

45 PGS : DECLARATION	
MITZI BROYLES 281469 - 22001908	
01/28/2022 - 12:41:35 PM	
VALUE	
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	225.00
DP FEE	2.00
REGISTER'S FEE	2.00
TOTAL AMOUNT	229.00

This instrument prepared by:
 Young, Williams & Ward, PC
 300 Montvue Road
 Knoxville, TN 37919
 (865) 637-1440

STATE OF TENNESSEE, WASHINGTON COUNTY

TERESA H. BOWMAN

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR
 THE MEADOWS PHASE 3**

This Declaration of Covenants, Conditions, and Restrictions for The Meadows Phase 3 is made, imposed, and declared as of January 28, 2022 by Thomas Construction Company, Inc., a Tennessee corporation ("Landowner"), and D.R. Horton, Inc., a Delaware corporation ("DHI").

RECITALS

WHEREAS, Landowner owns certain real property in Washington County, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Development Property");

WHEREAS, Landowner desires to subdivide, develop, and plat the Development Property into single family residential lots, or has already done so;

WHEREAS, Landowner desires to appoint DHI as "Declarant" under this Declaration with all rights, obligations, and responsibilities related thereto; and

WHEREAS, Landowner and DHI, as Declarant, desire to provide for the protection and preservation of the values, desirability, and character of the Development Property.

NOW, THEREFORE, Landowner and Declarant declare that the Development Property, and such additions thereto as may be hereafter made pursuant to Article VII hereof, is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth herein.

**Article I
DEFINITIONS**

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

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

1.2. Appointment Period shall mean the period of time commencing as of the date of the recordation of this Declaration and continuing until the earliest of: (a) the date which is the twenty-fifth (25th) anniversary of the date of recordation of this Declaration; (b) the date one hundred percent (100%) of the Lots have been conveyed to Owners other than Declarant; or (c) the date Declarant assigns all of its rights, powers, easements, and privileges, and delegates its obligations, under this Declaration to the Association pursuant to Article V.

1.3. Assessment shall mean: (a) Common Assessments; (b) Special Assessments; (c) Reimbursement Assessments; and (d) Initiation Fees, all of which are further defined herein.

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

1.5. Association shall mean The Meadows Phase 3 Homeowners Association, Inc., a Tennessee non-profit corporation, and its successors and assigns.

1.6. Board or Board of Directors shall mean the board of directors of the Association.

1.7. Budget shall mean a written, reasonably itemized estimate of the expenses to be incurred by the Association in the performance of its functions under this Declaration.

1.8. Builder shall mean a licensed contractor in the state of Tennessee who is in the business of constructing, altering, or otherwise performing work on single family residences.

1.9. Bylaws shall mean the Bylaws of the Association attached hereto as Exhibit B and incorporated herein, as the same may be amended from time to time.

1.10. Charter shall mean the Charter of the Association attached hereto as Exhibit C and incorporated herein, as the same may be amended from time to time.

1.11. Common Area or Common Areas shall mean all real property and Subdivision Improvements owned by and/or reserved for maintenance by the Association and such other property as shall become the responsibility of the Association through easements or otherwise, including without limitation all open space, walking trails, entrances, rights-of-way, sign easements, landscape easements, recreational areas, maintenance facilities, and surface water detention facilities or other bodies of water as shown on the Plat, and including without limitation

all stormwater facilities and water quality facilities located on the Development Property that the Owners are collectively obligated to maintain pursuant to any maintenance agreement(s) recorded or to be recorded in the Register's Office of Washington County, Tennessee, which the Association shall maintain on the Owners' behalf.

1.12. Declarant shall mean DHI and its successors and assigns.

1.13. Declaration shall mean this Declaration of Covenants, Conditions, and Restrictions, as the same may be amended from time to time.

1.14. Deed of Trust shall mean a recorded first priority deed of trust encumbering one or more Lots for the benefit of a Lender.

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

1.16. Development Property shall mean the real property described on Exhibit A attached hereto and incorporated herein, and such additions thereto as may hereafter be annexed and added to the Development Property pursuant to Article VII.

1.17. Governing Documents shall mean, collectively, this Declaration, any Supplemental Declaration(s), the Bylaws, the Charter, any architectural or design standards as provided for herein, the Rules and Regulations, and any other document related to any of the foregoing, each as they may be amended or supplemented from time to time.

1.18. Lender shall mean any bank, mortgage banker, savings and loan association or other financial institution which is in the business of making residential loans, is the beneficiary under a Deed of Trust, is not affiliated with the Owner of any Lot so encumbered, and has given written notice of its Deed of Trust to the Association.

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

1.20. Lot Improvement shall mean any dwelling, dwelling addition, outbuilding, garage, barn, running shed, fence, wall, swimming pool, driveway, walkway, or other improvement constructed or located upon a Lot.

1.21. Lot Plans shall mean the detailed plans prepared for construction or completion of any proposed Lot Improvement, which may include, at the request of the ARC, the following: (a) plot plan, survey or copy of the recorded plat showing the dimensions of the Lot and the location of any proposed Lot Improvement; (b) the relationship of the proposed Lot Improvements to the front, rear, and side property lines; (c) elevation drawings of the front, sides, and rear of any new structure included within the proposed Lot Improvement; (d) all exterior color selections and building materials to be used; and (e) a landscaping plan, including all driveways, sidewalks, and terraces.

1.22. Owner shall mean the Person(s) whose estates or interests aggregate fee simple ownership of a Lot. "Owner" shall not mean a Lender or other lienholder which holds a lien solely for security purposes and does not have possession of the Lot.

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

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

1.25. Record or Recording shall mean the recording of an instrument in the Register's Office for Washington County, Tennessee.

1.26. Rules and Regulations shall mean the rules and regulations concerning the use of the Lots or the Common Areas, as may be adopted by the Board in accordance with this Declaration and the Bylaws from time to time.

1.27. Subdivision Improvement shall mean any infrastructure, building, building addition, outbuilding, garage, barn, running shed, detached structure, landscaping, fence, wall, swimming pool, recreational facility, driveway, entrances, parking area, sidewalks, utility service, or such other improvement or structure constructed or located upon all or any portion of the Common Area.

1.28. Subdivision Plans shall mean the plans and specifications pertaining to the subdivision of the Development Property into Lots, including, without limitation, the plans and specifications for the following: (a) the infrastructure; (b) streets and sidewalks; (c) entrances; (d) utilities; (e) Common Areas; (f) detention ponds; (g) easements; and (h) landscaping.

1.29. Supplemental Declaration shall mean any amendment to the Declaration whereby either: (a) Declarant unilaterally submits additional property to the terms of the Declaration or otherwise amends the Declaration as provided herein; or (b) the Association, pursuant to the terms of the Governing Documents, submits additional property to the terms of the Declaration or otherwise amends the Declaration.

1.30. Vote shall mean the vote in the affairs of the Association to which each Owner is entitled, as further set forth herein and in the Bylaws.

Article II
PROPERTY SUBJECT TO DECLARATION

2.1. Appointment of Declarant. Landowner hereby appoints DHI as Declarant under the Governing Documents.

2.2. Property Subject to Declaration. Landowner and Declarant hereby declare that the Development Property shall be held, transferred, sold, conveyed, and occupied subject to this Declaration. The covenants and restrictions contained herein constitute covenants running with the land and shall be binding upon and shall inure to the benefit of all parties now owning or hereafter having or acquiring any right, title, or interest in any Lot. Every Owner, by acceptance of a deed thereto, shall accept such interest subject to the terms and conditions of the Governing Documents, and by acceptance of same shall be deemed to have consented to and be bound by the terms, conditions, and covenants of the Governing Documents.

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

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

Article III
MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every current Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership shall transfer immediately upon conveyance of an interest in a Lot to a new Owner.

3.2. Voting. Each Owner shall be entitled to cast a single Vote for each Lot owned by such Owner; provided, however, whenever two or more Persons hold an interest (other than a

leasehold or security interest) in a Lot, all such Persons shall be members of the Association, and the Vote for such Lot shall be exercised as they so determine, but in no event shall more than one Vote be cast with respect to such Lot.

3.3. Board of Directors. The Association shall be governed by a Board of Directors. During the Appointment Period, Declarant shall appoint the members of the Board, who shall be subject to removal at any time by Declarant. After the Appointment Period, the members of the Board shall be elected as provided in the Bylaws.

Article IV **PROPERTY RIGHTS IN COMMON AREA**

4.1. General Owner Use and Enjoyment Rights. Except as may be provided in the Governing Documents, every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to each Lot.

4.2. No Partition. No Owner shall have the right to partition or seek partition of the Common Area or any part thereof.

4.3. Owner Liability for Damage. Each Owner shall be liable to the Association for any damage to the Common Area or for any expense or liability incurred by the Association by reason of the negligence or willful misconduct of, or any violation of the Governing Documents by, such Owner, its tenant, occupant, family member, guest, agent, servant, or invitee. The Board shall have the power, as elsewhere provided in this Declaration, to levy and collect Reimbursement Assessments against an Owner to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of the Governing Documents, or for any increased insurance premiums directly attributable to any such damage or any such violation.

4.4. Damage, Destruction, or Required Improvements. In the event of damage to Common Area by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement of any Common Area, the Association shall have the duty to repair, reconstruct, or replace the same. Any insurance proceeds payable by reason of damage or destruction of Common Area by fire or other casualty shall be paid to the Association and shall be used and disbursed as provided herein. If funds from insurance proceeds or available reserves are insufficient to pay all costs of repair, reconstruction, or replacement of Subdivision Improvements damaged or destroyed, or if the Association is required to make repairs or replacements by governmental authorities, the Association may levy a Special Assessment or levy a Reimbursement Assessment against any Owner or group of Owners liable for such damage, as provided herein. Repair, reconstruction, or replacement of Common Area shall be done under such contracting and bidding procedures as the Board shall reasonably determine are appropriate.

4.5. Title to Association Properties upon Dissolution. In the event of the dissolution of the Association, the Common Area owned by the Association shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies, or to a non-profit corporation, association, trust, or other organization, to be used, in any such event, for the common benefit of Owners for purposes similar to those for which the Common

Area was held by the Association. To the extent the foregoing is not possible, the Common Area owned by the Association and the proceeds from the sale or disposition shall be distributed equally to the Owners.

Article V
DECLARANT'S RIGHTS AND RESERVATIONS

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

5.2. Assignment. Declarant shall have the right to assign all or a portion of its rights, powers, easements, and privileges, and delegate its obligations, liabilities, and responsibilities, under this Declaration at any time to the Association or another third-party; provided such assignment shall be made in writing. The Association shall have the obligation to assume such rights, powers, easements, privileges, obligations, liabilities, and responsibilities upon written request of Declarant. In the event of any partial assignment, the assignee shall not be deemed Declarant but shall have the right to exercise such rights, powers, easements, and privileges of Declarant specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

5.3. Property and Facilities Transferred by Declarant. Declarant shall have the right to convey title to or interest in any property, including any Subdivision Improvements and personal property, to the Association, together with the responsibility to perform any and all Administrative Functions associated therewith, provided that such property and Administrative Functions are not inconsistent with this Declaration. Any property or interest in property transferred to the Association by Declarant shall be unencumbered by any deed of trust.

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

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

5.6. Promotion and Marketing. Declarant shall have the right to use the Common Area in connection with the development, construction, promotion, marketing, sale, and leasing of Lots (collectively, "Development Activities") by erecting and maintaining on any part of the Common Area such signs as Declarant, in its sole discretion, may deem desirable, necessary, or proper and by permitting prospective purchasers of any Lot who are not Owners to enter upon Common Area; provided, however, that Declarant shall pay all costs occasioned by such use, including without limitation maintenance and repair expenses. Further, Declarant shall have the right to construct and operate business offices (including construction trailers), model residences, and sales offices incidental to the Development Activities.

5.7. Development Completion. No provision of this Declaration or any other Governing Document shall be construed to limit the right of Declarant to, or require Declarant to, obtain approval from the Association or the ARC: (a) to complete, repair, alter, demolish, or remove Subdivision Improvements indicated on the Plat and Subdivision Plans, as may be amended from time to time; (b) to complete Lot Improvements on any Lot owned by Declarant; (c) to create, add, withdraw, modify, alter, or redefine Lots or Common Areas; (d) to subdivide Lots; (e) to make the Development Property part of a larger planned community or to subject the same to a master association; or (f) to excavate, cut, fill, or grade any property owned by Declarant. Nothing in this paragraph shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

5.8. Easements. Declarant shall have the right to grant or create temporary or permanent easements and rights-of-way for access, utilities, water, drainage, and other purposes incident to development of, construction on, or sale of Lots within the Development Property located in, on, under, over, and across Common Area or any Lot, whether owned by Declarant or otherwise, provided that such easements and rights-of-way that are located within the Common Area or a Lot owned by an Owner other than Declarant do not unreasonably interfere with the rights of Owners. Such easements and rights-of-way may include, without limitation: (a) the right of access, ingress, and egress for vehicular and pedestrian traffic and construction activities over, under, or within any portion of the Common Area as well as any Lot therein; (b) the right to tie into any portion of the Common Area with driveways, parking areas, and walkways; and (c) the right to tie into or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services. The foregoing rights shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and

reasonable steps shall be taken to protect such property from damage. Any damage shall be repaired by Declarant at its sole expense.

Article VI
ASSESSMENTS, CHARGES AND FINES

6.1. Covenant to Pay and Commencement. Each Owner, excluding Declarant, by acceptance of a deed to a Lot, whether or not it shall be so expressed in such deed, is thereby deemed to covenant and agree to pay to the Association: (a) Common Assessments; (b) Special Assessments; (c) Reimbursement Assessments; (d) Initiation Fees; and (e) fines or charges which may be imposed against such Lot in accordance with the provisions of this Declaration. An Owner's obligation to pay Assessments and any other duly levied charge shall commence on the first day of the first month following the latter of (a) issuance of a certificate of occupancy for the residential dwelling located on the Lot by the appropriate governmental agency or (b) conveyance of the Lot to an Owner intending to occupy said Lot for residential use or use such Lot for residential purposes. The Assessments for the then current Assessment Year shall be prorated on the basis of the number of months remaining in such Assessment Year.

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

- a. Expenses of maintenance, operation, repair, replacement, and security of the Common Area, including, without limitation, costs of labor, equipment, and materials incurred in connection therewith.
- b. Utility charges for utilities serving the Common Areas and for the lighting of streets throughout the Common Areas, as well as charges for other common services for the Development Property.
- c. Expenses related to sprinkler systems, supplemental trash disposal, recycling collection, seasonal decorative lighting, and other seasonal landscaping.
- d. Principal, interest, and other charges payable with respect to: (i) loans to the Association to provide funds to perform any Administrative Function or to pay any other obligation of the Association, including, without limitation, loans financing the construction of Improvements for the Common Area; and (ii) loans from Declarant made to the Association to fund Association expenses prior to the time when Common Assessments payable by Owners other than Declarant are sufficient to fund the normal operating expenses of the Association.
- e. Other expenses as may be determined from time to time by the Board to be incurred necessarily or appropriately for the performance of Administrative Functions,

including, without limitation, taxes, insurance premiums, utility charges, and government charges not separately assessed against Lots.

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

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

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

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

6.6. Special Assessments. The Board may levy one or more Assessments to be known as "Special Assessments" for the purpose of raising funds not provided by Common Assessments to: (a) construct or reconstruct, repair, remodel, replace, or maintain Subdivision Improvements, including necessary personal property related thereto, and to pay ad valorem taxes and insurance on Common Area; (b) add to the Common Area; (c) provide for necessary facilities and equipment to offer the services authorized in this Declaration; (d) repay any loan made to the Association to

enable it to perform any duty or function authorized in this Declaration; or (e) pay for any other cost or expense as determined by the Board. The amount of Special Assessment to be paid by each Owner shall be calculated in the same manner as Common Assessments and may be made payable in installments over a period that may extend beyond the Assessment Year in which the resolution was adopted. In addition to the other information required to be set forth in Assessment notices, a Special Assessment notice shall state the purpose of the Special Assessment.

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

6.8. Initiation Fee. Upon each and every conveyance of a Lot after a certificate of occupancy has been issued for the residential dwelling located thereon, an initiation fee in an amount determined by the Board of Directors in its sole discretion ("Initiation Fee") shall be made by or on behalf of the new Owner to the Association as set forth below. The Initiation Fee shall be an Assessment against the Lot and shall be in addition to, not in lieu of, any other Assessments. The Initiation Fee shall be payable at closing, or, if not paid at closing, paid immediately upon demand by the Association, shall not be prorated, and the Association shall have all rights under the Declaration to collect such Assessment if it is not paid. The Initiation Fee may be used by the Association for any purpose which provides a direct benefit to the Association or Development Property, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration. The Initiation Fee shall not apply to any Lender who obtains title to a Lot pursuant to remedies provided in the Deed of Trust, or upon foreclosure of the Deed of Trust, or upon receiving a deed (or assignment) in lieu of foreclosure, but shall apply to any Owner acquiring title to the Lot from such Lender.

6.9. Declarant Responsibility. Until the termination of the Appointment Period, Declarant shall not be liable for payment of Assessments on any Lots. However, Declarant may, but shall not be obligated to, elect to contribute to the Association the difference between the amount of Assessments levied on all other Lots subject to assessment and the amount of the Association's actual expenditures during the fiscal year (a "Subsidy"). Any Subsidy may be treated, in Declarant's discretion, as either: (a) a voluntary contribution; (b) an advance against future Assessments (if any); or (c) a loan by Declarant to the Association. A Subsidy may be evidenced by one or more promissory notes from the Association in favor of Declarant or Declarant may cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for such a loan in the local area of the Development Property. Any Subsidy shall be disclosed as a line item in the Budget. The payment of a Subsidy in any year shall under no circumstances obligate Declarant to continue payment of such Subsidy in future years. In the event Declarant expends any of its own funds for Administrative Functions, Declarant shall be entitled to reimbursement from the Association or a credit for such sums against any Assessment that Declarant might be required to pay by virtue of being an Owner. Declarant will

not be obligated to pay any operating fund deficiencies that are due to non-payment of Assessments by Owners other than Declarant, and nothing contained in this paragraph shall be deemed to relieve or release any Owner from the obligation of that Owner to pay Assessments. The decision of Declarant to fund any deficit provided for herein may be satisfied in the form of a cash substitute or by "in kind" contribution of materials and substances or a combination thereof. All "in kind" contributions of services and materials shall be valued at the reasonable market value of such service or materials.

6.10. Fines; Notice and Hearing.

a. Notice. Prior to imposition of a fine (neither a Reimbursement Assessment nor a late charge shall constitute a fine), Declarant or the Board, as the case may be, shall serve the alleged violator with written notice describing: (i) the nature of the alleged violation and the time period in which to correct it; (ii) the proposed fine to be imposed; (iii) a period of not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, within which the alleged violator may present a written request for a hearing to the Board; (iv) the name, address and telephone number of the person to contact to challenge the fine; (v) that statements, evidence, and witnesses may be produced by the violator at the hearing; and (vi) a statement that the proposed fine shall be imposed as contained in the notice unless a challenge is made within ten (10) days, or twenty-four (24) hours in the event of an unapproved sign, of the notice. If a timely challenge is not made, the fine stated in the notice shall be imposed. The issuance of a fine shall not constitute a waiver of the right to issue future violations of the same or other provisions and rules by any Person.

b. Hearing. If a hearing is requested within the allotted ten (10) day or twenty-four (24) hour period, as applicable, the hearing shall be held before the Board. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any fine hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed.

c. Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules), and any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed as trespass. In addition, the Board shall have the right to file suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

6.11. Delinquent Payment. All Assessments or other duly levied charges or fines under this Declaration shall be due and payable on the date set forth in the notice related thereto. Any Assessment or any portion thereof not paid when due shall be deemed delinquent. Any Assessment delinquent for a period of more than ten (10) days shall incur a late charge in an amount as may be determined by the Board from time to time and shall bear interest from the date due at the Delinquency Interest Rate. Any Owner who is delinquent in the payment of any Assessment or other charge duly levied by the Association against such Owner's Lot shall not be entitled to Vote until all such Assessments and charges, together with reasonable penalties, interest, and costs of collection, as the Board may impose or incur, have been paid to the Association. In addition, the Board may suspend the right of such Owner to use the Common Areas or any other facilities or services that the Association may provide until such delinquency is cured. The foregoing rights of the Board shall be in addition to all other rights set forth herein or available at law or in equity with respect to a failure to pay Assessments.

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

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

shall be deemed to consent that such liens or encumbrances shall be inferior to such future equitable charges and liens for Assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

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

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

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

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

Article VII

ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1. Annexation by Declarant. From time to time during the Appointment Period, Declarant may unilaterally add to the Development Property additional real property located adjacent to the Development Property (the "Future Phase Property"). Nothing in this Declaration shall be construed to require Declarant to annex or develop any Future Phase Property.

7.2. Annexation by Owners – Post Appointment Period. Following the termination of the Appointment Period, the Owners may annex Future Phase Property upon the affirmative vote of at least sixty-seven percent (67%) of the Votes present in person or by proxy at a meeting duly called for such purpose.

7.3. Manner of Annexation. The annexation of any Future Phase Property shall be effective upon Recording of a Supplemental Declaration that shall: (a) be executed by the then Owner(s) of the Future Phase Property described therein; (b) contain an adequate legal description of the Future Phase Property; (c) contain a reference to this Declaration stating its Recording date

and the book and page or instrument number; and (d) contain a statement that the Future Phase Property is declared to be part of the Development Property under this Declaration and that the Future Phase Property shall be subject to this Declaration.

7.4. Withdrawal Annexed Property by Declarant. Annexed Future Phase Property or any portion thereof for which a Supplemental Declaration has been recorded by Declarant may be withdrawn by Declarant from the Development Property, from this Declaration, and from such Supplemental Declaration related thereto. The withdrawal of such annexed Future Phase Property or portion thereof may be accomplished by Declarant's execution and Recording of a written notice of such withdrawal.

Article VIII **IMPROVEMENTS AND ARCHITECTURAL STANDARDS**

8.1. Architectural Review Committee. The Association shall have an Architectural Review Committee ("ARC") consisting of no more than five (5) members. During the Appointment Period, Declarant shall appoint the members of the ARC, who shall be subject to removal at any time by Declarant. Declarant, in its sole discretion, may alone constitute the ARC and until the ARC is so appointed, all references herein to the ARC shall mean Declarant. After the termination of the Appointment Period, the members of the ARC shall be appointed and shall be subject to removal at any time by the Board. The purpose of the ARC is to determine whether or not a proposed Lot Improvement, and all features thereof, is consistent with the overall development scheme for the Development Property and otherwise compatible with other improvements and dwellings constructed within the Development Property. The ARC shall be the sole judge and arbiter of such consistency and compatibility.

8.2. Submission of Plans. Except as otherwise expressly provided in Article IX, no Lot Improvement shall be placed, erected, or installed until the Lot Plans and such other information as may be necessary or otherwise requested by the ARC have been approved in writing; provided, however, no such approval is necessary for an Owner to remodel, paint, or redecorate the interior of any Lot Improvement, repaint the exterior of a Lot Improvement in accordance with the originally approved color scheme, or rebuild a Lot Improvement in accordance with prior approved Lot Plans.

8.3. Approval of Plans. The ARC will certify its approval or disapproval of the Lot Plans within thirty (30) days of the ARC's acknowledged receipt of such and any other requested information and materials. The ARC's approval of Lot Plans for any proposed Lot Improvement shall be effective for a period of six (6) months only; and if construction of the proposed Lot Improvement shall not have commenced within that time period, the approval shall no longer be valid. In the event written approval is not received within thirty (30) days after the Lot Plans and all requested additional information and materials have been submitted and acknowledged as received by the ARC, then the request for approval shall be deemed DENIED.

8.4. Approval of Builder. After receipt of approval of Lot Plans, Lot Improvements shall not commence until Declarant during the Appointment Period and thereafter the Board has

given written approval of the Owner's Builder; provided, however, no liability shall accrue to Declarant or the Board on account of such approval.

8.5. Construction of Improvements. Once the ARC approves the Lot Plans, the Lot Improvements shall be constructed in substantial conformity with the approved Lot Plans. Actual construction shall commence before the expiration of the ARC's approval as provided herein above. At all times during the construction of any Lot Improvement, Declarant during the Appointment Period and thereafter the Board or an authorized agent thereof shall have access to same for the purpose of inspection and confirmation that the construction is in substantial accordance with the Lot Plans as approved by the ARC. If the construction is found not to be in substantial accordance with the Lot Plans as approved by the ARC, then the Owner shall be given written notice of such non-compliance and the basis therefor. If the violation is not brought into compliance or an acceptable resolution is presented in writing by the Owner within five (5) business days of the delivery of such written notice, then Declarant during the Appointment Period and thereafter the Board shall be authorized: (a) to stop construction and all activities related thereto concerning any Lot Improvement until same is made compliant; (b) to assess reasonable fines related to the non-compliance; and (c) to make the necessary corrections or to take necessary action to make the Lot Improvements compliant at the Owner's expense.

8.6. Duties of Owner During Construction. An Owner shall be held responsible for the acts of a Builder and its employees, subcontractors, suppliers, and other parties involved in constructing the Lot Improvements (collectively, the "Construction Personnel"), including without limitation:

- a. Ensuring that the Construction Personnel are adequately bonded and insured.
- b. Ensuring that the Lot is kept clean and free of debris and waste materials and that stockpiles of unused materials are kept in a neat and orderly fashion.
- c. Ensuring that all Tennessee Department of Environment and Conservation guidelines are complied with in regard to silt and erosion control.
- d. Ensuring that all driveways are sufficiently graveled, a portable toilet is available and used by the Construction Personnel, and any mud or other debris dispersed by construction of the Improvement are removed from adjoining roadways as soon as possible.
- e. Ensuring silt fences are installed as required to keep silt, mud, and other debris off of the roadways.

8.7. Limited Effect of Plan Approval. The approval by the ARC of Lot Plans for the construction of a Lot Improvement is not intended to be an approval of the structural stability, integrity, or design of a completed Improvement, the safety of any component therein, or the compliance thereof with the regulatory requirements or any federal, state, or local law, regulation, or ordinance.

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

Article IX **RESTRICTIONS**

9.1. Residential Use. No Lot shall be used for any purpose other than private, single family residential purposes.

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

9.3. Leasing. No dwelling upon any Lot shall be leased by an Owner except by a written lease. The lessee under such lease shall be bound by and subject to all of the terms, conditions, restrictions, rights, and obligations of the Governing Documents, which shall be expressly incorporated into the lease. Upon request by the Board, the Owner of a Lot shall deliver to the Board within ten (10) days a copy of the lease for the Lot. Failure to comply with this Declaration shall be a default under such lease.

9.4. Yards and Landscaping. Lawns shall be maintained in a neat and orderly fashion so that the grass does not become overgrown. In the event an Owner fails to maintain their lawn as provided in this paragraph after three (3) days written notice to do so, the Board shall have the right to complete the lawn maintenance and the cost thereof shall be a lien against the Lot to secure the repayment of such amounts. Yard art and water features shall not be permitted in the front yard or otherwise visible from any street.

9.5. Fencing. No fence shall be installed or maintained in the front yard of a Lot. All fencing installed on any Lot must be either privacy or picket style fencing and must be constructed with vinyl, wood, or composite boards in either white or neutral colors. No fence located within a drainage easement shall be permitted to interfere with drainage, and any fence that does interfere with drainage in such an easement shall be relocated or modified at the sole expense of the Owner. No fence shall be more than six (6) feet in height, unless otherwise approved by the ARC. Chain link and wire fences are specifically prohibited. No fence shall be installed without prior ARC approval.

9.6. Clotheslines and Lighting. No clotheslines or clothes hanging devices shall be permitted on any Lot. Outside lights at eaves and door entrances, flood lights, and spot lights shall be permitted; provided, however, these lights must be adjusted so that the rays of any beam or floodlight shall not interfere with neighboring Lots. Exterior flashing lights shall be prohibited. Any walkway, driveway, or landscape lighting shall be of low intensity. Seasonal decorative

lighting shall be permitted only during the holiday season. Any lighting inconsistent with these restrictions must be approved by the ARC.

9.7. Swimming Pools and Spas. Swimming pools, hot tubs, and spas may be constructed or installed in the rear yard of Lots for the use of Owners and their guests without ARC approval so long as: (a) they are of a permanent nature and are below ground level; (b) the location complies with the minimum setback requirements shown on the Plat; (c) all applicable laws, ordinances, rules, and regulations of governmental agencies are satisfied and all necessary governmental permits are obtained by the Owner at Owner's expense; (d) such swimming pools, hot tubs, and spas are hidden from neighboring Owners by permitted privacy fencing; and (e) construction or installation is not commenced until after the commencement of the construction of the dwelling. No other swimming pools, hot tubs, or spas may be constructed or installed on a Lot without ARC approval.

9.8. Outside Recreation Equipment. An Owner may locate or install one (1) portable or in-ground basketball goal on the side of the driveway that is farther from the center of the house without ARC approval. No basketball goal shall be located or installed adjacent to, in, or over a street at any time. All other playground and recreational equipment (e.g., swings, slides, trampolines, playhouses) must be approved by the ARC prior to installation and must be located to the rear of the Lot.

9.9. Antennas and Solar Panels. An Owner may install an antenna or satellite dish covered by the Federal Communications Commission's Over-the-Air Reception Devices rule, as that rule may be amended from time to time, without ARC approval. No other antenna or satellite dish may be installed without ARC approval. No solar panels shall be permitted on any Lot without ARC approval.

9.10. Flags. No ARC approval shall be required for an Owner or occupant to display the flag of the United States of America, the current flag of the State of Tennessee, or an official or replica flag of any branch of the United States armed forces on a Lot in accordance with the provisions of 4 U.S.C. §§ 5-10, the U.S. Flag Code (36 U.S.C. 10), and usual and customary practice. The Board may promulgate reasonable rules and regulations with respect to the display of flags in the Development Property, including, without limitation, regulating the size of flags that may be displayed and imposing reasonable time, place, and manner restrictions pertaining to the display of flags on a Lot in the Development Property; provided, however, no such rule or regulation shall have the effect of prohibiting any Owner or occupant from displaying the flag of the United States of America or an official or replica flag of any branch of the United States armed forces on any Lot in the Development Property in contravention of the Freedom to Display the American Flag Act of 2005 or Tenn. Code Ann. 66-27-602.

9.11. Window Units / Treatments. All supplements to the central air conditioning system must be used, erected, placed, or maintained on the rear of the dwelling structure. No window or wall type air conditioning system shall be permitted to be seen from the street view of any Lot and all such systems shall be installed flush with the exterior wall surface. Except for blinds and curtains, all window treatments that are visible from any street or Common Area shall be subject to approval of the ARC, in its sole discretion.

9.12. Detached and Temporary Structures. An Owner may construct or locate one (1) detached shed in the rear yard of a Lot within a privacy fence if the ARC approves an engineered shed design plan submitted by the Owner. All other detached structures must be approved by the ARC, in its sole discretion, and located in the rear yard. No trailer, camper, garage, tent, shack, barn, shed, carport, or other outbuilding shall be erected, moved onto, stored, or used on any Lot as a residence, temporarily or permanently, nor shall any residence of a temporary character be permitted.

9.13. Detention Pond. Any detention pond or detention area, which encroaches on or lies wholly or partially within any Lot, shall not be filled, disturbed, or altered in any way by the Owner. The visible areas of these detention ponds or detention areas will be maintained and mowed within the boundaries of same as shown on the Plat.

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

9.15. Garage/Yard Sales. Garage sales or any other similar private or public sale of goods, personal property, or services shall be held only on specified days and at specified times on a community wide basis and in accordance with any Rules and Regulations to be established by the Board in connection therewith.

9.16. Garbage Disposal. Trash, garbage, or other waste shall be kept in sanitary containers and shall be disposed of in a clean and sanitary manner. All equipment for storage or disposal of such materials shall be kept in a clean and sanitary condition and shall be kept inside the garage or other designated area serving the Lot in question. No garbage cans, trash containers, recycling containers, or any other such trash receptacles shall be placed or permitted to remain at the curb except during a twenty-four (24) hour period surrounding the designated date and time for trash pickup as set by the provider of said services.

9.17. Vehicle Storage. No mobile home, motorhome, bus, camper, boat, watercraft, trailer, dump truck, or semi-truck may be parked or stored on any street, on any driveway, or in any other location within the Development Property except a garage, unless said vehicle is necessary for and being used in the development, construction, repair, or service of the Development Property. In addition to the foregoing, no commercial vehicle shall be parked on any street, on any driveway, or in any other location within the Development Property except a garage for periods of time exceeding twelve (12) consecutive hours or for more than seventy-two (72) hours in any calendar week. For the purposes of this paragraph, "commercial vehicle" shall mean any car, truck, van, or trailer not owned by or exclusively used by an Owner that: (a) is used to transport tools, materials, or supplies, (b) is used to deliver or pick up goods, or (c) contains onboard/built-in devices or hardware that are designed to provide maintenance, installation, or repair services.

9.18. Vehicle Service. Junk vehicles, inoperable vehicles, unlicensed vehicles not for immediate use, or vehicles of any kind in disrepair, may not be kept or parked on any street, on any driveway, or in any other location within the Development Property except a garage. Vehicles may not be assembled or serviced unless completely hidden from public view. For purposes of this paragraph, “serviced” shall not be deemed to include the cleaning, washing, or polishing of a vehicle; the changing of oil, lubricants, anti-freeze, or other fluids; or the replacing of air, oil, or other filters used in the vehicle.

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

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

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

9.22. Signs. Except for warning signs posted under the conditions described in Tenn. Code Ann. 66-27-603, no sign, billboard or poster of any kind shall be permanently displayed upon any Lot. The Board may adopt reasonable rules regarding the placement and manner of display of warning signs posted under the conditions described in Tenn. Code Ann. 66-27-603. An Owner may temporarily display nonpolitical and noncampaign signs (e.g., “For Sale” signs) without ARC approval so long as: (a) each such sign has a surface area of six (6) square feet or less; (b) no more than two (2) such signs are displayed per Lot; (c) no such sign is placed outside the boundary of the Lot, within any right-of-way, Common Area, or Lot owned by another Person; and (d) each such sign complies with rules that may be adopted by the Board from time to time. In accordance with the Tennessee Freedom of Speech Act, an Owner may display political and campaign posters

and signs without ARC approval during the period beginning sixty (60) days before an election and ending the day after the next subsequent election so long as each such sign has a surface area of six (6) square feet or less. The Board may adopt additional reasonable rules regarding the placement of temporary political and campaign posters and signs so long as such rules comply with the Tennessee Freedom of Speech Act, as such act may be amended from time to time.

9.23. Hobbies. The pursuit of hobbies that are inherently dangerous shall be conducted only in garages and such activities must not be visible from streets, Common Areas, or neighboring Lots. Activities such as the shooting of firearms, fireworks, or pyrotechnic devices of any type or size and other such activities shall not be pursued or undertaken on any part of any Lot or upon the Common Areas without the consent of the Board, which may be granted in the sole discretion of the Board.

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

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

9.26. Additional Prohibited Activities. The Board may from time to time reasonably prohibit certain activities on or within the Common Area and such prohibition shall be final and binding on all Owners.

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

Article X

LOT IMPROVEMENT DAMAGE

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

- a. In the event of total destruction, the Owner shall promptly clear the Lot of debris and leave the same in a neat and orderly condition. To the extent the Owner desires to reconstruct the Lot Improvement, any such reconstruction shall be accomplished in

conformity with the original Lot Plans of the Lot Improvement so destroyed, subject to any changes or modifications as approved by the Board or the ARC.

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

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

Article XI **LENDER PROVISIONS**

11.1. General. In addition to any other rights granted to Lenders elsewhere in this Declaration, the rights and protections of this Article are hereby granted to and for the benefit of any Lender.

11.2. Actions Requiring Lender Approval. Without the prior written consent of a majority (based upon one vote for each Lot encumbered by a Deed of Trust) of all Lenders that have requested notice of any proposed abandonment or termination of the restrictions declared herein, the Association shall not be entitled by act or omission to seek to abandon or terminate such restrictions; provided, however, approval of such abandonment or termination shall be implied against any Lender in the event they fail to submit a response in writing to the Association within sixty (60) days of service of such notice by certified or registered mail, return receipt requested, to said Lender at the address listed in the records of the Association.

11.3. Records Examination. Lenders shall have the right to examine the books, records, and financial statements of the Association, as well as the Governing Documents, at reasonable times and upon reasonable notice.

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

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

11.6. Owner Default. A Lender, upon written request, shall be notified by the Association in writing if the Owner of any Lot encumbered by such Lender's Deed of Trust fails

to cure within sixty (60) days a default of said Owner's obligations under the Governing Documents.

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

11.8. Lender Notice to Board. Lenders shall request notice of the matters set forth herein by making written request to the Board upon becoming a Lender hereunder and requesting that the name and address of such Lender and the Lot so encumbered be identified by the Board in the records for the Association. Any notice requesting approval of any Lender as required herein shall advise said Lender that failure to respond within sixty (60) days of said notice shall be deemed to be approval by said Lender of the matter for which approval is being sought.

11.9. Disposition by Lender. Any Lender who obtains title to a Lot pursuant to remedies provided in the Deed of Trust, or upon foreclosure of the Deed of Trust, or upon receiving a deed (or assignment) in lieu of foreclosure, shall take the Lot free of any claims for unpaid Assessments and charges against the encumbered Lot, which accrue prior to the time such holder comes into possession of same. Specifically, and without limitation, the provisions of the Governing Documents shall not impair the rights of any Lender to: (a) foreclose or take title to a Lot pursuant to remedies provided in the Deed of Trust; (b) accept a deed (or assignment) in lieu of foreclosure in the event of default by an Owner; or (c) sell a Lot acquired by the Lender.

Article XII **AMENDMENTS**

12.1. Owners. The provisions of this Declaration may be changed, modified, or amended by Supplemental Declaration or other written and properly recorded instrument setting forth such change, modification, or amendment, upon the affirmative vote of more than fifty percent (50%) of the Votes present in person or by proxy at a meeting duly called for such purpose or the affirmative written consent of more than fifty percent (50%) of all Votes in the Association unless a higher percentage of Votes is required elsewhere in this Declaration or applicable law. Revocation of this Declaration shall require the affirmative vote of one hundred percent (100%) of all Votes in the Association. Any such change, modification, amendment, or revocation shall not become effective until the instrument evidencing such change has been recorded in the Register's Office for Washington County, Tennessee. Notwithstanding the foregoing, any such change, modification, amendment, or revocation that would change or delete any right, remedy, benefit, or privilege afforded to Declarant under this Declaration, the Charter, or the Bylaws shall require the verified written consent of Declarant upon such instrument in order to be effective.

12.2. Declarant. Declarant hereby reserves and shall have the right, power, privilege, and authority, in its sole discretion, to amend this Declaration and any Exhibit hereto without the consent, joinder, or approval of the Association, the Board, Owner, any Person having a contractual right to purchase a Lot, any Lender or beneficiary of any Deed of Trust on any Lot or any other Person. Such right, power, privilege, and authority of Declarant shall expire two (2)

years after the termination of the Appointment Period. Declarant shall be in no way obligated to amend this Declaration or any Exhibit hereto pursuant to this paragraph.

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

Article XIII **MISCELLANEOUS PROVISIONS**

13.1. Duration. The covenants and restrictions of this Declaration shall run with and bind title to the Development Property, shall be binding upon and inure to the benefit of Declarant, the Association, and all Owners and Lenders, and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect until the tenth (10th) anniversary of the date of the recording of this Declaration, whereupon this Declaration shall be automatically renewed for successive terms of five (5) years unless Owners holding at least sixty-seven percent (67%) of all Votes in the Association elect to terminate the Declaration by vote taken at least six (6) months prior to the end of the current term and unless such termination is approved by the applicable governing authority. Notwithstanding the foregoing, any easements granted pursuant hereto or in any Supplemental Declaration are and shall be perpetual, except to the extent, if any, otherwise provided in the creation of any such easement, and except that any dedication to and acceptance by an appropriate governmental authority or any conveyance or grant to any appropriate public utility of the facilities that are the subject of any such easements shall terminate those easements if such dedication, conveyance, or grant so provides.

13.2. Management. Declarant during the Appointment Period and the Board thereafter shall have the right from time to time to engage and employ such Person(s) for the purpose of performing the Administrative Functions as Declarant or the Board, as applicable, deems advisable.

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

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

13.5. Statute of Limitation. No action in contract, tort, or otherwise against the Association, the Board, or Declarant for any action or inaction by the same or to challenge the validity of this Declaration, any Supplemental Declaration or other duly adopted amendment may be brought more than one (1) year after the occurrence of such action or inaction or the date this Declaration, the Supplemental Declaration, or other instrument is recorded.

13.6. Books and Records. Except for confidential, non-public information of the Association or that affecting the privacy rights of third parties or otherwise subject to confidentiality or non-disclosure protections or objections under any basis, the books and records of the Association are subject to inspection at the principal office of the Association by any Owner during reasonable business hours and upon ten (10) days prior written notice. Copies of such records may be purchased at a reasonable cost.

13.7. Right To Loan Information. Each Owner hereby authorizes any Lender holding a Deed of Trust on such Owner's Lot to furnish information to the Board concerning the status of such Deed of Trust and the loan which it secures to the extent such information is appropriate to assist the Board in determining if such loan is a valid Deed of Trust.

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

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

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

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

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

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

13.14. Captions and Gender. The captions herein are inserted only as a matter of convenience, and in no way define, limit, or describe the scope of these provisions or the intent of any provision hereof. The use of the masculine gender in the Governing Documents shall be deemed to include the feminine and neuter references, and the use of the singular shall be deemed to include the plural whenever the context so requires.

13.15. Exoneration of Declarant. Each Owner and each other party having an interest in any portion of the Development Property expressly agrees that no duty or obligation is imposed upon Declarant to enforce or attempt to enforce any of the covenants or restrictions contained herein, and that Declarant shall not be subject to any liability of any kind or nature whatsoever in respect to any claim that Declarant has failed to enforce same.

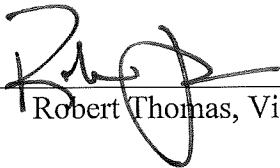
13.16. Conflicts in Legal Documents. In case of a conflict between the provisions in this Declaration and those in any other Governing Document, this Declaration shall control.

13.17. Effective Date of Declaration. The effective date of this Declaration shall be the date of its recording in the Register's Office for Washington County, Tennessee.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be duly executed as of the date first set forth above.

LANDOWNER:

Thomas Construction Company, Inc.

By: 
Robert Thomas, Vice President

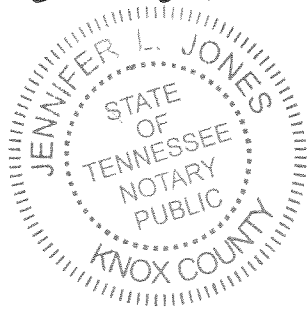
STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Robert Thomas with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Vice President of THOMAS CONSTRUCTION COMPANY, INC., the within named bargainor, a Tennessee corporation, and that he as such Vice President being duly authorized to do so, executed the foregoing document for the purposes contained therein, by signing the name of the corporation by himself as Vice President.

Witness my hand and seal at office this 28th day of January, 2022.


Notary Public

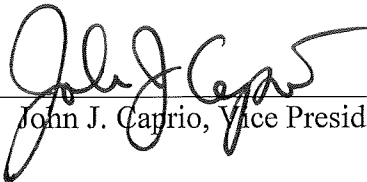
My Commission Expires: 6/4/2022



IN WITNESS WHEREOF, the undersigned has caused this Declaration to be duly executed as of the date first set forth above.

DECLARANT:

D.R. Horton, Inc.

By: 
John J. Caprio, Vice President

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared John J. Caprio with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Vice President of D.R. HORTON, INC., the within named bargainer, a Delaware corporation, and that he as such Vice President being duly authorized to do so, executed the foregoing document for the purposes contained therein, by signing the name of the corporation by himself as Vice President.

Witness my hand and seal at office this 27^m day of January, 2022.


Notary Public

My Commission Expires: 4/4/2022

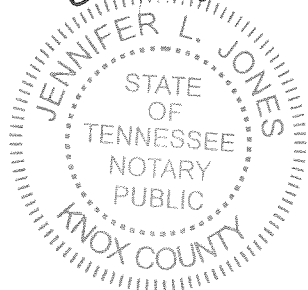


EXHIBIT A

Development Property

TRACT 1

BEGINNING, at an iron rod on the easterly margin of Sweetgrass Lane, said iron rod also being the northwesterly corner to Tract 2, Elizabethton Federal Savings Bank (Roll 946, Image 393); Thence, with the easterly margin of Sweetgrass Lane the following three courses: (1) North 41 degrees 20 minutes 14 seconds West - 9.83 feet to an iron rod; (2) Around a curve to the left (Chord North 56 degrees 31 minutes 49 seconds West - 131.68 feet. Radius 250.00 feet, Delta 30 degrees 32 minutes 24 seconds, Length 133.26 feet) to an iron rod; (3) North 71 degrees 48 minutes 01 seconds West - 54.68 feet to an iron rod, said iron rod also being a southeasterly corner to Parcel 2, Board of Mayor and Alderman of Jonesborough (Roll 931, Image 95); Thence, with Parcel 2, Board of Mayor and Alderman of Jonesborough the following five courses: (1) North 15 degrees 41 minutes 03 seconds East - 444.98 feet to an iron rod; (2) North 01 degrees 19 minutes 22 seconds East - 330.74 feet to an iron rod; (3) North 71 degrees 57 minutes 12 seconds East - 124.59 feet to on iron rod; (4) Around a curve to the left (Chord North 15 degrees 08 minutes 13 seconds West - 22.84 feet. Radius 225.00 feet. Delta 05 degrees 49 minutes 09 seconds, Length 22.85 feet) to an iron rod; (5) North 18 degrees 02 minutes 48 seconds West - 7.19 feet to an iron rod on the westerly margin of Pampas Drive, said iron rod also being a southeasterly corner to Lot 15 of the Meadows Subdivision. Phase 2 (Plat Book 21, Page 813): Thence, crossing Pampas Drive, South 45 degrees 40 minutes 14 seconds East - 87.90 feet to on iron rod on the westerly margin of Pampas Drive, said iron rod also being a southeasterly corner to Board of Mayor and Alderman of Jonesborough (Roll 1019, Image 2025); Thence, with Board of Mayor and Alderman of Jonesborough the following two courses: (1) North 86 degrees 51 minutes 00 seconds East - 56.85 feet to an iron rod; (2) North 43 degrees 41 minutes 08 seconds East - 540.04 feet to an Iron rod in the line of Sue C. & Michael J. Ledbetter (Roll 888, Image 2723); Thence, with Sue C. & Michael J. Ledbetter, South 46 degrees 17 minutes 42 seconds East - 500.00 feet to an iron rod, a northeasterly corner to Vivian Arrowood (Roll 586, Image 572); Thence, with Vivian Arrowood and other properties, South 43 degrees 41 minutes 08 seconds West - 691.53 feet to an iron rod, a northwesterly corner to Wayman L. Gordon (Deed Book 697, Page 432); Thence, with Wayman L. Gordon and other properties, South 48 degrees 22 minutes 08 seconds West - 306.50 feet to an iron rod, a northeasterly corner to Roger D. & Elsie P. Shelton (Deed Book 457, Page 127); Thence, with Roger D. & Elsie P. Shelton and Eric A. & Sandra G. Matthews (Deed Book 498, Page 152), South 46 degrees 25 minutes 40 seconds West - 199.82 feet to on iron rod, a northeasterly corner to Elizabethton Federal Savings Bank (Roll 946, Image 393): Thence, with Elizabethton Federal Savings Bank, South 46 degrees 26 minutes 25 seconds West - 100.07 feet to the BEGINNING. Containing 14.062 Acres more or less, as shown on plat of survey titled "ALTA/NSPS Land Title Survey" dated February 2, 2021, as prepared by Jeffrey Martin Rader, T.R.L.S. No. 3221 of Tysinger, Hampton & Partners, Inc., 7 Worth Circle, Johnson City, Tennessee 37601, recorded on Roll 1048, Image 3153, in the Register's Office for Washington County, Tennessee, to which reference is here made.

TRACT 2

BEGINNING, at on iron rod on the easterly margin of Sweetgrass Lane, said iron rod also being the southeasterly corner to Tract 1, Elizabethton Federal Savings Bank (Roll 946, Image 393); Thence, with Tract 1, Elizabethton Federal Savings Bank, North 46 degrees 26 minutes 25 seconds East - 100.07 feet to on Iron rod, a northwesterly corner to Eric A. & Sandra G. Matthews (Deed Book 498, Page 152); Thence, with Eric A. & Sandra G. Matthews, South 41 degrees 09 minutes 24 seconds East - 149.68 feet to on iron rod in the western margin of Ben Gamble Road; Thence, with Ben Gamble Road, South 49 degrees 16 minutes 38 seconds West - 74.97 feet to an Iron rod at the intersection of Sweetgrass Lane; Thence, with the easterly margin of Sweetgrass Lane the following 2 courses: (1) Around a curve to the right (Chord North 85 degrees 59 minutes 18 seconds West - 35.19 feet. Radius 25.00 feet, Delta 89 degrees 28 minutes 09 seconds, Length 39.04 feet) to an Iron rod; (2) North 41 degrees 15 minutes 14 seconds West - 119.96 feet to the BEGINNING. Containing 0.334 Acres more or less, as shown on plat of survey titled "ALTA/NSPS Land Title Survey" dated February 2, 2021, as prepared by Jeffrey Martin Rader, T.R.L.S. No. 3221 of Tysinger, Hampton & Partners, Inc., 7 Worth Circle, Johnson City, Tennessee 37601, recorded on Roll 1048, Image 3153, in the Register's Office for Washington County, Tennessee, to which reference is here made.

Being part of the same property conveyed to Elizabethton Federal Savings Bank by Substitute Trustee's Deed dated December 11, 2017, recorded on Roll 946, Image 393, in the Register's Office for Washington County, Tennessee, to which reference is here made.

Being the same property conveyed to Thomas Construction Company, Inc. by Special Warranty Deed from Elizabethton Federal Savings Bank of record in Roll 1051, Image 7, in the Register's Office for Washington County, Tennessee, to which reference is here made.

A portion of the foregoing Development Property being further described as:

Being known and designated as all of The Meadows Subdivision Phase 3 – Section 1 as shown on plat of record in Plat Book 22, Page 453, in the Register's Office for Washington County, Tennessee, to which plat specific reference is hereby made for a more particular description.

EXHIBIT B

Bylaws

**BYLAWS OF
THE MEADOWS PHASE 3 HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The terms defined in the Declaration of Covenants, Conditions, and Restrictions for The Meadows Phase 3 of record in the Register's Office for Washington County, Tennessee shall have the same meaning in these Bylaws.

**ARTICLE II
NAME AND OFFICES**

2.1. Name. The name of the Association for all Owners within the Development Property shall be The Meadows Phase 3 Homeowners Association, Inc.

2.2. Registered Office and Agent. The initial registered office of the Association is The Meadows Phase 3 Homeowners Association, Inc., 8081 Kingston Pike, Suite 102, Knoxville, Knox County, TN 37919, Attn: Ean Moffett, as may be relocated by the Board from time to time. The name of the initial registered agent of the Association is Ean Moffett, who may be located at the registered office.

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

**ARTICLE III
MEMBERS AND MEMBERSHIP PRIVILEGES**

3.1. Eligibility and Membership. The members of the Association (the "Members") shall consist of the Owners of a Lot within the Development Property.

3.2. Succession. The membership of each Owner shall terminate when they cease to be an Owner, and upon sale, transfer, or other disposition of their ownership interest in the Development Property, their membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

**ARTICLE IV
MEETINGS OF MEMBERS**

4.1. Annual Meetings. The first regular annual meeting of the Members may be held, subject to the terms hereof, on any day at the option of the Board; provided, however, that the first

meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four (4) months after all the Lots within the Development Property have been sold by the Declarant or (b) three (3) years following conveyance of the first Lot within the Development Property by the Declarant. Each subsequent regular annual meeting of the Members shall be held within twenty-five (25) days of the anniversary of the first regular annual meeting each year thereafter at such time as set by the Board.

4.2. Special Meeting. During the Appointment Period, special meetings of the Members, for any purpose or purposes, may be called by the Declarant. Special meetings of the Members, for any purpose or purposes, may also be called by the president, a majority of the Board, or by Members having not less than ten percent (10%) of the total Vote entitled to be cast at such meeting, except as otherwise required by Tennessee statute, the Declaration, or these Bylaws. Business transacted at all special meetings shall be confined to the business stated in the notice of such meeting.

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

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

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

4.6. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the majority Vote of Members present, in person or by proxy, and entitled to Vote shall decide any question brought before such meeting, unless the question is one upon which by express provision of an applicable Tennessee statute, the Declaration, or these Bylaws a different Vote is required, in which case such express provision shall govern and control the decision of such question. The

Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawal of enough Members to leave less than a quorum.

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

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

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

ARTICLE V

BOARD OF DIRECTORS

5.1. Board Authority and Number. The affairs of the Association shall be managed by a Board of Directors. During the Appointment Period, the directors, who need not be Members, shall be appointed by the Declarant and shall serve at the pleasure of the Declarant. After the Appointment Period, the Board shall consist of not less than three (3) nor more than five (5) directors, each of whom must individually be a Member or be the Declarant, its assignee or officer, agent, or representative thereof.

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

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

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

5.5. Vacancies. If any vacancy occurs in the Board, caused by death, removal from office, retirement, resignation or disqualification, a successor(s) shall be elected by majority vote of the remaining directors for the unexpired term of his predecessor in office. Any director who ceases to be a Member during such director's term in office shall cease being a director effective with such change, and such director's successor shall be selected by the remaining directors.

5.6. Director Removal by Declarant. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, any director appointed by the Declarant may be removed from office with or without cause by the Declarant.

5.7. Director Removal by Board. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, any director elected by the Board may be removed from office with or without cause by the vote of two-thirds (2/3) of the directors then in office.

5.8. Director Removal by Members. Notwithstanding any provision to the contrary in the Declaration or these Bylaws, any director elected by the Members may be removed with or without cause by majority Vote of all the Members.

5.9. Place of Meetings. The Board shall hold their meetings, both regular and special, in Washington County, Tennessee or such other location as may be selected by unanimous consent of the directors then elected and serving. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board. Special

meetings of the Board may be called by the president or a majority of the directors upon three (3) days written notice to each director, either personally, by mail, by facsimile, or by other electronic transmittal. Except as may be otherwise expressly provided by Tennessee statute, the Declaration, or these Bylaws, neither the business to be transacted nor the purpose of any special meeting need be specified in a notice or waiver of notice.

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

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

5.12. Compensation. No director shall receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

5.13. Agents and Delegation of Powers. Except as otherwise prohibited by statute, the Declaration, or these Bylaws, the Board may delegate any of its powers to other Persons including without limitation a Management Agent. Any such delegated powers shall be identified in a writing maintained in the records of the Association.

ARTICLE VI

BOARD POWERS AND DUTIES

6.1. Powers. The Board shall have the following powers subject to the provisions of the Declaration:

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

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

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

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

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

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

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

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

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

j. To exercise any other powers conferred by the Declaration and these Bylaws and exercise any other powers necessary and proper for the governance and operation of the Association and the administration of the affairs of the Association and Development Property.

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

6.2. Duties. The Board shall have the following Duties subject to the provisions of the Declaration:

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

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

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

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

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

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

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

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

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

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

k. To provide for the indemnification of the Association's officers and directors and maintain liability insurance on such directors and officers.

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

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

ARTICLE VII **OFFICERS**

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

7.2. Election of Officers. The officers shall be elected by the Board from among the directors. After the Appointment Period, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

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

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

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

7.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

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

7.8. Compensation. No officer shall receive compensation for any service they may render to the Association. However, any officer may be reimbursed for their actual expenses incurred in the performance of their duties.

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

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

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

7.12. Treasurer. The treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements of the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the

Association in such depositories as may be designated by the Board. The treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements. At the regular meetings of the Board or whenever they may require it, the treasurer shall render to the president and Board an account of all transactions of the treasurer and of the financial condition of the Association. The treasurer shall perform such other duties as the Board may prescribe.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

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

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

8.3. Books and Records. Except for confidential, non-public information of the Association or that affecting the privacy rights of third parties or otherwise subject to confidentiality or non-disclosure protections or objections under any basis, the books and records of the Association are subject to inspection at the principal office of the Association by any Owner during reasonable business hours and upon ten (10) days prior written notice. Copies of such records may be purchased at a reasonable cost.

8.4. Amendment. Except for those amendments which the Tennessee Nonprofit Corporation Act reserves exclusively to the Members, and unless a greater vote is required in the Declaration, the Charter, elsewhere in these Bylaws, or in accordance with the Tennessee Nonprofit Corporation Act, these Bylaws may be changed, modified, or amended upon the affirmative vote of a majority of the Board. Unless a greater vote is required in the Declaration, the Charter, elsewhere in these Bylaws, or in accordance with the Tennessee Nonprofit Corporation Act, these Bylaws may also be changed, modified, or amended by the lesser of: (i) the affirmative vote of two-thirds ($\frac{2}{3}$) of the Votes cast in person or by proxy by Members entitled to Vote at a duly called meeting; or (ii) the affirmative vote of more than fifty percent (50%) of the Votes of all Members entitled to Vote. Notwithstanding the foregoing, any such change, modification, or amendment that would change or delete any right, remedy, benefit, or privilege afforded to the Declarant under these Bylaws, the Charter, or the Declaration shall require the consent of the Declarant in order to be effective.

8.5. Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.6. Headings. The headings used in these Bylaws have been inserted for administrative convenience only and do not constitute matters to be construed in interpretation.

EXHIBIT C

Charter

**CHARTER OF
THE MEADOWS PHASE 3 HOMEOWNERS ASSOCIATION, INC.**

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

**ARTICLE I
NAME**

The name of the corporation is The Meadows Phase 3 Homeowners Association, Inc., hereunder called the “Association.”

**ARTICLE II
MUTUAL BENEFIT CORPORATION**

The Association is a mutual benefit corporation.

**ARTICLE III
PERIOD OF DURATION**

The Association’s period of duration shall be perpetual.

**ARTICLE IV
INITIAL REGISTERED OFFICE**

The street address, county, and zip code of the Association’s initial registered office is: The Meadows Phase 3 Homeowners Association, Inc., 8081 Kingston Pike, Suite 102, Knoxville, Knox County, TN 37919, Attn: Ean Moffett, as may be relocated from time to time. The name of the initial registered agent of the Association is Ean Moffett, who may be located at the registered office and contacted by email at EGMoffett@drhorton.com.

**ARTICLE V
INCORPORATOR**

The name, address, and zip code of each incorporator is: Ean Moffett, 8081 Kingston Pike, Suite 102, Knoxville, Knox County, TN 37919.

ARTICLE VI
PRINCIPAL OFFICE

The street address and zip code of the principal office of the Association is: 8081 Kingston Pike, Suite 102, Knoxville, Knox County, TN 37919.

ARTICLE VII
NON-PROFIT CORPORATION

The Association is non-profit.

ARTICLE VIII
PURPOSE AND POWERS

This Association does not contemplate pecuniary gain or profit to the members thereof. The purpose for which the Association is organized is to maintain the common facilities of The Meadows Phase 3 subdivision in Washington County, Tennessee and perform all duties and functions of The Meadows Phase 3 Homeowners Association, Inc., as described in the Declaration of Covenants, Conditions, and Restrictions for The Meadows Phase 3 recorded or to be recorded in the Register's Office for Washington County, Tennessee, hereinafter called the "Declaration" and any additions and amendments thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

8.1 Exercise all of the powers, rights, and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided.

8.2 Fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

8.3 Acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association.

8.4 Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

8.5 Have and exercise any and all powers, rights, and privileges which a corporation organized under the Act by law may now or hereafter have or exercise.

ARTICLE IX
MEMBERSHIP

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

ARTICLE X
BOARD OF DIRECTORS

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

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

ARTICLE XI
AMENDMENT

Unless a greater vote is required in the Declaration or in accordance with the Act, any amendment to this Charter may be adopted by the lesser of: (i) the affirmative vote of two-thirds ($\frac{2}{3}$) of the votes cast in person or by proxy by members entitled to vote at a duly called meeting; or (ii) the affirmative vote of more than fifty percent (50%) of the votes of all members entitled to vote. Notwithstanding the foregoing, any such change, modification, or amendment that would change or delete any right, remedy, benefit, or privilege afforded to the Declarant (as defined in the Declaration) under this Charter, the Bylaws of the Association, or the Declaration shall require the verified written consent of the Declarant upon such instrument in order to be effective.

ARTICLE XII
DISSOLUTION

Unless a greater vote is required in the Declaration or in accordance with the Act, the Association may be dissolved with the assent given in writing and signed by not less than sixty-seven (67%) of all the members of the Association entitled to vote. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be distributed to the members. Notwithstanding the foregoing, any such dissolution that would change or delete any right, remedy, benefit, or privilege afforded to the Declarant under this

Charter, the Bylaws of the Association, or the Declaration shall require the verified written consent of the Declarant upon such instrument in order to be effective.

True Copy Certification

I, Jennifer Jones, do hereby make oath that I am a licensed attorney and/or the custodian of the original version of the electronic document tendered for registration herewith and that this electronic document is a true and exact copy of the original document executed and authenticated according to law on January 28, 2022.

Jennifer Jones
Affiant Signature

Date: January 28, 2022

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Personally appeared before me, Juanita Gay Hughes, a Notary Public for said State and County, Jennifer Jones, who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.

Sworn to and subscribed before me this 28th day of January, 2022.

Juanita Gay Hughes
Notary's Signature

My Commission Expires: 2/2/2025

