order to preserve the character of the Development as predominantly owner-occupied and to comply with the eligibility requirements for financing in the secondary mortgage market, the leasing of Units is permitted only to the extent and on such terms and conditions as are set forth in this Declaration. The term "Leasing," "Leased" or "Lease," as used in this Declaration, shall mean and refer to the regular, exclusive occupancy of a Unit by any natural Person other than the Owner, including but not limited to: (i) any natural Person who is occupying a Unit pursuant to a lease-purchase agreement prior to the closing of the acquisition of the Unit; and (ii) subject to Section 15.1 (iv) below, any family member of an Owner who is exclusively occupying a Unit which is not also the residence of and occupied by the Owner thereof. Notwithstanding the foregoing, Leasing shall not include the following: (iii) occupancy by a roommate(s) who along with the Owner occupies a Unit as Owner's residence; and (iv) occupancy by an Owner's child, parent and/or grandparent that qualify as an "owner-occupant" under the applicable requirements established from time to time by the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the U.S. Department of Housing and Urban Development ("HUD"), and any other government sponsored or owned entity that purchases, guarantees, and/or insures loans (collectively, the "Project Approval Requirements").

Except as provided for below, an Owner desiring to lease Owner's Unit may do so only if Owner has: (A) paid and is current on all Assessments, including Base Assessments and any Special Assessments; (B) applied for and received a "Leasing Permit" from Declarant or the Board of Directors; or (C) received a valid "Leasing Permit" from another Owner (with such a "Leasing Permit" having been originally issued by Declarant or the Board of Directors. Such a Leasing Permit, upon its issuance by Declarant, the Board of Directors or by transfer from another Owner (as set forth in Section 15.3(b) below), shall allow an Owner to lease Owner's Unit, provided that such Leasing is conducted in accordance with the terms and conditions of the Leasing Permit and this ARTICLE 15. A Leasing Permit is assigned to a specific Unit and its Owner, but may be transferred to another Unit and its Owner in accordance with Section 15.3(b) below.

Section 15.2. Assignment of Leasing Permits.

(a) Rights of Declarant and the Board of Directors to Assign Leasing Permits. During the Development Period, Declarant shall have the exclusive right to assign a Leasing Permit to a Unit and the purchaser thereof who has contracted to purchase the Unit; provided, however, such an assignment of Leasing Permit shall be conditioned upon purchaser's closing on the purchase of the Unit the Leasing Permit is to be assigned. The Board of Directors may charge and retain fee, payment, premiums or other consideration in connection with the issuance of Leasing Permits after the expiration of the Development Period.

(b) Suspension of Leasing Permit. An Owner to which a Leasing Permit has been assigned shall have the right to lease Owner's Unit subject to the terms of this ARTICLE 15. Nonuse of a Leasing Permit shall not result in a Leasing Permit becoming void or extinguished. An Owner of a Unit to which a Leasing Permit has been assigned shall have the right to transfer such Owner's Leasing Permits to another Unit without a Leasing Permit on a permanent or temporary basis in accordance with this

ARTICLE 15 for any such fee, payment, or other consideration as may be agreed upon between the transferor Owner and the transferee Owner. Notwithstanding anything to the contrary stated in this Declaration, the Board of Directors shall have the right, but not the obligation, in its sole and absolute discretion, to suspend a Leasing Permit if an Owner fails to pay all delinquent Assessments, fines, or other charges owed to the Association on or before the date being fifteen (15) days after the Association sends a written notice to the Owner stating that the Owner is more than sixty (60) days delinquent and that the Leasing Permit shall be suspended unless payment is received in full on or before such date being fifteen (15) days after the Association sends the written notice. If the Board of Directors suspends a Leasing Permit as provided herein, any tenant's rights to occupy the Unit shall automatically terminate thirty (30) days from the date the Leasing Permit is suspended. The suspension of a Leasing Permit shall automatically terminate upon payment in full of all delinquent Assessments, fines, or other charges owed to the Association.

Section 15.3. Records of Leasing Permits and Hardship Leasing Permits; Transfer of Leasing Permits.

(a) Records of Leasing Permits. The Association shall maintain a master list of all Units to which Leasing Permits have been assigned under Section 15.2(a) above, and whether any of the same have been suspended. In addition, the Association shall record (or cause Declarant to record in the case where Declarant has assigned a Leasing Permit during the Development Period under Section 15.2(a) above) in the Official Records a written instrument that evidences the assignment of a Leasing Permit to a Unit, which instrument shall be in a form substantially similar to the form attached to this Declaration as Exhibit C-1 and incorporated herein by this reference ("Assignment of Leasing Permit").

(b) Transfer of Leasing Permits. A Leasing Permit may be transferred on either a permanent or temporary basis so long as the following requirements are met: (i) the Owner of the Unit to which the Leasing Permit is assigned (the "Leasing Permit Transferor") shall provide to the Association with written notice in recordable form of the Leasing Permit transfer, which shall be in a form substantially similar to the form attached to this Declaration as Exhibit C-2 and incorporated herein by this reference ("Notice of Leasing Permit Transfer"). Said Notice of Leasing Permit Transfer shall state: (A) the Unit number of the Leasing Permit Transferor; (B) the Unit number of the Owner to which the Leasing Permit is to be transferred (the "Leasing Permit Transferee"); (C) the effective date of the Leasing Permit transfer; (D) the length of time of the Leasing Permit transfer (and if the Leasing Permit transfer is on temporary basis, the specific date on which the temporary Leasing Permit transfer is to expire automatically); and (ii) said Notice of Leasing Permit Transfer shall be duly executed by the Leasing Permit Transferor and the Leasing Permit Transferee and recorded in the Official Records by the Association; provided, however, any costs incurred by the Association in connection with the review and/or recordation of the Notice of Leasing Permit Transfer, including reasonable attorneys' fees and recording fees actually incurred, shall be an Assessment against the Unit of the Leasing Permit Transferor.

(c) Statement Regarding Status of Leasing Permit. Any Owner, Mortgagee or a Person having executed a contract for the purchase of a Unit to which a Leasing Permit has been assigned, or a lender considering a loan to be secured by a Unit to which a Leasing Permit has been assigned, shall be entitled, upon written request, to a statement from the Association setting forth the status of such Unit's Leasing Permit. The Association shall respond in writing within five (5) business days of receipt of the request for such a statement; provided, however, the Association may require the payment of a reasonable administrative fee, not to exceed Twenty-five Dollars (\$25) or such higher amount as may be authorized by the Board.

Section 15.4. Leasing Provisions. Leasing that is authorized, pursuant to permit, hereunder shall be governed by the following provisions:

(a) Notice. At least seven (7) days prior to entering into the lease of a Unit, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease (but shall have no power to disapprove a tenant or lessee as more

specifically set forth in Section 15.4(b)(vii) below). In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with this Declaration and any Rules and Regulations adopted pursuant thereto.

(b) General.

(i) Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval.

(ii) All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable.

(iii) There shall be no subleasing of Units or assignment of leases without prior written Board approval.

(iv) All leases must be for an initial term of not less than twelve (12) months, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship; provided, however, a short-term rental of a Unit shall be prohibited.

(v) Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall provide the Board with a copy of the lease and the name of the tenant or lessee and all other people occupying the Unit.

(vi) The Owner must provide at Owner's sole expense copies of this Declaration, Bylaws, and the Rules and Regulations to the tenant or lessee.

(vii) Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed tenant or lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(c) Compliance with Declaration, the Bylaws and the Rules and Regulations.

A "lessee" or "tenant," as an Occupant, shall comply with all provisions of this Declaration, the Bylaws and the Rules and Regulations, and furthermore, shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure such compliance. An Owner shall cause all Occupants of Owner's Unit to comply with this Declaration, the Bylaws and the Rules and Regulations, and shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any such violation. If an Occupant violates this Declaration, the Bylaws or the Rules and Regulations for which a fine is imposed, notice of the violation shall be given to the Owner and the Occupant, and such fine may be assessed against the Occupant in accordance with Article 5 of the Bylaws. If the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the Occupant's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit.

Any violation of this Declaration, the Bylaws or the Rules and Regulations by any Occupant or any guest of an Occupant, shall be deemed to be a default under the terms of the lease, which default shall authorize the Owner of the Unit to terminate the lease without liability and to evict the Occupant in accordance with Tennessee law. Each Owner hereby delegates and assigns to the Association, acting through its Board of Directors, the power and authority of enforcement against an Occupant for breaches resulting from the violation of this Declaration, the Bylaws or the Rules and Regulations, including the power and authority to evict an Occupant as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms of this Declaration. If the Association proceeds to evict an Occupant, any costs, including reasonable attorneys' fees and court costs actually incurred in connection with an eviction shall be an Assessment and lien against the Unit.

(d) Use of Common Elements. The Owner transfers and assigns to the Occupant, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements.

(e) Liability for Assessments. When an Owner who is Leasing Owner's Unit fails to pay any Assessment or any other charge owed to the Association for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received under the lease during the period of delinquency, and, upon request by the Board, Occupant shall pay to the Association all unpaid Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by Occupant. However, Occupant need not make such payments to the Association in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Board's request. All such payments made by Occupant shall reduce, by the same amount, Occupant's obligation to make monthly rental payments to Owner. If Occupant fails to comply with the Board's request to pay Assessments or other charges, Occupant shall pay to the Association all amounts authorized under this Declaration as if Occupant were an Owner. This Subsection (e) shall not be construed to release the Owner from any obligation, including the obligation to pay Assessments, for which Owner would otherwise be responsible.

(f) Required Lease Provisions. Any lease of a Unit shall be required to contain or incorporate by reference the terms set forth in Subsections (c), (d), and (e) above. If such language is not expressly contained or incorporated by reference therein, then such language shall be incorporated into the lease by the existence of this covenant, and the tenant, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the above-referenced language into the lease. All leases shall specify that the Occupant shall be required to pay liquidated damages equal to at least one (1) month's rent for early termination.

Section 15.5. Applicability of this ARTICLE 15. Notwithstanding anything to the contrary stated in this Declaration, this ARTICLE 15 shall not apply to any Leasing transaction entered into by: (i) the Association; (ii) the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage; or (iii) Declarant (with respect to any Leasing transaction that is outside of the scope of Declarant's right to assign Leasing Permits to Units under Section 15.2(a) above); provided, however, such parties must still provide the name, address and telephone number of the Person to whom the Unit is being leased. Such parties shall be permitted to lease a Unit without first obtaining a Leasing Permit.

ARTICLE 16. TRANSFER OR SALE OF UNITS

An Owner intending to make a transfer or sale of a Unit or any interest in a Unit subsequent to purchase and closing of the Unit from AG or Declarant, shall give written notice to the Board of Directors of such intention within seven (7) days after execution of the purchase agreement (in the case of the purchase of a Unit) or transfer or sales documents (in the case of the conveyance of a Unit without a purchase of said Unit). The Owner shall furnish to the Board of Directors as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board of Directors may reasonably require. In addition, the purchase agreement or transfer documents shall attach a copy of this Declaration and Bylaws. This ARTICLE 16 shall not be construed to create a right of first refusal in the Association or in any third party.

In addition, a non-refundable contribution to the Working Capital Fund of the Association (which may be referred to as an "initiation fee") shall be paid to the Association by the purchaser of a Unit at the closing of each sale or resale of a Unit in the amount of two (2) months of the Base Assessment assigned to such Unit in accordance with ARTICLE 10 hereof.

Within seven (7) days after receiving title to a Unit, the new Owner of the Unit shall give written notice to the Board of Directors of Owner's ownership of the Unit. Upon failure of an Owner to give the

required notice within the seven (7) day time period provided herein, the Board of Directors may levy fines against the Unit and the Owner thereof and assess the Owner for all costs incurred by the Association in determining Owner's identity.

The Association may adopt reasonable Rules and Regulations regarding access to the Property while a Unit is being marketed, including, but not limited to, designating a central location for the installation of lock boxes.

ARTICLE 17. MAINTENANCE RESPONSIBILITY

Section 17.1. By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of Owner's Unit (and all improvements made by the Owner to the Limited Common Elements assigned to the Unit), except any portion of a Unit that is expressly made the maintenance obligation of the Association as set forth in this ARTICLE 17.

In addition, each Owner shall have the responsibility to:

(i) keep in a neat, clean and sanitary condition any Limited Common Elements serving Owner's Unit;

(ii) perform Owner's responsibility in such manner so as not to unreasonably disturb other Persons in other Units;

(iii) promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible; and

(iv) pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, Owner's family, tenants, guests or Occupants, with the cost thereof to be added to and become part of the Owner's next chargeable Assessment.

Section 17.2. By the Association. The Association shall maintain and keep in good repair as a Common Expense the "Area of Common Responsibility," which includes all Common Elements and Limited Common Elements:

Notwithstanding anything to the contrary stated in this Declaration, pursuant to Section 10.6 of this Declaration, any Common Expense incurred by the Association in connection with the maintenance, repair or replacement of a Limited Common Element may be levied against the Owner(s) to whom such Limited Common Element is assigned as a Specific Assessment.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Occupant that is the responsibility of the Association hereunder (including, but not limited to, landscaping of Common Elements) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts such maintenance or repair.

The Association shall repair incidental damage to any Unit resulting from performance of work that is the responsibility of the Association. As finish levels can have varying degrees, such repairs will be complete only to the extent of being "paint-ready." Such repair and subsequent cleaning shall be performed based on a reasonableness standard. In performing its responsibilities hereunder, the Board of Directors

shall have the authority to delegate to such Persons, firms or corporations of its choice, such duties as are approved by the Board of Directors.

The Association shall not be liable for injury or damage to Person or property caused by the elements or by the Owner of any Unit, or any other Person, or resulting from any utility, rain, snow or ice that may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment that the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, or family, for loss or damage, by theft or otherwise, of any property that may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this ARTICLE 17 where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements that are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 17.3. Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to discharge properly Owner's obligation with regard to the maintenance, repair or replacement of items of which Owner is responsible hereunder, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary by the Board of Directors. This Section shall not apply to Units owned by Declarant or AG, unless improved with a dwelling and occupied as a residence.

Unless the Board of Directors determines that an Emergency exists, the Owner shall have ten (10) days within which to complete such maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an Emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the Assessment to which such Owner is subject, shall become and be a lien against the Unit, and shall be collected as provided herein for the collection of Assessments.

If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner, or Occupant or their guests, tenants, licensees and invitees, then the Association may assess the cost of any such maintenance, repair or replacement against the Owner's Unit, shall become a lien against the Unit, and shall be collected as provided herein for the collection of Assessments.

Section 17.4. Measures Related to Insurance Coverage.

(i) The Board of Directors, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Property that are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire in, or other damage to, the Property, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring Owners to install and maintain smoke detectors, requiring Owners to certify that they have checked the batteries for their smoke detectors,

requiring Owners to allow the Association to inspect the smoke detectors and replace batteries if needed on a schedule to be determined by the Board of Directors, requiring Owners to make improvements to the Owner's Unit, and such other measures as the Board may reasonably require so long as the cost of such work does not exceed Three Hundred Dollars (\$300) per Unit in any twelve (12) month period.

(ii) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any requirement made by the Board of Directors pursuant to this ARTICLE 17, the Association, upon fifteen (15) days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost. Such cost shall be an Assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this ARTICLE 17, including but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an Emergency.

Section 17.5. Mold Disclosure and Waiver. Mold, mildew, fungi and microbiological organisms (collectively, "**Mold**"), are present in soil, air and elsewhere in the environment. Mold can proliferate in various environments, including, among others, damp areas such as bathrooms and within walls and partitions. Concerns have been expressed about the possible adverse effects on human health from exposure to Mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illnesses have been linked with biological pollutants in the indoor environment, including some forms of Mold. However, it is believed that many of these conditions may also have causes unrelated to the indoor environment. Therefore, as of the date of this Declaration, it is unknown how many potential health problems relate primarily or exclusively to indoor air quality or Mold. Declarant and the Association are not qualified and have not undertaken to evaluate all aspects of this very complex issue. Declarant and the Association have not performed any testing or evaluation of, and make no representations or warranties, express or implied, concerning the past, current or future presence or absence of Mold in the Unit, any Limited Common Elements allocated to the Unit, any unfinished perimeter walls located within the Unit, or any other Common Elements or within the vicinity of the Property. Declarant and the Association recommend that each Owner, at the Owner's expense conduct its own investigation and consult with such experts as the Owner deems appropriate regarding the occurrence and effects of Mold, the potential sensitivity or special risk the Owner, Owner's family members, and other individuals, who will occupy or use the Unit.

When excessive moisture or water accumulates indoors, Mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all Mold in an indoor environment. The key to controlling indoor Mold growth is to control moisture. Each Owner shall maintain the Unit in such a manner as to reduce the potential for increased Mold formation or growth, including, without limitation, keeping dryer and other vents and/or fans clear and functioning and preventing and repairing plumbing, window and other leaks and sources of moisture. Each Owner shall conduct periodic inspections of the Unit, Limited Common Elements assigned to the Unit, and any other portion of the Property for which the Owner is responsible to maintain, for the presence of Mold or conditions that may increase the ability of Mold to propagate within the Unit or other portions of the Property. Furthermore, each Owner shall monitor the Unit, and any other portion of the Property for which the Owner is responsible to maintain, on a continual basis for excessive moisture, water or Mold accumulation. If water or moisture is discovered in or around the Unit, the Owner shall immediately seek to eliminate the source of the water or moisture. Failure to eliminate the source of moisture can result in additional damage and the growth of Mold. Neither Declarant nor AG will be responsible for damages, and each Owner, by taking title to a Unit, hereby waives all rights to damages and subrogation of damages. Each Owner shall defend and indemnify Declarant, AG, and the Association and hold Declarant, AG, and the Association harmless from damages, including all cases of personal injury or property damage, caused by the presence of Mold and/or water or moisture in the Unit or other portions of the Property to the extent that the damages are caused by: (i) the Owner's negligence or failure to properly maintain and monitor the Unit or other portions of the Property for which the Owner is responsible for maintaining, or (ii) the Owner's failure to promptly take appropriate

corrective measures and minimize any damage caused by water or moisture (including, without limitation, failure to promptly notify and engage the help of appropriate professionals or experts).

ARTICLE 18. EMINENT DOMAIN

In the event of a taking by condemnation or by eminent domain, the provisions of the Act shall prevail and govern; provided, however, any proceeds received as a result of a taking of the Common Elements (other than Limited Common Elements) by condemnation or eminent domain shall be deposited into the Association's operating account or reserve account to be applied to Common Expenses. Each holder of a first Mortgage shall be entitled to written notice of any such condemnation proceeding, and nothing in the Townhome Instruments shall be construed to give a priority to any Owner in the distribution of proceeds with respect to such Unit.

ARTICLE 19. EASEMENTS

Section 19.1. General. AG and Declarant hereby grant and do hereby establish and create perpetual, nonexclusive (except as and to the extent provided to the contrary herein) easements in, to, over, across, under and through portions of Property for the purposes contemplated in this ARTICLE 19 for the use and benefit of the respective Owners of the Units, and each of its respective Permittees, Mortgage Holders and successors and assigns. Each Owner shall afford to Declarant and AG, the other Owners, the Association, and to any agents or employees of either such access through such Owner's Unit as may reasonably be necessary to enable them to exercise and discharge their respective powers and responsibilities. To the extent that damage is inflicted on the Common Elements, including, without limitation, the Limited Common Elements, or on any Unit through which access is taken, the Association or Owner occasioning the same, whether by itself or himself or herself or through agents, employees, or others, shall be liable for the prompt repair thereof.

Section 19.2. Use and Enjoyment. Each Owner and Occupant shall have a right and a non-exclusive easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from Owner's Unit over those portions of the Property designated for such purpose), and such non-exclusive easement shall be appurtenant to and shall pass with the title to such Unit, subject to (i) the rights of the Owners to the exclusive use of the Limited Common Elements assigned to their respective Units; (ii) to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Declaration including but not limited to, the right of the Association to suspend voting and use privileges as provided herein; and (iii) the right of the Association to have access to the Units and Limited Common Elements assigned to a Unit to discharge its rights and obligations, under the Townhome Instruments, including without limitation, the repair and maintenance responsibilities of the Association.

Section 19.3. Support. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with a non-exclusive easement of support for the benefit of such abutting Unit.

Section 19.4. Utilities. To the extent that water, sewer, or any utility line, pipe, wire, or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit, Limited Common Elements, or the Common Elements, such other Unit, Units, or the Common Elements shall be burdened with a non-exclusive easement for the use, maintenance, repair and replacement of such line, pipe, wire or conduit, such non-exclusive easement to be in favor of the Unit, Units, Limited Common Elements, or Common Elements served by the same and the Association. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line conduit, duct or wire is located within the boundaries of a Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit resulting from performance of any such work.

Section 19.5. Pest Control. The Association may but shall not be obligated to dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives, and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Owners shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

Section 19.6. Community Bulletin Board. As part of the Common Elements maintained by the Association, Declarant, AG, and/or the Board shall have the right, but not the obligation, to erect on the Property a bulletin board primarily for the use of Owners in advertising their Units for sale. For so long as the Association desires to maintain this bulletin board, each Owner and his licensed real estate broker and agent may use the Property for access, ingress and egress to and from this bulletin board; provided, however, the use of the bulletin board shall be subject to such reasonable nondiscriminatory Rules and Regulations as may be adopted or promulgated by the Board regulating the size and duration of such advertisements. Declarant or Board may terminate use of this bulletin board entirely at any time, and no property rights of any kind are created hereby.

Section 19.7. Declarant and AG Easements During the Development Period. During the Development Period, Declarant, AG, and its duly authorized contractors, subcontractors, representatives, agents, associates, employees, tenants and successors and assigns shall have: (i) a non-exclusive easement for access and ingress to, egress from and use of the Common Elements and Limited Common Elements for the placement and maintenance of signs, banners, balloons, decorations marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities and model Units on any portion of the Property, together with such other facilities as in the opinion of Declarant and AG may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, sale or lease of any Unit; (ii) a non-exclusive easement to use the Common Elements for special events and promotional activities; and (iii) a transferable, non-exclusive easement on, over, through, under and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Property or any portion thereof, for the purpose of constructing, installing, replacing, repairing, restoring and maintaining all utilities, Buildings, driveways, landscaping and any other improvements on the Property or serving the Development, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

ARTICLE 20. MORTGAGEE'S RIGHTS

Section 20.1. Powers Denied to the Association. Unless at least two-thirds (2/3) of the first Mortgagees and Owners give their consent, the Association or the membership shall not:

- (i) by act or omission seek to abandon or terminate the Development;
- (ii) change the pro rata interest or obligations of any individual Unit for the purpose of (A) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (B) determining the pro rata share of ownership of each Unit in the Common Elements;
- (iii) partition or subdivide any Unit in any manner inconsistent with the provisions of this Declaration;
- (iv) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or

(v) use hazard insurance proceeds for losses to any portion of the Property (whether to Units or to Common Elements) for other than the repair, replacement, or reconstruction of such portion of the Property.

The provisions of this Section 20.1 shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Owners where a larger percentage vote is otherwise required by the Act or the Townhome Instruments for any of the actions contained in this ARTICLE 20.

Section 20.2. Exemption from Liens. Where the Mortgagee holding a first Mortgage of record, a secondary purchase money Mortgage of record (provided that neither the grantee nor any successor grantee on the secondary purchase money Mortgage is the seller of the Unit) or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable, nor shall the Unit be subject to a lien, for the share of the Common Expenses or Assessments by the Association chargeable to such Unit that became due prior to such acquisition of title. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, and its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title of the Unit, including but not limited to, the pro-rata share of the Common Expenses levied against the Unit, as provided in this Declaration, for the applicable portion of the month in which the passage of title of the Unit occurred.

Section 20.3. Mortgage Holder Entitled to Notice. Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any Eligible Mortgage Holder, or insurer or guarantor of a first mortgage on a Unit, will be entitled to timely written notice of:

(i) any proposed amendment of the Townhome Instruments effecting a change in (A) the boundaries of any Unit or the exclusive easement rights appertaining thereto; (B) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto; (C) the number of votes in the Association appertaining to any Unit; or (D) the purposes to which any Unit or the Common Elements are restricted;

(ii) any proposed termination of the Development;

(iii) any condemnation loss or any casualty loss that affects a material portion of the Property or any Unit on which there is a first Mortgage held by such Eligible Mortgage Holder;

(iv) any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to a first Mortgage held by such Eligible Mortgage Holder that remains unsatisfied for a period of sixty (60) days after notice, and any default in the performance by an individual Owner of any other obligation under the Townhome Instruments that is not cured within sixty (60) days after notice;

(v) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(vi) any proposed action that would require the consent of a specified percentage of Eligible Mortgage Holders, as specified herein.

Section 20.4. Copy of Financial Statement. Any holder of a first Mortgage shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting.

Section 20.5. No Impairment of Rights. Notwithstanding anything to the contrary herein contained, the provisions of ARTICLE 15 and ARTICLE 16 of this Declaration (governing the Leasing and sales of units, respectively) shall not apply to impair the right of any first Mortgagee to:

- (i) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; or
- (ii) take a deed or assignment in lieu of foreclosure; or
- (iii) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

Section 20.6. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

Section 20.7. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of any mortgagee encumbering such Owner's Unit.

Section 20.8. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request to approve an amendment to this Declaration or within sixty (60) days of the date of the Association's request for any other action, provided that such request is delivered to the Mortgagee by certified or registered mail, return receipt requested, or by overnight mail.

Section 20.9. Construction of this ARTICLE 20. Nothing contained in this ARTICLE 20 shall be construed to reduce the percentage vote that must otherwise be obtained under the Townhome Instruments or Tennessee law for any of the actions set forth in this ARTICLE 20.

ARTICLE 21. GENERAL PROVISIONS

Section 21.1. SECURITY. **THE ASSOCIATION, AG, OR DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS THAT DIRECTLY OR INDIRECTLY IMPROVE THE SECURITY OF THE DEVELOPMENT; HOWEVER, EACH OWNER, FOR HIMSELF, HERSELF OR ITSELF, AND HIS, HER OR ITS TENANTS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION, AG, NOR DECLARANT IS A PROVIDER OF SECURITY AND NEITHER ENTITY SHALL HAVE A DUTY TO PROVIDE SECURITY ON OR AT THE DEVELOPMENT. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT NON-OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE DEVELOPMENT AND COMMIT CRIMINAL ACTS ON THE DEVELOPMENT NOR DOES THE ASSOCIATION GUARANTEE THAT CRIMINAL ACTS ON THE DEVELOPMENT WILL NOT BE COMMITTED BY OTHER OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS, HER OR ITS PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH OWNER. NEITHER DECLARANT, AG, NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF ITS FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF MEASURES UNDERTAKEN.**

Section 21.2. Parking Spaces, Garages, Vehicles and Storage Spaces. Neither Declarant, AG, nor the Association shall be held liable for any loss or damage arising from theft, vandalism, malicious mischief, or any loss or damage resulting from calcium deposits, water or acid damage to any property placed or kept in any parking space on the Property or in any area designated by the Board for

other parking. Each Owner or Occupant with use of a parking space or in any area designated by the Board for other parking who places or keeps a vehicle and/or any personal property in the vehicle, parking space, or in any area designated by the Board for other parking does so at Owner's own risk.

Section 21.3. Dispute Resolution.

(i) Prior to filing a lawsuit against the Association, the Board of Directors, or any officer, director, or property manager of the Association, an Owner or Occupant must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the property manager, if any, of the Association. The Owner or Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board of Directors and resolve the dispute in an amicable fashion, and shall give the Board of Directors a reasonable opportunity to address the Owner or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board of Directors shall give notice of the date, time and place of the hearing to the Person requesting the hearing. The Board of Directors shall schedule this hearing for a date not less than seven (7) or more than twenty-one (21) days from the date of receipt of the request.

(ii) All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on any alleged defect in any Unit or any damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Units or allegedly sustaining such damage.

(iii) All Owners hereby acknowledge and agree that no Owner shall be entitled to institute any legal action against anyone which is based on any alleged defect in the Common Elements, but rather, that all such actions shall be instituted by the Association on behalf of the Owners.

(iv) Prior to filing any claim for arbitration or any claim in a court of competent jurisdiction relating to alleged physical damage or defects to a Unit, as soon as reasonably possible after the discovery of any alleged physical damage or defects to the Unit, the Owner shall provide prompt written notice to Declarant describing in detail the basis for such claim and the repairs and/or alterations reasonably necessary to remedy the alleged defect or damage (the "**Unit Requested Repairs**"). An Owner's failure to provide prompt written notice to Declarant after the Owner's discovery of any alleged physical damage or defects to the Unit shall constitute a waiver by such Owner of any potential obligation of Declarant or its contractors to remedy the alleged physical damage or defects to the Unit and all claims related thereto. Within thirty (30) days of its receipt of such notice, Declarant shall provide the Owner with notice stating whether Declarant intends to perform the Unit Requested Repairs. In the event Declarant elects to perform the Unit Requested Repairs, the Owner shall provide Declarant and its contractors with the opportunity to perform the Unit Requested Repairs within a reasonable period, including access to the Unit during regular business hours to perform the Unit Requested Repairs. An Owner shall only have the right to file a claim against Declarant or its contractors in the event the Owner provided prompt written notice to Declarant of alleged physical damage or defects to the Unit as provided herein, and Declarant and its contractors subsequently elects not to perform the Unit Requested Repairs or does not perform the Unit Requested Repairs in a competent manner after having the opportunity to perform the Unit Requested Repairs as provided herein.

(v) Prior to filing any claim for arbitration or any claim in a court of competent jurisdiction relating to alleged physical damage or defects to the Common Elements, as soon as reasonably possible after the discovery of any alleged physical damage or defects to the Common Elements, the Association shall provide prompt written notice to Declarant describing in detail the basis for such claim and the repairs and/or alterations reasonably necessary to remedy the alleged defect or damage (the "**Common Element Requested Repairs**"). The Association's failure to provide prompt written notice to Declarant after the Association's discovery of any alleged physical damage or defects to the Common

Elements shall constitute a waiver by the Association of any potential obligation of Declarant or its contractors to remedy the alleged physical damage or defects to the Common Elements and all claims related thereto. Within thirty (30) days of its receipt of such notice, Declarant shall provide the Association with notice stating whether the Declarant intends to perform the Common Element Requested Repairs. In the event Declarant elects to perform the Common Element Requested Repairs, the Association shall provide Declarant and its contractors with the opportunity to perform the Common Element Requested Repairs within a reasonable period, including access to the Common Elements during regular business hours to perform the Common Element Requested Repairs. The Association shall only have the right to file a claim against Declarant or its contractors in the event the Association provided prompt written notice to Declarant of alleged physical damage or defects to the Common Elements as provided herein, and Declarant and its contractors subsequently elects not to perform the Common Element Requested Repairs or does not perform the Common Element Requested Repairs in a competent manner after having the opportunity to perform the Common Element Requested Repairs as provided herein.

(vi) The exclusive period of limitation for an Owner or Occupant bringing any claim of any nature against Declarant or its contractors, including but not limited to, a claim of construction defect or defective design of a Unit, shall be the earliest of: (A) for claims alleging construction defect or defective design, one (1) year from the date that the Owner or Occupant discovered or reasonably should have discovered evidence of the claim; provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant conveyed the Unit to the original Owner unless the basis of the claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the claim; (B) for claims other than those alleging construction defect or defective design, two (2) years after the date Declarant conveyed the Unit to the original Owner or such other shorter period specified in any written agreement between Declarant and the Owner to whom Declarant initially conveyed the Unit, unless the basis of the claim was intentional fraud or willful misconduct, in which case, the Legal Requirements governing the limitation period and period of repose shall apply to the claim; or (C) the end of the statutory period provided under Legal Requirements governing the limitation period and period of repose.

(vii) The exclusive period of limitation for the Association to bring any claim of any nature against Declarant or its contractors, including but not limited to, a claim of construction defect or defective design of the Common Elements, shall be the earliest of: (A) for claims alleging construction defect or defective design, one (1) year from the date that the Association or its agents discovered or reasonably should have discovered evidence of the claim; provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant substantially completed the Common Elements unless the basis of the claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the claim; (B) for claims other than those alleging construction defect or defective design of the Common Elements, two (2) years after Declarant Control Period, unless the basis of the claim was intentional fraud or willful misconduct, in which case, the Legal Requirements governing the limitation period and period of repose shall apply to the claim; or (C) the end of the statutory period provided under Legal Requirements governing the limitation period and period of repose.

(viii) Each and every claim and cause of action arising out of or related to the design, construction, sale, maintenance, habitability or, condition of any Unit or the Common Elements that is asserted against Declarant or Declarant's general contractor by the Association or by any Owner shall be resolved by final and binding arbitration in accordance with the following:

(A) All arbitrations in which the Association is a party shall be resolved by a panel of three (3) arbitrators pursuant to the Rules of the American Arbitration Association, as modified herein.

(B) All arbitrations in which an Owner is a party (and the Association is not a party) shall be resolved before one (1) arbitrator pursuant to the Rules of the American Arbitration Association, as modified herein.

(C) The arbitration shall be conducted by a company actively involved in the dispute resolution business and mutually agreeable to all parties. In the event all parties cannot agree on an arbitrator, the arbitration shall be conducted by the American Arbitration Association.

(D) The arbitration hearings shall be conducted in Chattanooga, Tennessee. All claims and causes of action of all Persons entitled to enforce (or bound by) this arbitration provision shall be asserted in a single arbitration proceeding, and multiple parties may be joined in the arbitration proceeding so that all disputes may be resolved in one forum.

(E) In any arbitration proceeding, requests for production of documents may be served by each party, and non-privileged, responsive document that would be discoverable under Rule 34 of the Federal Rules of Civil Procedure (were the claims and causes of action being asserted in United State District Court) shall be produced. Depositions may be taken as allowed by the arbitration panel, which panel shall reasonably limit the number of depositions in order to avoid unnecessary or excessive expense, delay, or harassment.

(F) The arbitration panel shall issue a written decision within thirty (30) days after the final hearing identifying with specificity each claim or cause of action asserted or resolved in any arbitration, and the legal principles of *res judicata* and collateral estoppel shall be applicable to any arbitration award. Any arbitration award may be confirmed and enforced in any court of competent jurisdiction.

(G) This arbitration provision is expressly intended to benefit and be enforceable by each Person referenced in this Section 21.3 whether or not such Person is bound by this arbitration provision. Any attempt by any such Person to enforce this arbitration provision shall constitute conclusive evidence of its intent to be bound hereby. Any portion of this Section 21.3, which may be held to be unenforceable shall be severable from the balance of this Section 21.3 so that the remainder of this Section 21.3 shall remain in full force and effect. Costs of the arbitration and awards of attorney's fees may be included in the decision of the panel. This provision shall survive the closing of the acquisition of a Unit by the initial Owner.

Section 21.4. Litigation.

(i) All Owners hereby acknowledge and agree that the Association shall not be entitled to institute, fund, finance, or join in any legal action, suit, or claim against anyone on behalf of any or all of the Owners that is based on any alleged defect in any Unit or any damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Units or allegedly sustaining such damage. For the purposes hereof, the "Unit" shall not be deemed to include the undivided interest in the Common Elements attributable to each Unit.

(ii) All Owners hereby acknowledge and agree that no Owner shall be entitled to institute or join in any legal action against anyone that is based on any alleged defect in the Common Elements, but rather, that all such actions shall be instituted by the Association on behalf of the Owners.

(iii) No legal action, suit, or claim (including administrative claims) (hereinafter the "**Claim**") shall be commenced or prosecuted by the Association unless approved by a vote of the Owners as hereinafter provided. The Board of Directors shall prepare a budget of the total estimated cost of the Claim that shall be submitted to the Owners for a vote along with the estimate of the total cost of the Claim made by the attorney being retained by the Association for the Claim. No capital contribution

made by an Owner in accordance with ARTICLE 10 of this Declaration or reserve account funds shall be used for funding the costs of the Claim. The proposed Claim, the budget, and any Special Assessment, therefore, must all be approved by a vote of the Owners representing at least two-thirds (2/3) of the Total Association Vote. This Section 21.4 shall not apply, however, to the following: (A) actions involving or relating to the imposition and/or collection of Assessments (including court costs, late fees, interest and reasonable attorneys' fees actually incurred) as provided herein; (B) actions brought by the Association to enforce any covenant in this Declaration (including, without limitation, the foreclosure of liens); (C) proceedings involving challenges to ad valorem taxation; (D) any land-use or zoning proceedings; (E) actions brought by the Association for damages in magistrate court; (F) actions for breach of contract brought by the Association against vendors providing goods and services to the Association where the Association has a contract with such vendor; or (G) the defense of counterclaims in actions brought by the Association relating to any of the above matters. This Section 21.4 shall not be amended unless such amendment is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Notwithstanding the above, after the expiration of the Declarant Control Period, the Board of Directors may negotiate the resolution of any alleged defect(s) in the Common Elements or Limited Common Elements on behalf of the Owners and shall have the right and authority to settle and release on behalf of any and all of the Owners claims, causes of action, damages and suits involving the same. Any such settlement and release shall bind all Owners and their successors and assigns. No amendment to this Declaration shall (1) modify, alter, or delete any provision of this Declaration that benefits Declarant or any rights, privileges, easements, protections, or defenses of Declarant; or (2) alter the rights of the Owners or the Association in relationship to Declarant, without the written consent of Declarant attached to and recorded with such amendment.

Section 21.5. Successor Declarants. Any successor to Declarant shall not be responsible or subject to liability by operation of law or through the purchase of Declarant's interest on the Property or any portion thereof at foreclosure or otherwise for any act, omission, or matter occurring or arising from any act, omission, or matter occurring prior to the time the successor succeeded to the interest of Declarant.

Section 21.6. Disclosures. Each Owner and Occupant acknowledges the disclosures set forth in Exhibit B attached hereto and incorporated herein.

Section 21.7. Services During the Development Period. Each Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as the Property including but not limited to, management services. Each Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates.

Section 21.8. Constructive Notice and Acceptance. Every Person who or which shall hereafter have, claim, own or acquire any right, title, interest or estate in or to any portion of the Property, whether or not such interest is reflected in the Official Records, shall be conclusively deemed to have (i) consented and agreed to each and every term, provisions, covenant, condition, restriction, easement and reservation contained or by reference incorporated in this Declaration, whether or not any reference to this Declaration is contained in the document or instrument pursuant to which such Person shall have acquired such right, title, interest or estate on the Property or any portion hereof; and (ii) acknowledged and agreed that in addition to being subject to and bound by the Townhome Instruments, the Property is subject to and bound by other documents and instruments recorded in the Official Records.

Section 21.9. Substantial Compliance With the Act. Each Owner acknowledges and agrees that the provisions of the Act and the Townhome Instruments recorded pursuant to the Act shall be liberally construed in favor of the valid establishment of a horizontal property regime. Each Owner acknowledges that the substantial compliance provision of the Act has not been interpreted judicially. Therefore, no representation and/or warranty is made regarding any possible judicial interpretation of the

Act. Furthermore, each Owner, on behalf of itself and its successors and assigns in title, acknowledges and agrees that the Townhome Instruments recorded pursuant to the Act substantially comply with the requirements of the Act and covenants and agrees not to file any type of suit or arbitration challenging the Townhome Instruments on the grounds that they do not strictly comply with the requirements of the Act.

Section 21.10. Amendments.

(a) General. Except where a different vote is expressly required for action under any other provisions of the Townhome Instruments or by the Act, in which case such different vote shall be necessary to amend such provision, the Townhome Instruments may be amended by the affirmative vote, written consent or any combination of affirmative vote and written consent of Owners holding two-thirds (2/3) of the Total Association Vote. Moreover, no amendment to this Declaration shall modify, alter, or delete any: (i) provision of this Declaration that benefits Declarant or AG; (ii) rights, privileges, easements, protections, or defenses of Declarant or AG; or (iii) rights of the Owners or the Association in relationship to Declarant or AG, without the written consent of Declarant and AG attached to and recorded with such amendment, until the later of the following: (A) expiration of the Declarant Control Period; or (B) ten (10) years after the date on which this Declaration is recorded in the Official Records, whichever period of time is longer.

(b) Notice. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment.

(c) Certification and Recordation. No amendment shall be effective until certified by the president and secretary of the Association and recorded in the Official Records.

(d) Approval by Eligible Mortgage Holders. In addition to the above, material amendments to this Declaration must be approved by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the votes of Units that are subject to Mortgages held by Eligible Mortgage Holders. Notwithstanding the above, the approval of any proposed amendment by an Eligible Mortgage Holder shall be deemed implied and consented to if the Eligible Mortgage Holder fails to submit a response to any written proposal for an amendment within sixty (60) days after the Eligible Mortgage Holder receives notice of the proposed amendment sent by certified or registered mail, return receipt requested. Material amendments are those that establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the
Common Elements;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use of the Common Elements;
- (vi) Responsibility for maintenance and repair of the Property;
- (vii) Expansion or contraction of the Development or the addition,
annexation or withdrawal of property to or from the Development;
- (viii) Boundaries of any Unit;

Elements; (ix) The interests in the Common Elements or Limited Common

Elements into Units; (x) Convertibility of Units into Common Elements or of Common

(xi) Leasing of Units;

(xii) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey Owner's Unit in the Development;

(xiii) Establishment of self-management by the Association where professional management has been required by any of the agencies or corporations set forth below;

(xiv) Amendment of any provisions that are for the express benefit of Eligible Mortgage Holders or insurers or guarantors of first mortgages on Units in the Development; and

(xv) Restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Townhome Instruments).

(e) Unilateral Amendment. Notwithstanding the foregoing, Declarant or the Board of Directors, without the necessity of a vote from the Owners, may amend the Townhome Instruments to correct any scrivener's errors, comply with any applicable state, city or federal law, and/or to bring the Development into compliance with applicable rules and regulations of the Federal National Mortgage Association ("Fannie Mae"), the U.S. Department of Housing and Urban Development ("HUD") and the Department of Veterans Affairs ("VA") pursuant to federal law. Furthermore, Declarant or the Board of Directors, without the necessity of a vote from the Owners, may record additional Plats and Site Plan in the Official Records from time to time, as necessary or appropriate to further clarify the description of the Units, to correct incorrect Plats and Site Plan, or to comply with the Act. Further, Declarant may unilaterally amend this Declaration for any purpose; provided, however, such amendment shall not materially adversely affect the substantive rights of any Owners to use such Owner's Unit without the consent of such affected Owner.

(f) Challenge to Amendment. Any action to challenge the validity of an amendment adopted under this Article 21 must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.]

(g) AG Consent. Notwithstanding anything to the contrary contained in this Declaration, so long as AG owns a Unit or any other portion of the Property, any amendment to this Declaration shall require the prior written approval of AG, which consent shall not be unreasonably held, conditioned or delayed. Any amendment recorded in the Official Records without such approval shall be deemed void and of no force and effect unless subsequently approved by a written consent signed by AG.

Section 21.11. Severability. Invalidation of any one of these covenants, conditions, or restrictions contained in this Declaration by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstances or affect any other provision(s), which shall remain in full force and effect.

Section 21.12. Declarant Rights.

(a) Notwithstanding anything to the contrary herein, and in addition to Declarant's right to appoint and remove officers and directors during the Declarant Control Period and other rights set forth in this Declaration, Declarant shall have the right, during the Development Period, to conduct such sales, marketing, Leasing, administrative and other activities at the Property as Declarant deems

appropriate for the sale, marketing or Leasing of any Unit and Declarant shall have a non-exclusive easement right across the Common Elements to erect signs, banners, balloons and other decorations and to conduct such other sales, marketing and Leasing activities as provided herein. Declarant may also maintain any Unit it owns as a model Unit or as a sales office.

(b) So long as AG owns a Unit or any other portion of the Property, AG will have the right to enforce any provisions of this Declaration, the Bylaws, and the Charter that are intended for the benefit of AG. In addition to the foregoing and notwithstanding any other provision in the Declaration, as long as EA Homes or any entity controlled by or directly or indirectly under common control with EA Homes is the Declarant under the Declaration, it shall not, without the prior written consent of AG, exercise any of the rights reserved for the benefit of the Declarant under this Declaration in any manner which would have a material or adverse impact on AG or any Unit or portion of the Property owned by AG.

(c) The rights reserved for the benefit of AG under this Declaration shall automatically terminate and be of no further force and effect on the date that AG no longer owns any Units in the Property and no longer owns any other portion of the Property, which may be evidenced by filing a Notice of Termination or similar document in the Official Records, executed by AG.

Section 21.13. AG.

(a) None of the provisions of this Declaration shall obligate or be construed to obligate Declarant, or AG, or their respective agents, representatives or employees, to undertake any affirmative action to enforce the provisions of this Declaration, or to undertake any remedial or corrective action with respect to any actual or asserted violation hereof.

(b) Notwithstanding any other provision of this Declaration, any provision herein requiring the consent of the Declarant to any recorded document that would affect the Property, including but not limited to additional covenants, easements, replat, or resubdivision of any portion of the Property, shall also require the prior written consent of AG to any such document so long as AG owns any Unit or other portion of the Property.


(c) Notwithstanding any other provision of this Declaration, any document which requires AG's consent under this Declaration recorded without AG's consent shall be deemed void and of no force and effect unless subsequently approved by a written consent signed by AG and recorded.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant has executed this Declaration under seal this 25th day of January, 2024.

DECLARANT:

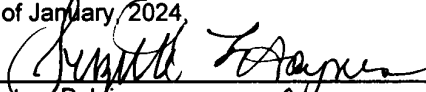
EA HOMES ASSETS LP,
a Delaware limited partnership


By:  [SEAL]
Name: Paul E. Corley, Jr.
Title: Regional President

STATE OF Georgia
COUNTY OF Fulton

Before me, Paul E. Corley, Jr. of the state and county aforesaid, personally appeared In person, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be a general partner of **EA HOMES ASSETS LP**, the within named bargainer, a limited partnership, and that s/he as such general partner, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited partnership by her/himself as general partner.

Witness my hand and seal this 25th day of January, 2024.


Notary Public
My Commission expires: September 13, 2024

 Suzette Haynes
NOTARY PUBLIC
Fulton County
State of Georgia
My Comm. Expires September 13, 2024

IN WITNESS WHEREOF, AG, as owner of the Property, does hereby declare and consent on behalf of itself and its successors, successors-in-title, and assigns, that from and after the date hereof, the Property shall be owned, held, transferred, sold, conveyed, used, occupied, and encumbered, subject to all of the terms, provisions, covenants, restrictions and easements contained in the Declaration.

AG EHC II (EMP) MULTI STATE 2 LLC, a Delaware limited liability company

By: ESSENTIAL HOUSING ASSET MANAGEMENT, LLC, an Arizona limited liability company, its Authorized Agent

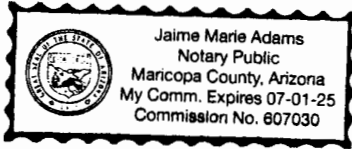
By: Steven S. Benson
Steven S. Benson, its Manager

STATE OF Arizona

COUNTY OF Maricopa

Before me, Jaime Marie Adams of the state and county aforesaid, personally appeared Steven S. Benson, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be a Manager of Essential Housing Asset Management, LLC, an Arizona limited liability company, the Authorized Agent for AG EHC II (EMP) MULTI STATE 2 LLC, the within named bargainor, a Delaware limited liability company, and that s/he as such general partner, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited partnership by her/himself as general partner.

Witness my hand and seal this 25 day of January, 2024.



Jaime Marie Adams
Notary Public
My Commission expires: 07/01/2025

EXHIBIT A

LEGAL DESCRIPTION OF THE SUBMITTED PROPERTY

Land in Hamilton County, Tennessee, being Lot 1, on the Plan of Peerless West Subdivision Plat Lot 1, as shown on plat of record in Plat Book P3 125, Page 70, Register's Office for Hamilton County.

AND

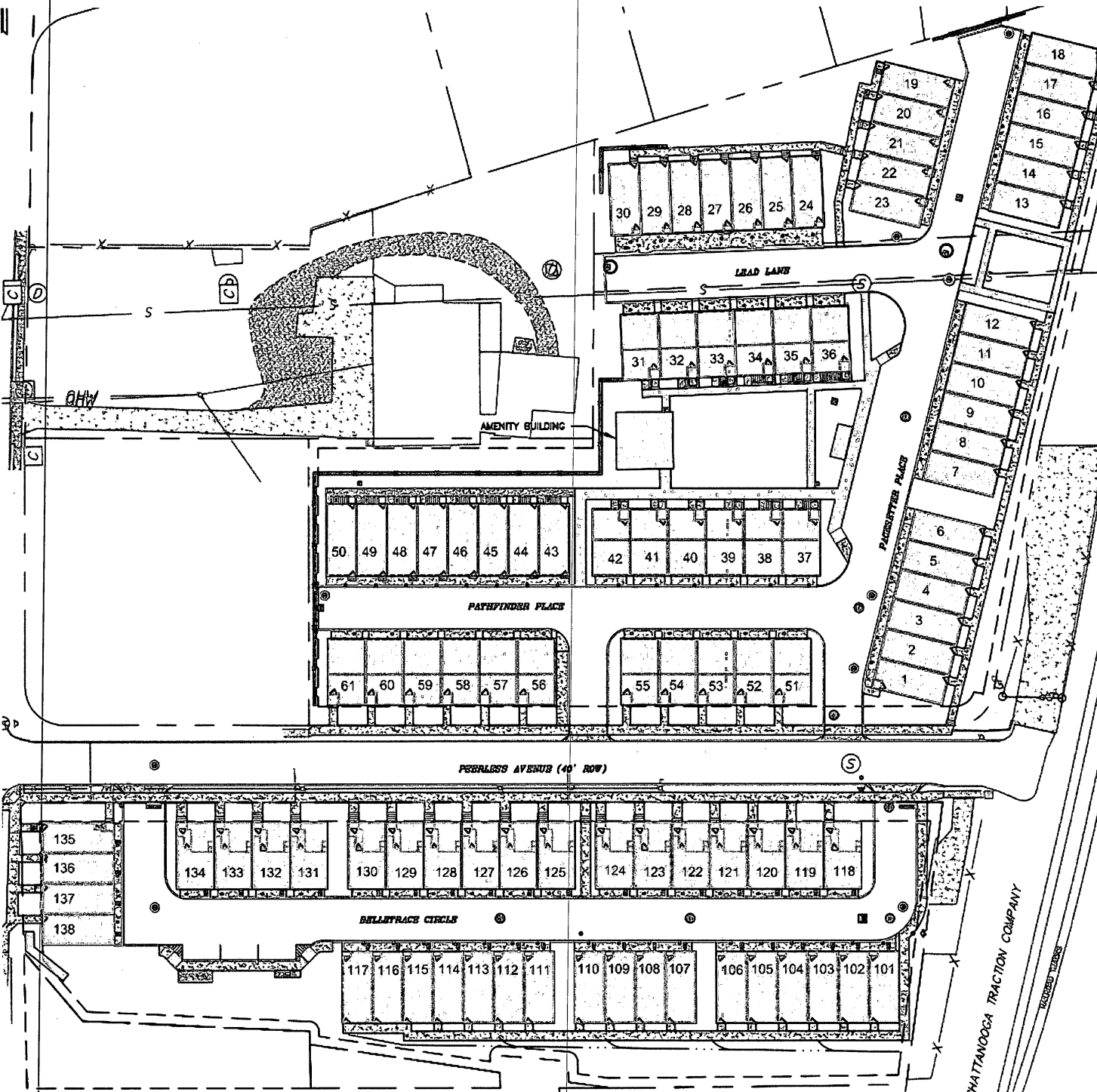
Land in Hamilton County, Tennessee, being Lot 2, on the Plan of Peerless West Subdivision Plat Lot 2, as shown on plat of record in Plat Book P3 125, Page 69, Register's Office for Hamilton County.

Being the same property conveyed to AG EHC II (EMP) MULTI STATE 2, LLC, a Delaware limited liability company, by EA Homes Assets LP, a Delaware limited partnership, dated October 31, 2023, of record in Book 13439, Page 756, Register's Office for Hamilton County, Tennessee.

EXHIBIT A-1









PLAT AND SITE PLAN

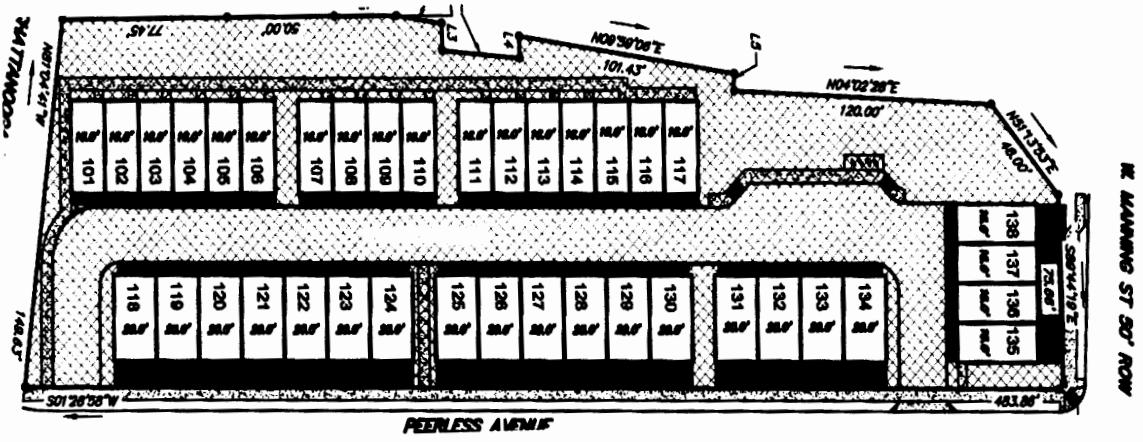
[SEE ATTACHED]



LEGEND:

EXISTING CONDITIONS:

	PROPERTY LINE NO PHYSICAL BOUNDS
	ADJACENT PROPERTY LINE
	EXISTING PROPERTY EASEMENT
	PROPOSED CURB
	PROPOSED WALKWAY
	PROPOSED BUILDING
	COMMON ELEMENTS
	PRIVATE ELEMENTS



5

EXHIBIT B

DISCLOSURES

1. **Adjacent Properties.** Declarant and AG make no representations or warranties regarding the future development or use of other properties adjacent to or in the vicinity of the Property (collectively "**Adjacent Properties**"). Any floor plans, renderings, models, drawings, and the like, which purport to depict the **Adjacent Properties**, or any portion thereof, are merely projections, which are subject to change and do not reflect an actual commitment to develop the **Adjacent Properties** in any particular manner. Owner or Occupant shall not rely on any projected plans for the future development of the **Adjacent Properties** as an inducement to acquire the Unit. **Adjacent Properties** shall not necessarily be restricted exclusively to residential use, but shall be subject only to uses allowed by applicable zoning ordinances, which may include, without limitation, office, retail, and other commercial uses. No assurances are made that the improvements which may be built on all or any portion of the **Adjacent Properties** will be substantially identical to the improvements on the Property in any way whatsoever, including but not limited to the quality of construction, the principal materials to be used in such construction and architectural style. The development of the **Adjacent Properties** may alter or block the views available from the Unit.

2. **Asbestos.** Asbestos can be found as accessory minerals in mineral deposits and occurs in its natural state in some rock formations. Declarant or the Association shall not conduct tests to determine the presence or absence of any type of naturally occurring asbestos in the soil of the Property. Declarant, AG, and the Association make no representations or warranties concerning the presence or absence of said minerals.

3. **Association Budget.** The Association budget provided to Owner or Occupant is based on estimated expenses only and may increase or decrease significantly when the actual expenses of the Association become known. The budget of the Association may also increase or decrease significantly due to many factors including but not limited to: (a) actual expenses of operating the Development being higher than initially thought; (b) prices increasing or decreasing significantly, (c) increases or decreases in the services being provided by the Association, (d) larger or smaller amounts being set aside for future reserves and operating and capital, and (e) unexpected and emergency expenditures.

4. **Balcony Railings.** Balcony railings are subject to humming and vibrating during windy conditions.

5. **Building Code.** While the general contractor is obligated to build the Units in accordance with the building code applicable at the time of permit, no representations are made that any Unit will exceed the standards set forth in the building code.

6. **Cellular Service.** Declarant and AG make no representations and warranties regarding the availability and quality of cellular and internet service in the Unit and on the Property.

7. **Certain Construction Issues.** Owner or Occupant acknowledges and agrees that it is not a third-party beneficiary to any agreement for development and/or construction services entered into by Declarant. Owner or Occupant and its insurer waive all rights of subrogation against Declarant, AG, and contractor(s) and all others performing or providing development and construction services to any portion of the Development including the Units.

8. **Community Conditions.** Since in every community there are conditions which different people may find objectionable, Owner or Occupant acknowledges that there may be conditions outside of the Property that Owner or Occupant may find objectionable. It shall be the sole responsibility of Owner or Occupant to become acquainted with community conditions that may now or in the future affect the Unit and Owner or Occupant's enjoyment of the same.

9. Concrete. Concrete surfaces in portions of the Property are subject to cracking due to (a) water penetration, (b) expansion and contraction of the concrete with temperature changes, (c) building settlement, and (d) other factors. Such cracking is normal and Declarant and AG shall not be liable for the same.

10. Condensation. Condensation and fogging of windows, doors and glass surfaces may occur, particularly when there are temperature disparities between the interior and exterior portions of the Unit. Humidity contributing to condensation can build up inside of a Unit due to activities such as washing clothes, showering and bathing, watering plants, boiling water and owning a fish tank. Unless the buildup of humidity is controlled or removed in such instances, the condensation can result in water on certain surfaces.

11. Development Name. Owner or Occupant consents to Declarant changing, in its sole discretion, the Development name and the street names and addresses within the Development including the street address of the Unit before or after Closing.

12. Construction Activities. Declarant's agents may be constructing portions of the Development and engaging in other construction activities related to the construction of Common Elements and finishing of units. Such construction activities may, from time to time, produce certain conditions on the Property, including, without limitation: (a) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (b) smoke; (c) noxious, toxic, or corrosive fumes or gases; (d) obnoxious odors; (e) dust, dirt or flying ash; (f) unusual fire or explosion hazards; (g) temporary interruption of utilities; and/or (h) other conditions that may threaten the security or safety of persons on the Property. Notwithstanding the foregoing, Owner or Occupant agrees that such conditions on the Property resulting from construction activities shall not be deemed a nuisance or discomfort to Owner or Occupant and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration.

13. Construction Changes. Building code requirements may change during the construction of the Development and may not necessarily be incorporated into the design or construction of the Development. During construction, there may be changes and alterations made to the original stamped and approved design drawings and the construction of the Development as a matter of necessity to achieve cost savings and due to field changes ordered by the architect, engineer, Declarant and various building inspectors. Such changes and alterations shall not be a basis for a breach of contract provided that the change or variation complies with building code requirements.

14. Construction Products. All buildings contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain Mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of Mold. Declarant and AG are not responsible for any illness or allergic reactions that a person may experience as a result of Mold. It is the responsibility of Owner or Occupant to keep the Unit clean, dry, well ventilated and free of contamination.

15. Construction Scope. During the course of the construction of any building, including the Buildings, variations from the original plans and specifications, some of which add scope, some of which reduce scope, and some of which alter scope, are inevitable and can, do, and may occur as a matter of intention and/or as a matter of necessity. Therefore, some code requirements may change during the interim period which may not be incorporated into the design of the Buildings.

16. Crime. Crime occurs in every community. Declarant and AG make no representations that the community or the Property will be free of crime. Declarant does no criminal background check on Owner or Occupants or Occupants of Units. Owner or Occupant should be alert to and guard against the potential for crime. Crime statistics are maintained by the police in the jurisdiction in which the Property is located. It

shall be Owner or Occupant's sole responsibility to keep abreast of trends in criminal activity and to act accordingly.

17. Easements. Easements run through utilities, including but not limited to water, sewer, electric, gas and cable, serving one or more Units in enclosed chases and soffits. Each Owner or Occupant acknowledges and consents to these lines running through their Units. There may be easements, licenses and rights for third parties to use certain areas of the Property.

18. Electrical Vehicle Infrastructure. It is anticipated that Declarant will not install any electric vehicle charging stations but that such stations may be installed by third parties in garages at the direction and cost of the Owner of the Unit in which the garage is located or to whom a Limited Common Element garage has been assigned and who will bill Owners requesting such a station for the cost of installation and for the ongoing electric costs associated with the charging station. EV owners using any charging stations installed at the Development hereby release, waive and discharge the Association, AG and Declarant from any and all claims resulting in property damage or personal injury as a result of using any electric vehicle charging station or associated equipment. Neither the Association, AG, nor Declarant has any obligation nor does it guarantee current or future provisions of charging stations or availability thereof. Any Owner or Occupant wanting to install an electric charging station where one does not presently exist shall first obtain ARC approval. No representation is made that such approval will be given by the Architectural Review Committee or that there will be sufficient capacity to allow for unlimited charging stations to be installed in all parking spaces.

19. Encroachments. Improvements may have been constructed on adjoining properties that encroach onto the Property. Declarant and AG give no representations or warranties as to property rights, if any, created by such any such encroachments.

20. Exterior Inspections. The exterior of the Buildings needs to be inspected on a regular basis to ensure that rainwater does not penetrate into the interior of the Building where it might cause damage. As the Buildings settle or are exposed to the elements exterior caulk and flashings can dry and/or pull away from their original locations creating openings through which water can penetrate. A regular inspection and maintenance program can help identify areas where maintenance work should be performed. Declarant has found that caulks, sealants, flashings and waterproofing materials tend not to have the useful life specified by the manufacturers of these materials and may need to be replaced with greater frequency than what has been specified.

21. Financial Representations. Owner or Occupant is entering into this Agreement without reliance upon any representations from Declarant or AG concerning any potential for future profit, any rental income potential, tax advantages, depreciation or investment potential and without reliance upon any other monetary or financial advice. Owner or Occupant acknowledges and agrees that no such representations, including representations as to the ability or willingness of Declarant, AG, or their affiliates to assist Owner or Occupant in renting or selling the Unit, have been made by Declarant or AG, or any of its agents, employees or representatives, including but not limited to, the Brokers.

22. Financing. Declarant and AG make no representations or warranties regarding the present or future availability of financing for the Unit or the eligibility of the Development for approval by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, U.S. Department of Housing and Urban Development, and any other entity that purchases, guarantees, and/or insures loans for townhomes. If Owner or Occupant has any concerns about obtaining financing now or in the future for the Unit, Owner or Occupant should conduct Owner or Occupant's own investigations regarding the availability of financing for the Unit. Owner or Occupant further agrees and acknowledges that Owner or Occupant is not relying upon any representation or warranties by Declarant, AG, or their agents or representatives regarding the present or future availability of financing as an inducement to enter into this Agreement.

23. Fixtures. Certain materials used for fixtures in the Unit and Common Elements (including but not limited to, brass/chrome plumbing fixtures, brass/chrome bathroom accessories and brass/chrome light fixtures) are subject to discoloration and/or corrosion over time.

24. Flat Roof System. The Buildings may be constructed with some flat roof systems. Rainwater and refuse may accumulate on various portions of the roof systems of the Buildings and should be anticipated by the Owner or Occupants and Occupants. Minimizing water intrusion and water penetrations may be possible if the roof systems of the Buildings are properly maintained by the parties responsible for providing such maintenance, as more specifically set forth in the Declaration.

25. Flooring. Carpets, hardwood floors, and other flooring surfaces are subject to fading and wear over time. Hardwood flooring in the Unit can be damaged or scratched as a result of normal wear and tear including but not limited to, moving furniture, wearing footwear in the Unit (particularly high-heeled shoes), and dropping items on the floor. In addition, spaces may appear between boards in hardwood floors due to expansion and contraction of the flooring material. Such spacing, damage and scratches are a normal attribute and expected consequence of having hardwood flooring, and such spacing, damage and scratches shall not constitute a construction defect.

26. Grading. The grading of the soil and other elements created by nature, as well as building materials developed by humans, many times create unwanted and undesired gases and other contaminants in the Units and Development. Since energy conservation has become a concern, there is a need to build homes and residential buildings that are more airtight. As a result, these homes and residential buildings trap unwanted gases in different degrees depending on how each person lives within their home or such residential building. To date measurements of such unwanted gases (such as the radon gas described below and carbon dioxide) are reported as parts of the air they occupy.

27. Humidity. The Unit may trap humidity generated from normal activities occurring within the Unit including washing and drying clothes, bathing and showering, washing dishes, cooking, watering plants, maintaining a fish tank, etc. The more these activities occur in a Unit, the more humidity will be generated. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. Condensation is a naturally occurring phenomenon. While humidity cannot practically be prevented, Owner or Occupant may elect to reduce excess humidity by adding a de-humidifier or running the exhaust fan or fans within the Unit. If humidity is left unattended and not properly maintained by Owner or Occupant, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially Mold or mildew. Owner or Occupant further agrees not to block or cover any of the heating, ventilation or air-conditioning ducts located in the Unit.

28. HVAC. In constructing the Unit and in the Common Elements, Declarant shall have the right to do the following, as may be applicable: (a) locate the heating, wiring and electrical system, hot water heater, all plumbing lines, and gas and electric meters at Declarant's discretion; (b) remove trees, plants, shrubbery and rocks from the Property; (c) substitute construction materials, appliances, equipment and fixtures from those specified in the construction specifications in Declarant's reasonable discretion, provided that the substitutions are of equal or better quality materials, appliances, equipment and fixtures than those originally specified and provided; and (d) determine the ground elevation of the Property. Owner or Occupant agrees that industry standards, as determined in the reasonable exercise of Declarant's discretion, shall govern the acceptability of any particular substitution. The substitutions and deviations referenced above shall not be the basis of any claim by Owner or Occupant against Declarant or AG nor shall it be a basis for Owner or Occupant not to accept the Unit or otherwise not fulfill Owner or Occupant's obligations under this Agreement. The performance and methods and practices of operating heating and cooling systems can be directly affected by the orientation and location of a room or Unit in relation to the sun. Declarant shall, therefore, have no obligation other than to install a heating and cooling system at the Unit which has been sized and designed based on industry standards for the type and size of unit to be

constructed and which functions in accordance with industry standards. No representations are made that the systems in the Unit including, by way of example only, heating and air conditioning and electrical systems will operate or perform at a level or standard greater than the minimum specifications of the manufacturer.

29. Ice and/or Snow. Ice and/or snow may accumulate on sidewalks and paved areas during periods of cold weather temperatures. This may result in slippery and dangerous conditions unsuitable for pedestrian traffic. Ice may accumulate and fall from tall objects in the winter, such as trees, buildings, gutters, overhangs, broadcasting structures, overhead utility lines, and other natural and manmade objects. Owner or Occupant acknowledges that trees and other tall objects exist in proximity to the Units. Owner or Occupant shall be deemed to assume the risk of injury and damages arising from all such conditions.

30. Images and Photography. Owner or Occupant consents to Declarant using interior and exterior images, pictures and photography of Owner or Occupant's Unit in marketing other Units in the Development for sale or lease. Owner or Occupant hereby grants Declarant the right to obtain and use images, pictures and photography of the Property (including the Unit) for publication, advertising, sales and marketing purposes. Photography and film activities (including bright lighting) related to Declarant's sales and marketing of the Development may occur at various times of the day within the Property so long as Declarant owns a unit.

31. Infrastructure. Declarant and AG make no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

32. Insulation. Insulation thickness may vary depending upon local conditions and construction factors, including but not limited to, such items as wall openings and plumbing of other structures or obstructions within the walls that displace the insulation.

33. Landscaping and Trees. No representations or warranties are made regarding any landscaping or trees in or on the Property. Construction activities could disturb the root system of trees and other landscaping on the Property resulting in or contributing to the death of such trees and landscaping. Declarant and AG shall have no responsibility for replacing any trees and landscaping which for any reason die, including but not limited to, construction activities.

34. Leasing. The Units are subject to Leasing restrictions as more particularly described in the Declaration.

35. Light. Light may emit from structures located on Adjacent Properties.

36. Marketing. Declarant reserves the right to implement any marketing program it deems desirable to market Units within the Property. This includes, but is not limited to, the use of model Units, signs, flags, banners, media advertising, modifications of Model and Production Units, etc. Declarant also reserves the right to price units at, above, or below the current market value in an effort to sell units.

37. Media Equipment. Declarant and AG make no representations or warranties regarding any electronic media equipment located in the Common Elements (including but not limited to plasma televisions). Such equipment may need repairs or replacement in the future and Declarant and AG shall not be responsible for such repairs or replacement under any circumstances.

38. Mold. Owner or Occupant acknowledges that microscopic Mold spores exist inside every unit and are present in soil, air and elsewhere in the environment. Mold is a fungus that thrives in environments where there is moisture and warmth. Some Molds are harmful while others are not. Some persons have a sensitivity to Mold while others do not. Mold growth can be minimized through good housekeeping practices and removing moisture in a unit. Concerns have been expressed about the possible adverse effects on human health from exposure to Mold. Owner or Occupant acknowledges

having read about Mold and how to remove it at www.epa.gov/mold/. Owner or Occupant waives and releases all claims Owner or Occupant has or may have against Declarant or AG and their affiliates relating to Mold. Owner or Occupant agrees that the presence of Mold in the Unit shall not be a basis for terminating this Agreement, and that Declarant, AG, and their affiliates make no representations or warranties, express or implied, concerning the past, current or future presence or absence of Mold in any part of the Property. Declarant recommends that Owner or Occupant conduct Owner or Occupant's own investigation and consult with such experts as Owner or Occupant deems appropriate regarding the occurrence and effects of Mold, and the potential sensitivity risk that Owner or Occupant and Owner or Occupant's occupants, who will occupy or use the Unit, may be subject to. Owner or Occupant agrees to maintain the Unit in such a manner to reduce the potential for Mold formation or growth, and shall, upon taking title to the Unit, waive all rights to damages and subrogation of damages resulting from Mold in the Unit. See Section 17.5 of the Declaration for further information regarding Mold.

39. Natural Wood. Natural wood has considerable variation in its appearance due to its organic nature. There may be shades of white, red, black or green in areas. In addition, mineral streaks may also be visible. Grain pattern or texture will vary from consistent to completely irregular; wood from different areas of the same tree can also have variations in pattern or texture. It is these variations in wood that add to its aesthetic appeal. These variations in grain will in turn accept stain in varying amounts, which will show throughout the wood products from one door to the next, one panel to the next or one piece of wood to the next. Also, cabinet finishes (including gloss and/or matte finishes) will not be entirely consistent and some minor irregularities will be apparent. Additionally, wood and wood products may be subject to warping, splitting, swelling and/or delamination. The foregoing conditions are normal conditions and shall not constitute a construction defect.

40. Odors and Light. In addition to sound and vibration, there may be odors (from restaurants, food being prepared and dumpsters) and light (from signs, billboards, streetlights, other buildings, car headlights, traffic and other similar items) in urban areas and these things are part of the reality and vibrancy of urban living.

41. Paint. Due to the large quantity of paint used in the project, slight variations in paint shade or sheen may exist from unit to unit. Due to the properties within today's paints, paint may yellow somewhat with time. This is a normal occurrence and is therefore not covered as a warranty issue. Avoid washing or scrubbing painted walls. Lightly soiled areas may be cleaned using a sponge with water and lightly wiping over the soiled areas.

42. Parking. Declarant and AG make no representations or warranties regarding the availability of guest parking. Water may pond in parking spaces. Some units in the community may not be assigned a limited common element parking space and may only have public street parking available to them.

43. Personal Property Insurance. The personal property belonging to Owner or Occupants is not normally covered under the Association's insurance policy. Owner or Occupants are encouraged to consult with an insurance professional about purchasing a policy to cover the personal property of Owner kept in the Unit.

44. Plans and Specs. All Architectural, Engineering and other Plans and Specs and updates have been made available to Owner or Occupant including but not limited to all architectural Supplemental Instructions.

45. Pricing. Declarant has the right to establish prices for the sale of Units from time to time without regard to the price to be paid by Owner or Occupant or any other Owner or Occupants for any specific Unit within the Development. Owner or Occupant acknowledges Declarant's right to offer price reductions, financing incentives, reduced interest rates, optional features, and other similar incentives to other Owner or Occupants of Units without any obligation to offer any comparable incentives to Owner or Occupant.

46. Owner or Occupant Responsibilities for Costs. Owner or Occupant is responsible for all costs, (net of Declarant allowance, if any), of supplying and installation of, after closing, including, but not limited to the following: (a) all window coverings, including but not limited to shades, curtains and blinds. (see Window Covering Standards below); (b) Dining room electrical fixtures or other chandelier/hanging fixtures; (c) Ceiling fan fixtures, refrigerator; and (d) towel bars, toilet paper holders, mirrors, washers, and dryers.

47. Radon. The United States Environmental Protection Agency ("EPA") has indicated that a number of homes and residential buildings in the United States experience elevated levels of radon gas. Radon is a naturally occurring gas that is caused by radioactive decay of the element radium. Since radium is contained in the earth's crust and dissolves readily in water, radon can be found virtually everywhere and can enter the home or residential buildings through a variety of sources. Owner or Occupants seeking information about radon can contact the EPA or a state environmental office. Neither Declarant, AG, nor the Association has any expertise in the measurement or reduction of radon in homes or residential buildings or regarding acceptable levels or possible health hazards associated with radon. Neither Declarant, AG, nor the Association makes any warranty or representation of any kind, express or implied, regarding the presence or absence of radon gas, or regarding the effectiveness of any architectural activities for reducing the presence of radon.

48. Rail. The Development is in the vicinity of an active heavy-rail and freight, railroad line. Seller makes no representations or warranties regarding the frequency of train traffic, noise, loud sounds, vibrations, smells, dirt, dust, smoke, horns, lighting, or other disruptive activity that may emanate from such rail and rail related activities in and around the railroad.

49. Recorded Townhome Instruments. The Development is subject to those instruments recorded now or in the future in the Official Records.

50. Schools and Political Jurisdictions. No representations are made regarding the schools that currently or may in the future serve the Property or whether the political jurisdiction in which the Property is located. Many new cities have been created in the metropolitan Chattanooga area over the last decade and this trend may continue.

51. Services. No representations are made that building services such as, by way of example only, concierge, valet or building monitoring will continue at their present level or at all. The type of services and the extent to which they are provided shall be determined by the Board of Directors through the budgeting process. Under the Bylaws, the budget is prepared by the Board of Directors and is subject to a veto right by the Owners.

52. Site Plan. The plans and the dimensions and square footage calculations shown thereon are only approximations with such calculations being generally based upon the Unit boundaries set forth in the Declaration. If Owner or Occupant is concerned about any representations regarding the Site Plan, Owner or Occupant should do Owner or Occupant's own investigation as to the dimensions, measurements and square footage shown thereon.

53. Smoking. Smoking tobacco of any type shall be prohibited, except on Owner or Occupant's deck, balcony or covered porch. Notwithstanding the above, vaping shall be permitted inside Units with the doors closed.

54. Sound and Vibrations. No representations are made that the Units will be soundproof, free of vibrations or that sound and vibrations may not be transmitted from one Unit to another, from the Common Elements (including, Limited Common Elements) to a Unit from a Unit to the Common Elements including Limited Common Elements and from outside of a Building to a Unit. The Units have not been designed to prevent the transmission of sound and vibration beyond what is required under applicable building codes in effect at the time the building permits were initially issued for the Development. Among

other things, sound and vibrations caused by people running, jumping, playing, wearing high heeled shoes or exercising; dogs barking, walking or running; sounds from televisions, alarms going off, garbage disposals, music being played, people talking, arguing and engaging in other life activities, and toilets, plumbing, HVAC and other equipment may be heard in other Units. Sound and vibrations from the Common Elements (including the Limited Common Elements) may also be heard or felt inside of Units. Sound or vibration transmission between Units and Common Elements is inherent in multi-family construction and is not a construction defect. HVAC systems, plumbing, tile and hardwood surfaces within the Units may transmit noise, and such noise shall not constitute a use of a Unit that interferes with or causes disruption to the use and quiet enjoyment of the Unit by an Owner or any Occupant. The Development is located in an urban environment which contains a diverse mix of land uses and activities. By way of example only, sound and vibrations may be heard and felt from such things as sirens, whistles, bells, horns, the playing of music, equipment being operated, construction activity, building and grounds maintenance being performed, ambulances, airplanes, buses, trucks, automobiles, trains and other generators of sound and vibrations typically found in an urban area. Sound occurs at a variety of frequencies. In urban areas, there is often a broader range of sounds and vibrations that are produced than in other areas. Sounds may also be heard within a Unit from mechanical systems inside or serving a Unit including from HVAC systems cycling on and off, hot water heaters cycling on and off, dishwashers, washing machines, dryers, exhaust fans and ceiling fans.

55. Stone. Veins and colors of any marble, slate or other stone in a Unit, if any, may vary dramatically in appearance from one piece of stone to another. Each piece is different. Marble, granite, slate and other stone can also have chips and shattering veins, which look like scratches. The thickness of the joints between marble, granite, slate and other stone and/or other materials against which they have been laid will vary and there will be irregularities in surface smoothness. Marble, granite, slate, and other stone finishes may be slippery particularly when wet and Declarant and AG assume no responsibility for injuries sustained as a result of exposure to or use of such materials. Periodic use of professionally approved and applied sealant is needed to ensure proper maintenance of the marble, slate and other stone and it is Owner or Occupant's responsibility to properly maintain these materials in the Unit. Marble, granite, slate, and other stone surfaces may scratch, chip or stain easily. Such substances may flex or move slightly in order to absorb impacts. Such movement may in turn cause grout to crack or loosen or cause some cracking in the stone flooring which may need to be repaired as part of normal home maintenance.

56. Terms Herein. All capitalized terms herein shall have the same meaning as set forth in the Declaration and Bylaws.

57. Thoroughfares. The Development is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future.

58. Unwanted Gases. The grading of the soil and other elements created by nature, as well as building materials developed by humans, may at times create unwanted and undesired gases and other contaminants in homes and residential buildings, both new and used. Also, since energy conservation has become a concern, there is a need to build homes and residential buildings that are more airtight. As a result, these homes and residential buildings trap unwanted gases in different degrees depending on how each person lives within their home or such residential building. To date measurements of such unwanted gases (such as the radon gas described in item 49 above, and carbon dioxide) are reported as parts of the air they occupy. Since the quality of air that a person breathes can affect his or her health, Declarant recommends frequent airing of the Unit to introduce fresh air uncontaminated with such gases.

59. Upgrades. The cost of upgrades, if any, may not necessarily result in a commensurate increase in the value of the Unit.

60. Vehicles. All vehicles must be parked within the striped lines of the parking space and not extend beyond those lines into a drive aisle.

61. Views. The views from and light available to a Unit and from the Limited Common Elements serving the Unit may change over time due to, among other circumstances, additional development, the growth or removal of landscaping and the addition of utility poles. No representations have been made to Owner or Occupant regarding whether Owner or Occupant will have any particular view from a Unit or whether such view will or will not change over time.

62. Volatile Organic Compounds (VOCs). VOCs are organic chemicals that have a high vapor pressure at ordinary room temperature. There are many different types of VOCs. VOCs can be either man-made or naturally occurring. Certain VOCs may be dangerous to human health or have unappealing odors. VOCs can result from paint, the presence of regulated substances in soils and/or underground, construction materials as well as new furnishings and certain types of equipment. Good ventilation and air-conditioning systems may reduce VOCs in the indoor environment. Neither Declarant, AG, nor the Association has any expertise in the measurement or reductions of VOCs in homes or residential buildings or regarding acceptable levels or possible health hazards associated with VOCs. Neither Declarant, AG, nor the Association makes any warranty or representation of any kind, express or implied, regarding the presence or absence of VOCs, or regarding the effectiveness of any design or architectural activities for reducing the presence of VOCs.

63. Water. Water may pond on various portions of the Property having impervious surfaces with minimal slope, such as terraces, and balconies, as applicable.

64. Window Coverings and Standards. No drilling into window frames for window coverings (shades and blinds) or for any other purposes is allowed as this could produce water leaks and warranties, if any, will be void. Acceptable window treatments for the Units are interior draperies, fabric roller shades, sheer fabric, shutters, plantation shutters, or horizontal blinds. The color of all window treatments visible from outside the Unit, including any tiebacks, must be white or off-white or as approved by the Architectural Review Committee in accordance with this Declaration. Interior vertical blinds and exterior shutters are not acceptable window treatments and are not permitted. In addition, bed sheets, blankets, towels and other similar type coverings shall not be used as window treatments. Window tinting must be approved by the Architectural Review Committee prior to installation.

65. Zoning. No representations are made regarding the zoning or future uses of adjacent or nearby properties, or that the category to which such properties are zoned may not change in the future.

EXHIBIT C-1

ASSIGNMENT OF LEASING PERMIT

Tax Parcel(s):
Return to:

ASSIGNMENT OF LEASING PERMIT FOR BELLEWETHER, A DEVELOPMENT

(Unit _____)

(Cross Reference Original Instrument in Book ____, Page ____)

This Assignment of Leasing Permit (the "Assignment") is made on the date set forth below by EA Homes Assets, LP, a Delaware limited partnership (the "Declarant").

WITNESETH:

WHEREAS, that certain Declaration of Covenants, Conditions, and Restrictions for Bellewether, a Horizontal Property Regime with Private Elements was recorded in Deed Book _____, Page _____, *et seq.*, Hamilton County, Tennessee records (hereinafter, as amended, referred to as the "Declaration");

WHEREAS, the Development Period has not yet expired;

WHEREAS, Declarant now wishes to assign a Leasing Permit to Unit _____ of Bellewether (the "Unit");

WHEREAS, the Owner(s) of the Unit accepts this Assignment of Leasing Permit as evidenced by Owner(s)' signature(s) below;

WHEREAS, capitalized terms used herein that are not otherwise defined shall have the meaning set forth in the Declaration; and

NOW, THEREFORE, Declarant hereby assigns a Leasing Permit to the Owner(s) of the Unit, and this Assignment authorizes the Owner of such Unit to lease the Unit subject to the terms and conditions of the Declaration.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned, being the duly appointed officer of Declarant, has executed this Assignment on this _____ day of _____, 202__.

DECLARANT:

EA HOMES ASSETS LP,
a Delaware limited partnership

By: _____ [SEAL]
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be a general partner of **EA HOMES ASSETS LP**, the within named bargainor, a limited partnership, and that s/he as such general partner, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited partnership by her/himself as general partner.

Witness my hand and seal this _____ day of _____, 202__.

Notary Public
My Commission expires: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

OWNER CONSENT

The undersigned Owner(s) of Unit _____ at Bellewether, a Tennessee Horizontal Property Regime hereby consent to and approve the foregoing Assignment of Leasing Permit on this _____ day of _____, 202__.

By: _____ [SEAL]
Name: _____

By: _____ [SEAL]
Name: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of _____, the within named bargainor, a _____, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by her/himself as _____.

Witness my hand and seal this _____ day of _____, 202__.

Notary Public
My Commission expires: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of _____, the within named bargainor, a _____, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by her/himself as _____.

Witness my hand and seal this _____ day of _____, 202__.

Notary Public
My Commission expires: _____

EXHIBIT C-2

NOTICE OF LEASING PERMIT TRANSFER

NOTICE OF LEASING PERMIT TRANSFER

(CROSS REFERENCE ORIGINAL INSTRUMENT IN BOOK ____, PAGE ____)

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner of Unit _____ of Bellewether (the "Leasing Permit Transferor") does hereby transfer the Leasing Permit currently assigned to Unit _____ of Bellewether, to Unit _____ of Bellewether (the "Transferee Unit"). The Owners of Transferee Unit are as follows (the "Leasing Permit Transferee"): _____ **[LIST ALL OWNERS OF THE TRANSFEREE UNIT]**

This Leasing Permit Transfer shall be effective as of this ____ day of _____, 202__ (the "Effective Date") and shall have the following term [select one and provide expiration date as applicable]:

- Permanent Leasing Permit Transfer; or
- Temporary Leasing Permit Transfer (from the Effective Date and automatically expiring on _____, 202__.

IN WITNESS WHEREOF, the undersigned have executed this Notice of Leasing Permit Transfer on this _____ day of _____, 202__.

LEASING PERMIT TRANSFEROR:

Owner of Unit _____

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of _____, the within named bargainer, a _____, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by her/himself as _____.

Witness my hand and seal this ____ day of _____, 202__.

Notary Public
My Commission expires: _____

LEASING PERMIT TRANSFEREE:

Owner of Unit _____

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of _____, the within named bargainer, a _____, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by her/himself as _____.

Witness my hand and seal this _____ day of _____, 202_____.

Notary Public
My Commission expires: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LEASING PERMIT TRANSFEREE:

Owner of Unit _____

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of _____, the within named bargainer, a _____, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by her/himself as _____.

Witness my hand and seal this _____ day of _____, 202____.

Notary Public
My Commission expires: _____

APPROVED AND ACCEPTED BY:

BELLEWETHER ASSOCIATION, INC.,
a Tennessee nonprofit corporation

By: _____
Name: _____
Title: _____

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

Before me, _____ of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged her/himself to be _____ of **BELLEWETHER ASSOCIATION, INC.** the within named bargainer, a Tennessee nonprofit corporation, and that s/he as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by her/himself as _____.

Witness my hand and seal this ____ day of _____, 202__.

Notary Public
My Commission expires: _____

[SIGNATURES END]

EXHIBIT D

BYLAWS

[See Attached]

BYLAWS
OF
BELLEWETHER ASSOCIATION, INC.

Article 1 Name, Membership, Applicability and Definitions

1.1 **Name**. The name of the corporation shall be Bellewether Association, Inc. (hereinafter sometimes referred to as the "**Association**").

1.2 **Membership**. The Association shall have one class of membership, as is more fully set forth in that certain Declaration of Covenants, Conditions, and Restrictions for Bellewether, a Horizontal Property Regime with Private Elements (such Declaration, as amended, supplemented, renewed, or extended from time to time, is hereinafter sometimes referred to as the "**Declaration**"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 **Definitions**. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit, or the meanings given in the Tennessee Nonprofit Corporation Code (Tenn. Code Ann. § 48-51-101, *et seq.*) (the "**Nonprofit Code**"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

Article 2 Association; Meetings, Quorum, Voting, Proxies

2.1 **Place of Meetings**. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Development or as convenient thereto as possible and practical.

2.2 **Annual Meetings**. There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting.

2.3 **Special Meetings**. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 **Record Date**. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than forty-five (45) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 **Notice of Meetings**. It shall be the duty of the Secretary or such other agent as the Association may designate to mail or to cause to be delivered to each member (as shown in the records of the Association as of the record date) a written notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and, if and to the extent required by the Nonprofit Code or other applicable law (the "**Governing Law**"), the purpose(s) thereof. Such notice shall be delivered personally or sent by United States mail, postage prepaid, statutory overnight delivery, or sent by electronic

transmission in accordance with the Nonprofit Code to all members of record at the address shown in the Association's current records. If an Owner wishes notice to be given at an address other than the Unit, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days in advance of any annual, regularly scheduled or special meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing or by electronic transmission signed by the member entitled to notice and delivered to the Association for inclusion in the minutes for filing with the Association's records, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney: (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is included with the notice of the meeting or upon request; or (2) during ordinary business hours at the Association's principal office or at such other reasonable place as may be specified in the notice in the city where the meeting will be held. In the event that the Association makes the list available on an electronic network, the Association may take reasonable steps to ensure that such information is available only to members of the Association. In addition, the list shall be available for inspection at a meeting or any adjournment thereof.

2.9 Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, signed either personally or by an electronic transmission, dated, and filed with the Secretary before the appointed time of each meeting. An electronic transmission must contain or be accompanied by information acceptable to the Board from which it can be determined that the member, the member's agent, or the member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered to the Board of Directors by personal delivery, U.S. mail or electronic transmission to the Secretary or other officer or agent authorized to tabulate votes. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary or other officer or agent authorized to tabulate votes of written revocation signed by the member; (c) receipt by the Secretary or other officer or agent authorized to tabulate votes of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

2.11 Quorum. The presence, in person or by proxy, of members entitled to cast at least twenty-

five percent (25%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action By Written Consent. Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed, either personally or by an electronic transmission, and dated by members (including the Declarant and/or AG, if the consent of the Declarant and/or AG is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within forty-five (45) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each consent in writing or by electronic transmission shall be included in the minutes of meetings of members filed in the permanent records of the Association. No consent in writing or by electronic transmission shall be valid unless: (1) the consenting member has been furnished the same material that, pursuant to the Nonprofit Code, would have been required to be sent to members in a notice of a meeting at which the proposed action would have been submitted to the members for action; or (2) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

2.13 Action By Written Ballot. Any action that may be taken at an annual, regular or special meeting of members may be taken without a meeting if approved by ballot in writing or by electronic transmission as provided herein. The Association shall deliver a ballot in writing or by electronic transmission to each member entitled to vote on the matter. The ballot in writing or by electronic transmission shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by ballot in writing or electronic transmission shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely ballot in writing or by electronic transmission received by the Association may not be revoked. Approval by ballot in writing or by electronic transmission of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The results of each action by ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

Article 3 Board of Directors: Number, Powers, Meetings

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years of age or older. Except for directors appointed by the Declarant, each director must reside in the Development and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Unit.

3.2 Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors, any officer or officers of the Association, or members of any architectural committee or similar body, with or without cause, and to appoint the successors, so as to enable AG to take control of the Board of Directors should it succeed to the Declarant's rights under the Declaration until such time as the first of the following events shall occur: (a) the date on which all of the Units have been improved with a dwelling and conveyed to an Owner for occupancy as a residence; or (b)

the surrender by Declarant, with the consent of AG for so long as AG owns any Unit or portion of the Property, in writing of the authority to appoint and remove directors and officers of the Association. The directors appointed by the Declarant need not be Owners or residents in the Development.

The total number of Units planned by Declarant for the Development shall initially be the number of Units shown on the Declarant's site plan or concept plan for the development, as it may be amended from time to time. Inclusion of property on the site plan or concept plan shall not obligate the Declarant to subject such property to the Declaration, nor shall exclusion of property from the initial site plan or concept plan bar Declarant from subjecting such property to the Declaration. The final total number of Units planned for the Development shall be the actual number of Units shown on the recorded subdivision plat(s) for the Development regardless of any different number of Units shown from time to time on the site plan or concept plan.

3.3 Number of Directors. During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of one (1) to three (3) members as determined by Declarant in writing from time to time. Thereafter, the Board shall consist of three (3) directors, who shall be elected as provided in Section 3.5 below.

3.4 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.12 or Section 2.13 in lieu of a meeting) and the members shall elect three (3) directors as follows: the initial term of two (2) directors shall be fixed at two (2) years and the initial term of one (1) director shall be fixed at one (1) year. Thereafter, all successors shall be elected to a term of two (2) years. At annual meetings thereafter (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), directors shall be elected as necessary to fill vacant seats on the Board and to preserve the scheme of staggered terms with one more or one less director being elected each year than in the previous year. All eligible members of the Association may vote on all directors to be elected, and the candidates receiving the most votes shall be elected. Notwithstanding anything herein to the contrary, the members of the Board of Directors shall continue in office until their respective successors shall have been elected and take office.

3.6 Removal of Directors. At any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. The notice of the meeting shall state that the purpose or one of the purposes, of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors. This Section shall not apply to directors appointed by the Declarant.

3.7 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble.

3.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time

and place as shall be determined from time to time by the Board, provided that after the right of Declarant to appoint the directors terminates, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office; or (d) issued electronically in accordance with the Nonprofit Code, if the director has consented in writing to such method of delivery and has provided the Board with an address regarding the same. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the date of the meeting. Notices given by personal delivery, electronic transmission or telephone shall be given at least two (2) days before the day of the meeting.

3.11 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes either in writing or by electronic transmission which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings. All meetings of the Board shall be open to all members, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing or by electronic transmission, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.17 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, the Charter, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparing and adopting an annual budget in which there shall be established the contribution of each member to the common expenses;

(b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purpose of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations and Architectural Guidelines adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association, which enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board may deem proper in the circumstances, counting each day a violation continues after notice from the Board as a separate violation;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) authorizing contracts on behalf of the Association.

3.19 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant, or an affiliate of Declarant, may be employed as managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, except as otherwise provided in the

Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining Procedure. A fine shall not be imposed (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member by first-class or certified mail sent to the address of the member shown on the Association's records, specifying:

- (1) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;
- (2) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, request a hearing in writing regarding the fine imposed.
- (3) the name, address and telephone number of a person to contact to challenge the fine;
- (4) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and
- (5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours of the date of the notice.

(b) If a hearing is requested within the requisite time provided above, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five (5) days or, in the event of an unapproved sign, twenty-four (24) hours, after the date of the hearing, as applicable.

(c) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the violation recurs, the Board may, upon notice stating the nature of the violation and delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, impose a fine.

Article 4 Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors. This provision shall not apply to officers appointed by the Declarant.

4.2 Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

4.4 Salaries. The officers shall receive no compensation.

4.5 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President. The Vice President(s), if any, shall act in the Purchaser's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these Bylaws and Tennessee law; have custody of the seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer. The Treasurer shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article 5 Committees

Advisory, standing and Ad Hoc committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each such committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory, standing or Ad Hoc committee shall not be authorized to exercise any authority of the Board under the Charter, the Declaration, these Bylaws or the Nonprofit Code except as expressly provided therein.

Article 6 Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Tennessee law, the Charter, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Tennessee law, the Charter, the Declaration and these Bylaws, the provisions of Tennessee law, the Declaration, the Charter, and the Bylaws (in that order) shall prevail.

6.4 Electronic Records, Signatures and Documents. To the extent permitted by the Uniform Electronic Transmission Act, Tenn. Code Ann. § 47-10-101, *et seq.*, the Nonprofit Code, the Declaration and these Bylaws, the Association and its members, officers, directors, Owners and Occupants may perform any obligation or exercise any right by use of electronic means providing sufficient security, reliability, identification and verifiability, which electronic means have been approved by the Board of Directors in its sole discretion.

6.5 Amendment.

(a) By the Board. These Bylaws may be amended by the Board of Directors with the consent of the Declarant and AG, so long as AG owns any Unit or portion of the Property, if such amendment is necessary to: (1) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (2) enable any title insurance company to issue title insurance coverage with respect to the Units subject to the Declaration; (3) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make or purchase Mortgage loans on the Units subject to the Declaration; or (4) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Units subject to the Declaration.

(b) By the Declarant. Declarant may (with AG's consent so long as AG owns any Unit or portion of the Property) unilaterally amend these Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner to use such Owner's Unit without the consent of the affected Owner.

(c) By the Members. In addition, these Bylaws may be amended upon the affirmative vote, written consent or any combination of affirmative vote and written consent of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant and AG, so long as AG owns any Unit or portion of the Property.

EXHIBIT E

ATTORNEY CERTIFICATE

(Attorney's Certificate)

This document is intended to serve as the attorney's opinion which is required under the terms of Tennessee Code Annotated § 66-27-103. The undersigned, Rachael W. Ruiz, an attorney licensed to practice law in the State of Tennessee, hereby declares that upon the proper recording of this certificate and the following additional documents, all legal requirements for the creation of a Horizontal Property Regime development under the terms of the Tennessee Horizontal Property Act, Tennessee Code Annotated, Section 66-27-101 et seq., will have been met:

- 1. Declaration of Covenants, Conditions, and Restrictions for Bellewether, a Horizontal Property Regime with Private Elements (the "Declaration"), filed simultaneously herewith; and
- 2. Plat for the development, incorporated as part of the Declaration; and
- 3. Bylaws of Bellewether Association, Inc. attached as Exhibit B to the Declaration; and
- 4. Restrictions as set out in the Declaration and Bylaws to be revised as needed.

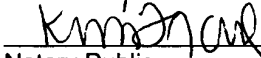
Witness my hand this 26th day of January, 2024.


 Rachael W. Ruiz, Esq.

STATE OF TENNESSEE)
)
 COUNTY OF HAMILTON)

Personally appeared before me, the undersigned, a Notary Public in and for said county and state, the within named Rachael Ruiz, with whom I am personally acquainted, and who acknowledged that she executed the within instrument in the capacity and for the purposes therein contained.

Witness my hand this 26th day of January, 2024.


 Notary Public
 My Commission expires: 9-9-2024

