

Instrument: 2012031300056  
Book and Page: GI 9594 690  
MISC RECORDING FEE \$165.00  
DATA PROCESSING FEE \$2.00  
Total Fees: \$167.00  
User: DLS  
Date: 3/13/2012  
Time: 10:14:38 AM  
Contact: Pam Hurst, Register  
Hamilton County, Tennessee

THIS INSTRUMENT PREPARED BY  
Amber James, Attorney  
803 Cherry Street  
Chattanooga, TN 37402

FILE 1st Choice

DECLARATION OF COVENANTS AND RESTRICTIONS FOR  
PRAIRIE PASS PLANNED UNIT DEVELOPMENT

WOODBURY

THIS DECLARATION made this 9th day of March, 2012, by WPBS INVESTMENTS, G.P., a Tennessee General Partnership.

WOODBURY

WITNESSETH

~~WPBS~~ Assurance Land Development

WHEREAS, WPBS Investments, G.P., a Tennessee General Partnership, is Owner of all the lots in the subdivision known as ~~Prairie Pass P.U.D.~~, as shown on Plat recorded in Plat Book 96, Page 8, in the Register's Office of Hamilton County, Tennessee, and being further described on Exhibit A attached hereto (hereinafter the "Development"); and

1025

WHEREAS, Developer desires to provide for the preservation of the land and home values when and as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities in the Development to create an entity to which may be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereinafter defined) and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WOODBURY

WHEREAS, Developer will cause to be incorporated under the laws of the State of Tennessee, ~~PRAIRIE PASS HOMEOWNER'S ASSOCIATION, INC.~~, a Tennessee nonprofit corporation, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, the Developer subjects the Property and such additions thereto as may from time to time be made, to the terms of this Declaration and declares that the same is and shall be held, transferred, conveyed, sold, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens hereinafter set forth and such shall all touch and concern and run with the Property and each Lot thereof.

ARTICLE I  
DEFINITIONS

The following words and terms, when used in this Declaration or any Supplemental Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.01 Architectural Review Committee. "Architectural Review Committee" shall mean and refer to the committee formed and operated in the manner described in Section 4.01 hereof and shall mean Developer until Developer appoints the Architectural Review Committee.

1.02 Association. "Association" shall mean the PRAIRIE PASS HOMEOWNER'S ASSOCIATION, INC., a Tennessee non-profit corporation.

1.03 Board of Directors or Board. "Board of Directors" or "Board" shall mean the governing body of the Association established and elected pursuant to this Declaration.

1.04 Builder. "Builder" or "Builders" shall mean those contractors who have been approved by Developer pursuant to Section 3.37 of this Declaration.

1.05 Bylaws. "Bylaws" shall mean the Bylaws of the Association. The initial text of which is set forth in Exhibit B attached hereto and incorporated herein.

1.06 Common Expense. "Common Expense" shall mean and include (a) expenses of administration, maintenance, repair or replacement of the Common Properties; (b) expenses agreed upon as Common Expense by the Association; (c) expenses declared Common Expense by the provisions of this Declaration; (d) expenses deemed to be a Common Expense by Developer; and (e) all other sums assessed by the Board of Directors pursuant to the provisions of the Declaration.

1.07 Common Properties. "Common Properties" shall mean and refer to those tracts of land and any improvements thereon which are deeded or leased to the Developer or Association and designated in said deed or lease as "Common Properties" in any phase of Prairie Pass, the Development. The term "Common Properties" shall also include any personal property acquired by the Developer or Association if said property is designated as a "Common Property" or "Common Properties". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying Homes or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Developer or Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Developer or Association; provided, however, that any lands which are leased by the Developer or Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such lease. The Common Properties may include but not be limited to streetlights, entrance and streetlights, entrance and street signs, pavilions, pools, pool house, club house, parks, ponds, medians in roadways, maintenance easement areas, golf cart paths, landscaping easement areas and walkways in any phase of the Development.

1.08 Covenants. "Covenants" shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.

1.09 Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions for Prairie Pass Subdivision and any Supplemental Declaration filed pursuant to the terms hereof.

1.10 Developer. "Developer" shall mean ~~WPBS Investments~~, G.P., a Tennessee General Partnership, and its successors and assigns.

1.11 Development. "Development" shall mean and refer to the real property described in Exhibit A attached hereto, and any and all additions thereto, which are subjected to this Declaration or any Supplemental Declaration under the provisions hereof.

1.12 First Mortgage. "First Mortgage" shall mean a recorded Deed of Trust with priority over all other Deeds of Trust.

1.13 First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.

1.14 Home or Homes. "Home" or "Homes" shall mean any building in the Development designated and intended for use and occupancy as a residence.

1.15 Lot or Lots. "Lot" or "Lots" shall mean and refer to any improved or unimproved parcel of land located within the Development as shown on any recorded subdivision plat or any part of the Development.

1.16 Manager. "Manager" shall mean a person or firm appointed or employed by the Board to manage the daily affairs of the Association in accordance with the instructions and directions of the Board.

1.17 Member. "Member" or "Members" shall mean any or all Owner or Owners.

1.18 Mortgage. "Mortgage" shall mean a deed of trust or any other instrument conveying security title to any Lot.

1.19 Mortgagee. "Mortgagee" shall mean a beneficiary, creditor, or holder of a Mortgage.

1.20 Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Hamilton County Register of Deeds whether it be one or more persons, firms, associations, corporations or other legal entities, of a fee simple title to any Lot, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee or holder of a security interest, its successors, or assigns, unless and until such Mortgagee or holder of a security interest has acquired fee simple title, nor shall the "Owner" mean or refer to any lessee or tenant of any Owner. In the event that there is recorded in the Register's Office of Hamilton County, Tennessee, a long-term contract of sale conveying any Lot, the Owner of such Lot shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser may be given the use of the property.

1.21 Property. "Property" shall mean and refer to the real property described in Section 2.01 hereof, and any addition thereto, which is subjected to this Declaration or any Supplemental Declaration under the provision hereof.

1.22 Record or To Record. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.

1.23 Recorder. "Recorder" shall mean and refer to the Register of Deeds of Hamilton County, Tennessee.

1.24 Supplementary Declaration. "Supplementary Declaration" shall mean any declaration filed subsequent in time to this Declaration in accordance with Section 2.03 (a) hereof.

## ARTICLE II

### PROPERTIES, COMMON PROPERTIES AND IMPROVEMENTS THEREON

2.01 Property. The Covenants set forth in this Declaration, as amended from time to time, are hereby imposed upon the real property located in Hamilton County, in the State of Tennessee and more particularly described in Exhibit A, attached hereto and incorporated by reference, and additions or amendments thereto, which shall hereafter be held, transferred, sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to the Declaration. Additionally, any easements on any real property retained by or granted to the Developer or the Association for the purpose of carrying out one or more of the functions of an Association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in this Declaration. Every person who is an Owner shall be a member of the Association as more particularly set forth in the By-Laws of the Association.

2.02 Association. The Developer has caused, or may in the future cause, the Association to be formed and incorporated under the laws of the State of Tennessee for the purpose of carrying on one or more of the functions of the Association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in this Declaration. The initial Bylaws of the Association are set forth on the Exhibit B, and are incorporated herein. The Developer and every Owner of a fee simple interest in any Lot or Home which is subject to this Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Lot or Home and recording of

the deed of conveyance in the Register's Office of Hamilton County, Tennessee. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Home which is subject to assessment. The provisions of the Bylaws attached hereto shall set forth the purposes and authority of the Association.

Developer shall retain control of the Development and may exercise all the powers and privileges and perform all duties and obligations set out in this Declaration and the Bylaws until such time as Developer explicitly grants powers it would otherwise have to the Board or another committee.

2.03 Additions to Property. Additional lands may become subject to, but not limited to, this Declaration in the following manner:

(a) Additions. The Developer, its successors and assigns, shall have the right, without further consent of the Association of Owners, to bring within the plan and operation of this Declaration additional properties in future stages of the Development beyond those described in Exhibit A so long as they are contiguous with the existing portions of the development. For purposes of this paragraph, contiguity shall not be defeated or denied where the only impediment to actual "touching" is a separation caused by a road, right-of-way or easement, and such shall be deemed contiguous. The additions authorized under this Section shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the Covenants and Restrictions of this Declaration to such additional property after which it shall fall within the definition of Property as herein set forth.

The Supplementary Declaration may increase or decrease the minimum square foot requirements for a Home and contain such other complementary additions and/or modifications of the Covenants and Restrictions contained in the Declaration as may be necessary or convenient, in the sole judgment of the Developer, to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration, but such modifications shall have no effect on the Property as described in Section 2.01 above.

(b) Separate Associations. For any additional property subjected to this Declaration pursuant to the provisions of this Section, there may be established by the Developer, an additional association limited to the owners and/or residents of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort and convenience, to elect representatives to the Board of the Association, to receive from the Association a portion, as determined by the Developer or the Board of Directors of the Association of the annual assessments levied pursuant hereto and use such funds for its general purposes, and to make and enforce rules and regulations of supplementary covenants and restrictions, if any, applicable to such lands.

2.04 Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the Properties of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration.

2.05 Common Properties and Improvements Thereon. The Developer may install initially one or more entrance signs to the Development. The signs shall become part of the Common Properties when the Developer conveys the signs to the Association at which time the Association shall become responsible for the operation, maintenance, repair and replacement of the signs. The Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have reserved an easement. These areas shall become Common Properties when conveyed to the

Association and the Association shall then become responsible for maintenance of the landscaped areas. Additionally, the Developer may install an entrance gate, lake, pond, pool, walking trail, street lights, street signs and/or certain other improvements which shall likewise become Common Properties when conveyed to the Association. The Developer and/or the Association may add additional Common Properties from time to time as they see fit. The Common Properties shall remain permanently as open space, except as improved, and there shall be no subdivision of the same, except as otherwise provided herein. Except as permitted by the Developer, no building, structure or facility shall be placed, installed, erected or constructed in or on the Common Properties unless it is purely incidental to one or more of the uses above specified. The Developer may reserve to itself or its designees the exclusive use of any portion of the Common Properties for the placement and use of a temporary or permanent structure for use as a sale office and as storage areas or construction yards may be reasonably required, convenient or incidental to the sales of Lots and/or the construction improvements on the Common Properties.

**ARTICLE III**  
**COVENANTS, USES AND RESTRICTIONS**

3.01 Application. It is expressly stipulated that the Covenants and conditions set forth in this Article III apply solely to the Property described in Exhibit A, which property is intended for use as single-family residential Lots only. These Covenants are not intended to apply to any other lots, tracts or parcels of land in the area or vicinity owned by the Developer. Specifically, the Developer, its successors or assigns reserve the right to use or convey such other lots, tracts, or parcels with different restrictions.

3.02 Residential Use.

A. All of the Lots in the Development shall be, and be known and described as, residential lots, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in these Covenants and in supplements hereto, or except as provided for in a deed of conveyance from the Developer.

B. "Residential" refers to a mode of occupancy, as opposed to "business" or "commercial" or "mercantile" activity, and except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to building constructed thereon.

C. No Lot may be used as a means of service to business establishments or adjacent property, including, but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether or not a part of the Property, unless consented to in writing by the Developer or the Board.

3.03 No Multi-Family Residences, Business. No home shall be designed, patterned, constructed or maintained to serve or for the use of more than one single family, and no residence shall be used as a multiple family home at any time; provided, however, that nothing herein contained shall be construed to prohibit the construction of attached single family residences in areas designated by the Developer for such construction. No trade or business may be conducted in or from any Home, except that an owner or occupant residing in a Home may conduct business activities within the Home so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Home; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Developer or Board. The terms "business" and "trade", as used in this

provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to person's other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (1) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Home shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Developer with respect to its development and sale of the property or its use of any Homes which it owns within the Property. Nothing contained herein shall prohibit the Developer or the Association from permitting, maintaining or operating concessions or vending machines on the Common Properties.

3.04 Minimum Square Footage. No single-family detached Home shall be erected or permitted to remain in the Property unless it has the minimum number of square feet of enclosed living area measured from the exterior walls, exclusive of open porches or screened porches, garages or basements, set forth in this Section. For the purposes of this Section, stated square footage shall mean the minimum floor area required, and floor area shall mean the finished and heated living area contained within the Home, exclusive of porches, decks, garages and steps. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet required is as follows:

- (a) For Lots ~~99-122~~: One Thousand Four Hundred Fifteen (1,415) square feet. There shall also be a maximum of ~~Two Thousand Five Hundred (2,500)~~ square feet.
- (b) For Lots 2-98: One Thousand Eight Hundred (1,800) square feet. There shall also be a maximum of ~~Two Thousand Five Hundred (2,500)~~ square feet. Square footage on certain lots may be increased to Three Thousand (3,000) square feet with Board approval.

LOTS  
1-39  
Minimum 1800 sq ft.

3.05 Set-Backs. All Home setbacks are subject to the approval of the Architectural Review Committee. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Architectural Review Committee for a variance from such setback requirements. Such variances may be granted or rejected by the Architectural Review Committee in its sole and absolute discretion.

3.06 Rearrangement of Lot Lines. Not more than one Home shall be erected or maintained on any one Lot. With the written approval of the Developer or the Board, contiguous Lots may be combined if the Lots have the same Owner, for the purpose of erecting an approved Home thereon; however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Except as otherwise provided herein, Lots may not be resubdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

3.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Home, conforming fully to the provisions of these Covenants, shall have been erected thereon. The intent of this section is to prevent the use thereon of a garage, incomplete structure, trailer, barn, tent, outbuilding or other structure as temporary living quarters before or pending the erection of a permanent building. No structure of temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot. No house may be moved from another location to any Lot in this Development.

Neither the foregoing nor any other section of this Declaration shall prevent the Developer or any builder approved by the Developer from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other

houses within the Development, nor shall the foregoing or any other section of this Declaration prevent the Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or other similar structure for use as an office and/or sales center by Developer and/or approved builders at the sole discretion of the Developer.

3.08 Rainwater Drainage. Catch basins in drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person, other than Developer or the Association, may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. Developer hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow. Silt fencing and/or straw shall be used during construction to prevent dirt runoffs onto roads. Gravel drives shall be used during construction prior to paving of the driveway.

3.09 Utility Easement. A perpetual easement is reserved on each Lot, as will be shown on the recorded plat, for the construction and maintenance of utilities such as electricity, gas, water, sewage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.

3.10 Frontal Appearance. The frontal appearance of each Home must be in keeping with the overall look that is desired for the Development and shall be a part of the Architectural Design Review process set out in Article IV of this Declaration.

3.11 Building Requirements.

(a) Foundation. All foundations and retaining walls above grade level must be covered with brick or stone to compliment the Home. No concrete block, concrete or stucco finishes shall be exposed to any exterior grade level.

(b) Exterior of Front Side and Rear Elevation. The exterior of the front, side and rear elevations of the Home shall be brick and/or stone, stone veneer or hardi plank, and must be approved by the Architectural Review Committee. All chimneys shall be brick or stone veneer. Fiber-cement siding (i.e. Hardi-Plank), traditional stucco (Portland cement plaster), approved siding or a combination of the above may be used as accent only. EIFS, Sto, Dry-vit or other synthetic stucco finishes shall not be allowed. Soffits and cornice (friezes, fascia, rakes and trim) shall be constructed of wood or fiber-cement (i.e. Hardie-Soffit) materials. Vinyl soffit or brake metal cornice friezes, fascia, rakes and trim) are not permitted. These must be strictly approved as a part of the architectural design and review process in advance of construction as set out in Article IV of this Declaration.

(c) Windows. Design, size and placement of windows shall be a part of the Architectural and Design Review process as set out in Article IV of this Declaration. With the exception of entry door units and sidelites, all windows shall be insulated double paned glass. ~~Windows shall be solid wood~~ with the exception of exterior window trim or brick moulding which may be of a durable rot-resistant material. *wood,* Vinyl or aluminum clad wood windows shall be acceptable. Glazing on doors and windows shall be clear. Interior window treatments must have white or off-white backing on such window treatments.

(d) Awnings. No metal awnings shall be permitted

(e) Roof Pitch. Roof pitches shall be at least 8/12 pitch. All roof stacks, plumbing vents, etc. shall be placed on the rear slope of the roof, so as not to show from the front elevation. Any exception to this must be approved in accordance with the Article IV of this Declaration.

(f) Gutters and downspouts. Gutters and down spouts shall be painted to match the house or trim color. Downspouts shall not be permitted to discharge directly onto landscaped areas and shall be collected by underground drain.

(g) Skylights. Location and design of all skylights must be approved

(h) Solar Panels. No solar panels or collectors shall be allowed on any roof or in sight of any street or adjacent property.

3.12 Fences. All fences, walls and retaining walls must be approved by the Architectural Review Committee. A drawing showing location, height, material and any other pertinent information required by the Architectural Review Committee shall be submitted. No wire or chain link fences are allowed. Wrought iron or aluminum fences shall be black in color and may be approved by the Architectural Review Committee in accordance with Article IV of this declaration

3.13 Driveways and Sidewalks. Driveways and sidewalks shall be considered and treated as part of the landscaping. Each driveway shall be a minimum of one (1) foot from any property line. Each Home constructed upon a Lot must be served by a driveway and by walkways constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. All other hard surface materials must be approved in writing by the Architectural Review Committee. Each and every Lot shall have a forty eight (48) inch wide sidewalk constructed of concrete and offset from the back of the curb tree (3) feet. The sidewalk must be approved as a part of the architectural review process. This sidewalk must be from lot line to lot line on each Lot. Sidewalks shall be completed when each house is completed, or within one (1) year from purchase of Lot whichever occurs first. The Architectural Review Committee may grant an extension if appropriate in its sole discretion.

3.14 Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

3.15 Signs. One iron arm sign offering the Lot and/or Home for sale and reflecting the name of the builder may be placed upon a Lot. Such sign shall have a top banner that will have the lot number, builder name and phone number. The bottom banner will have the real estate company information if a real estate company is used. Such signs must be in a form approved by the Architectural Review Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Developer or the Architectural Review Committee. Nothing in the foregoing shall be construed to prevent Developer from erecting and maintaining signs at the entrance of the Development as provided herein.

3.16 Service Area. ~~Each Home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from public view by an enclosure that is an integral part of the site development plan (the site development plan being more fully described in paragraph 4.01 (C) hereof), using materials, color or landscaping that are harmonious with the Home it serves.~~

3.17 Garages. Each Home shall have at least a double car garage constructed at the same time as the Dwelling. Detached garages will be allowed only with written approval from the Architectural Review Committee. No carports will be permitted. The Architectural Review Committee may require specific types and/or modifications to the proposed garage doors. The inside walls and ceilings of garages must be finished and painted. Garage doors may not be allowed to stand open.



3.18 Landscaping. A landscape plan drawn to a minimum scale of 1/8" = 1'0" shall accompany every new home application (the new home application being more particularly described in paragraph 4.01 (c) hereof) submitted to the Architectural Review Committee for approval. The Architectural Review Committee may require ornamental trees to be planted as a part of the landscaping plan. The type, size and placement shall be determined by the Architectural Review Committee. On a corner Lot, Owner may be required to place trees on each side of the Lot facing a street. If a Home has a rear exterior which faces Common Property, another Lot, golf course, or street, the Architectural Review Committee may require the placement of up to four (4) four inch (4") caliper trees in the rear of the Lot, or other acceptable landscape buffer to provide screening for the Home. Landscaping in accordance with the approved landscape plan must be completed before the unit is occupied. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. No artificial plantings will be allowed. Developer may limit the trees cut when clearing any Lot for construction. Lots must be sodded with irrigation systems.

3.19 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats or other household pets is permitted; provided, however, that nothing contained herein shall permit the keeping of dogs, cats or other animals for commercial purposes. Pet owners shall not allow pets to roam unattended. The pet owner shall muzzle any pet which consistently barks. If barking persists the pet owner shall have the pet removed from the Development. If the pet owner refuses, it shall be deemed an "offensive activity." Nothing contained herein shall be deemed to permit the keeping of an unreasonable number of pets, or the keeping of any animal deemed to be a danger to other residents. Developer or the Board of Directors shall, in their sole discretion, have the authority to determine what constitutes an "unreasonable" number or a "dangerous" pet. No dog pens, kennels or such shall be allowed without the written consent of the Developer or the Board.

3.20 Zoning. Whether expressly stated so or not in any deed conveying any one or more of the Lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.

3.21 Gardens. No vegetable gardens shall be allowed within view of any street or adjacent property.

3.22 Unsightly Conditions. All of the Lots must, from the date of purchase, be maintained by the Owner and/or Builder in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot, including an Owner who is a Builder, fails, of his own volition, to maintain his Lot in a neat and orderly condition, Developer or its duly appointed agent, or the Board, or its duly appointed agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition and shall bill the Owner two hundred percent (200%) of the cost of such work. All Owners shall keep cars, trucks and delivery trucks off the curbs of the streets.

3.23 Offensive Activity. No noxious or offensive activity shall be carried on on any Lot, nor shall anything be done thereon that is or may become an annoyance, discomfort, embarrassment or nuisance to the Development.

3.24 No Detached Buildings. There shall be no detached garages, outbuildings or servant quarters without the prior written consent of the Architectural Review Committee.

3.25 Sewage Disposal. ~~Before any Home on any Lot shall be occupied, a connection with the sewer system meeting applicable governmental codes shall be made. There shall not be erected,~~

NO SEWER

permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without the written approval of the Developer or the Board.

3.26 Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, and to maintain unsightly Lots, the Developer or the Board, or their respective agents, may enter upon any Lot on which a Home has not been constructed and upon which no landscaping plan has been implemented, such entry to be made by personnel with tractors or such other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Developer or the Board detracts from the overall beauty, setting and safety of the Property or Lots. Such entrance for the purpose of mowing, removing, clearing, cutting or pruning shall not be deemed a trespass. The Developer and its agents or the Board and its agents may likewise enter upon a Lot to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this Section shall not be construed as an obligation on the part of the Developer and its agents or the Board and its agents to mow, clear, cut or prune any Lots or to provide or to provide garbage or trash removal services. Expenses incurred for any of the foregoing shall be chargeable to and recoverable from the Owner of the Lot upon which such work is done.

3.27 Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view; such tanks or receptacles may be installed only within a Home, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be visible from adjoining Lots, Homes or from any street. Propane hookups are prohibited unless approved by Developer.

3.28 Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Architectural Review Committee.

3.29 No Antennas. No television antenna, dish, <sup>OK</sup> radio receiver or sender or other similar device shall be attached to or installed upon the exterior portion of any Home or other structure on the Property or any Lot within the Development without the prior written consent of the Architectural Review Committee; nor shall any radio, television nor any other form of electromagnetic radiation be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals upon any other Lot. Without limiting the applicability of the foregoing, the Architectural Review Committee may permit the installation of unobtrusive television reception devices if such devices are attached to the exterior of a Home and are attached in a location approved by the Architectural Review Committee which location shall not be in the public view and shall not be unsightly regardless of its location. Notwithstanding the foregoing, the provisions of this Section shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Development.

3.30 Excavation. No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which would materially affect the surface grade of a Lot unless the prior written consent of the Developer or the Architectural Review Committee is obtained.

3.31 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used or placed upon Lots within the Development. The playing of loud music from any balconies or porches shall be offensive, noxious activity constituting a nuisance.

3.32 Laundry. No Owner, guest or tenant shall hang laundry from any area within or outside a Home if such laundry is within public view, or hang laundry in public view to dry, such as on a balcony or terrace railings.

mailboxes w/lights - ~~to~~ No Street lights. Book and Page: GI 9594 700

3.33 Mailboxes. Each and every house shall have the same mailbox and post. These will be selected by the Developers and each Builder shall be made aware of the approved mailbox, and where it can be obtained

3.34 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economic value of all Lots within the Development, each Owner shall have the affirmative duty to rebuild, replace, repair or clear and landscape within a reasonable period of time, any building, structure, improvements, and significant vegetation which shall be damaged or destroyed by fire or other casualty. Variations and waivers of this provision may be made only upon Developer or the Board of Directors establishing that the overall purpose of these Covenants would be best effected by allowing such a variation. Variations to this section are to be strictly construed and the allowance of a variance by the Developer or the Board of Directors shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.

3.35 Vehicle Parking. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designated for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats or other watercraft, boat trailers and the like shall be parked only in enclosed garages. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted, except within enclosed garages. Vehicles of any type must not be parked on the street for a period exceeding twenty four (24) hours. Vehicles of any type also must not be parked on a sidewalk at any time. Notwithstanding the foregoing, service and delivery vehicles may be parked in the driveway of a Lot during daylight hours for such period of time as is reasonably necessary to provide service or make a delivery to a Lot. Any vehicle which is parked in violation of this paragraph may be towed by the Developer or the Association at the Owner's expense. This paragraph shall not apply to any commercial vehicles providing service or making deliveries to or on behalf of the Association or the Developer or their agents. No more than two vehicles shall be parked in the driveway for a length of time exceeding ten consecutive days without moving.

3.36 Maintenance. Each Lot Owner shall, at all times, maintain all structures located on such Lot, including driveways and permitted fences in good repair which shall include exterior painting as needed, and each Lot Owner shall keep all vegetation and landscaping in good and presentable condition.

3.37 Approved Builders. Only Builders who have been approved by Developer shall be permitted to construct Homes or additions to existing Homes in the Development. The Developer may maintain a list of approved Builders, which list shall be made available to Owners and prospective purchasers. The Developer, from time to time, may add or delete Builders on this list. The addition or deletion of Builders shall be at the sole discretion of the Developer. No Builder shall be permitted to construct a Home or addition to an existing Home on a Lot until the Builder has applied for and received written approval of the approved Builders status. This approval shall be at the sole discretion of the Developer. Each Builder must be a licensed general contractor in the State of Tennessee.

3.38 Occupancy Before Completion. No Home shall be occupied until the Home has been completed. The only exception may be considered in the case of landscaping etc., due to inclement weather or other excusable conditions. Any exception must be approved by the Architectural Review Committee.

3.39 Developer Reserves the Right. Notwithstanding any other provisions herein to the contrary, the Developer reserves unto itself, its successors and assigns, the following rights, privileges and powers: to subdivide Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part of the Common Properties, and to cause portions of the Common Property Lots to become part of any of the Lots bordering them.

3.40 Lawn Care. All unimproved Lots (except those owned by the Developer) and all improved Lots must be kept fully seeded with grass (except where other provisions of this Declaration require sodding) and regularly cut.

3.41 Fireplaces. All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney. The design of, materials, and color of the shroud must be approved in writing by the Developer or the Architectural Review Committee.

3.42 Additional Lot Damage. Any damages done to any adjacent or adjoining Lot or by a Builder employed to build improvements on any Lot will be repaired immediately at the expense of the Owner and/or the Builder. Temporary construction support must be provided for the curbs and sidewalks by the Owner or contractor during the time of construction. All construction debris shall be removed daily and the street must be kept clean during construction.

3.43 Material Quality. Only good quality materials and design will be accepted on any structure built on any Lot. Asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Architectural Review Committee.

3.44 Air Conditioning and Heating Units. Air conditioning and heating units shall be architecturally screened or landscaped so as not to be visible from any street.

3.45 Sodding and Irrigation. Prior to occupancy of a Home, all Lots must be sodded on ~~the entire Lot~~ <sup>FRONT</sup>. Prior occupancy may be approved by the Architectural Review Committee if weather conditions prohibit sodding. All Lots must have a ~~complete~~ <sup>FOR FRONT</sup> irrigation system capable of adequately maintaining all grass and landscaping areas. Sodding shall be fescue and shall be installed in good condition.

3.46 Exterior Finish Materials. All exterior finish materials, including without limitation siding, roofing, gutters, windows and doors, and any finish applied to such materials, and including without limitation all paints or stains, mortar or cement, must be approved in writing by the Architectural Review Committee.

3.47 No Waterway Use or Dumping. No boat or rafts of any kind shall be permitted upon, nor shall any swimming be permitted in any pond, lake, waterway, etc. on the Common Properties. No garbage, trash or other refuse shall be dumped in any pond, lake, waterway, etc. of the Development. Owners will be assessed a Five Hundred Dollars (\$500.00) fine for each violation of this provision in addition to assessments for the cost of removal. The Developer shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds or streams within the property.

3.48 Decks. All exterior wood decks and railings on Homes must be water sealed and/or stained in accordance with the requirements of the Architectural Review Committee. All decks must be enclosed to ground level with lattice, solid paneling or similar material.

3.49 Swimming Pools. No above ground swimming pools will be permitted. All pools shall be inground and shall be fenced. Design, placement and construction details shall be submitted to the Architectural Review Committee for approval of inground swimming pools. Fencing must also be approved by the Architectural Review Committee.

3.50 Spas and Hot Tubs. Outdoor spas and hot tubs must be submitted for approval by the Architectural Review Committee and must be screened from any street or adjacent property. If placed on decks, screening shall be placed around decking to conceal any motors, pipes, etc.

3.51 Renting or Leasing. No Home may be rented or leased for a period of time that is less than six (6) months. Every Owner shall cause all occupants of a leased Home to comply with these Covenants and Bylaws. Owner shall be responsible for all violations by such occupants.

3.52 Playground Equipment. No playground equipment, swing sets, basketball backboard, or similar equipment shall be permitted on any Lot without the written approval of the Architectural Review Committee. All such equipment must be made of wood and blend with the natural surroundings. The Architectural Review Committee shall in its sole and absolute discretion determine whether or not any applications meet approval, and such approval shall be on a case-by-case basis and the approval of one application shall not be construed as the basis to approve other applications even if they are substantially similar in nature. *ALLOWED ONLY IN BACK YARDS*

3.53 Damaged Structure. Any damaged or destroyed structure shall be promptly repaired or rebuilt to original state. If damage is beyond repair, the owner or insurance company shall make the site safe, and remove all debris and bring the Lot back to the original state at their expense within six (6) months.

3.54 Modular, Manufactured or Trailer Homes. No modular, manufactured or trailer homes shall be allowed. Only on the job stick built homes shall be allowed.

3.55 Construction Compliance. Should Contractor not comply with this Declaration, such costs associated with bringing the Home into compliance shall be a lien on the Lot and Articles V and VII hereof shall apply.

3.56 Obligation to Commence and Complete Construction. Each Owner, excepting the Developer, agrees that within twelve (12) months of the date on which they take title to a Lot, they will commence construction of a Home on that Lot. Once construction is commenced, each owner shall continuously and diligently pursue such construction until complete, but in no case shall completion be more than twelve (12) months from the date of commencement of construction. "Complete" shall mean that a final inspection and approval is granted by the governmental authority having the power to grant such approval, and shall also include completion of the landscaping in accordance with the landscape plan as required herein. Provided that for good cause shown, the Developer or the Board may grant an extension by written approval to an Owner who, in the opinion of the Developer or the Board in their sole and absolute discretion, has made a demonstrable good faith effort to comply with the provision. *12 Months*

An Owner who violates this requirement, and after receipt of notice of such violation from the Developer or the Board and the passage of a reasonable amount of time to commence construction, fails to commence, pursue or complete construction, shall be liable for a fine of Five Hundred and No/100 Dollars (\$500.00) for each month said Owner is in violation of this covenant. Proceeds collected under this provision shall be used to pay the annual operating expenses of the Association.

3.57 Violations and Enforcement. In the event of a violation, or attempted violation, of any one or more of the provisions of this Declaration, the Developer, its successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots to which provisions of this Declaration apply, or the Board may bring an action or actions against the Owner in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorneys fees incident to any such proceeding, which costs and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the Developer, its successors or assigns, or the Board of Directors. Further the Developer or Board of Directors may grant variances of the restrictions set forth in this Declaration if such variances do not, in the sole discretion of the Developer or the Board of Directors, adversely affect the purposes sought to be obtained thereby.

By reason of the rights of enforcement of the provisions of this Section being given unto Owners of Lots (subject to the rights of variances reserved by the Developer and the Board), it shall not be incumbent upon the Developer or the Board to enforce the provisions of these Covenants or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of these Covenants by any person other than itself.

**ARTICLE IV**  
**ARCHITECTURAL CONTROL**

4.01 Architectural and Design Review.

A. In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the Development, and to promote and protect the value of the Property, the Developer or the Board may create a body of rules and regulations covering details of Homes, which shall be available to all Owners or prospective Owners of Lots.

B. The Developer may appoint an Architectural Review Committee (or Developer may retain said power) that shall have sole architectural and design review authority for the Development until the Developer has sold all of its Lots or transferred governing authority to the Board in accordance with the Bylaws, provided, however, that prior to calling the meeting of the Association to elect the Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer or the Architectural Review Committee shall continue to exercise the rights thus reserved to it until such time as it shall execute and record in the office of the Recorder a document assigning these rights to the Board. Upon such occurrence, the Board shall establish an Architectural Review Committee as soon as is practicable. When such Committee has been established, the Developer shall transfer reviewing authority to it.

C. No Home shall be erected, placed, added to, remodeled or altered and no trees or shrubs shall be cut or removed and no grading or other improvements shall be made to any Lot nor shall construction be permitted to commence on any Home, other building, structure, fence, exterior lighting, swimming pools, children's play areas, decorative appurtenances, or structures of any type by an Owner or Builder on any Lot, until said Owner or Builder shall submit and receive approval for a new home application or home modification application including:

(i) A site development plan which in addition to other site plans details shall clearly show the proposed location of the Home on the Lot and the location of all improvements or proposed improvements on and to the Lot including but not limited to all driveways, sidewalks, parking areas, patios and decks.

(ii) A detailed landscape plan, drawn at a scale not less than 1/8" = 1'-0", showing the location of all existing trees, with a diameter of five (5) inches or more and indicating which of those trees, if any, are to be removed, and showing the location and type of all plantings proposed to be located on the Lot. The landscape plan shall indicate the location and materials of all pavings, patios, walks and drives on the Lot. All of which shall be in strict compliance with the provisions of this Declaration.

(iii) The proposed building plans and specifications (including height and composition of roof, siding or other exterior materials and finishes) of any improvements proposed to be constructed or located upon any Lot. Said plans and specifications shall be in sufficient detail so as to enable the Architectural Review Committee to determine whether or not such improvements conform to the provisions of this Declaration, and whether such improvements are suitable and consistent with the intent of this Declaration. In such cases the determination of the Developer or the Architectural Review Committee shall be final.

The Architectural Review Committee shall approve or disapprove in writing such plans and shall establish an appropriate level for the Construction Compliance Escrow Fund prior to the commencement of any construction.

Every application shall be submitted to the Architectural Review Committee for approval at least fifteen (15) days prior to the proposed date of construction. In addition, any repairing of a substantial portion of the exterior of any structure in a manner not previously approved by the Architectural Review Committee shall be subject to prior approval of the Architectural Review Committee as provided in the preceding sentence.

~~The Architectural Review Committee shall initially be paid Five Hundred and No/100 Dollars (\$500.00) with each plan submittal for the architectural and design review of a Home. This amount may be adjusted by Developer in its sole discretion.~~

The Architectural Review Committee shall give written approval or disapproval of the application within fifteen (15) days of submission. However, if written approval or disapproval is not given within fifteen (15) days of the submission, the plans shall be deemed to have been approved. The Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by the Architectural Review Committee.

In the event of the completion of any Home on any Lot, without proceedings having been instituted in the courts of Hamilton County, Tennessee to enjoin construction thereof, then said Home shall be conclusively presumed to have had such approval.

D. The architectural and design review shall be directed towards preventing excessive or unsightly grading, indiscriminate clearing of the Property, removal of trees and vegetation which would cause disruption of natural water courses, insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon, and insuring that plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining nearby Lots.

4.02 Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under this Article will be withheld unless such plans, location and specifications comply with the applicable Covenants of this Declaration. Approval of the plans and specifications by the Architectural Review Committee is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.

4.03 Licensing. All Builders, contractors, landscape architects and others performing work on any Lot must be licensed as may be required by the State of Tennessee or any other governmental authority having jurisdiction in order to construct a Home on a Lot or to perform services for an Owner.

**ARTICLE V**  
**ASSESSMENTS**

5.01 Creation of the Lien and Personal Obligation of Assessments. Each Owner by acceptance of a deed conveying a Lot except Developer, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of these Covenants and pay to the Developer or Association, annual assessments or special assessments for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more Owners, to the Association or Developer for the payment of all assessments, whether annual or special, which may be levied while such party or parties are Owners of a Lot. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and on all the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from the due date to the date of payment at the rate set by the Developer or Board, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation. In the event that two or more lots are combined into a single Lot by an Owner, the assessments will continue to be based upon the number of original Lots, and if any original Lot is subdivided, the assessment on such original Lot shall be prorated between the Owners based upon the square footage owned by each Owner. Neither the liability for assessments, nor the amount of assessments, shall be reduced or avoided due to the fact that all or any portions of the Common Properties or other portions of the property are not completed. If Owner leases a Lot and/or Home, Owner remains primarily liable for the assessments.

5.02 Purpose of Annual Assessments. The annual assessments levied by the Developer or Association shall be used to provide services to the Owners, promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Common Properties and for such other reasons consistent with these provisions, including but not limited to, construction of a clubhouse, pavilion and/or swimming pool.

5.03 Amount of Annual Assessment. Until the transfer of governing authority from the Developer to the Board takes place as described in the By-laws, the amount of the annual assessments shall be set by the Developer at such amount as the Developer, in its sole discretion deems appropriate to promote the recreation, health, safety and welfare of the Members (as they are defined in the Bylaws). Thereafter the amount of the annual assessments shall be set by the Board of Directors unless seventy-five percent (75%) of the Members who are in attendance or represented by a proxy vote to increase or decrease the said annual assessment set by the Board. At any such meeting, the Developer shall have the number of votes as provided in the Bylaws.

5.04 Special Assessments for Improvements and Additions. In addition to the annual assessments, the Developer or Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, or the cost of any additional Common Properties, provided that any such assessment shall have the assent of seventy-five percent (75%) of the vote of the Members who are in attendance or represented at a duly called meeting of the Association, written notice of which shall have been sent to all Members at least thirty (30) days in advance setting forth the purpose of the meeting. (This does not apply until a transfer from Developer to the Board.) At any such meeting, the Developer shall have the number of votes provided in the Bylaws.

5.05 Property Subject to Assessment. Only land within the Development which has been subdivided into Lots, and the plans thereof filed for public record, shall constitute a Lot for purpose of these assessments.



5.06 Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot by waiver or the use or enjoyment of any of the Common Properties or by abandonment of his Lot in any other way.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantee of a utility easement;
- (b) All properties dedicated and accepted by a local public authority and devoted to public use;
- (c) All common Properties as defined in Article I hereof;
- (d) All properties exempted from taxation by the laws of the State of Tennessee upon the terms and to the extent of such legal exemptions. This exemption shall not include special exemptions, now in force or enacted hereinafter, based upon age, sex, income levels or similar classifications of the Owners.
- (e) Developer-owned and Builder-owned Lots; provided however, the assessments will be due once the Builder has transferred Lots to a new Owner or Developer has transferred a Lot to an Owner that is not a Builder. Notwithstanding the foregoing, Builder will be responsible for assessments twenty-four (24) months from the date he/she took title to the Lot.

5.07 Date of Commencement of Annual Assessments.

A. The annual assessments provided for herein shall commence on the date set by the Developer. The annual assessment shall be due and payable upon Developer or the Association's request. The amount of the first annual assessment shall be prorated at the time of title transfer.

B. The due date of any special assessment shall be fixed in the resolutions authorizing such assessment.

5.08 Lien. Recognizing that the necessity for providing proper operation and management of the Property entails the continuing payment of costs and expenses therefor, the Developer and/or Association is hereby granted a lien upon each Lot and the improvements thereon as security for payment of all assessments against said Lot, now or hereafter assessed, which lien shall also secure all costs and expenses and reasonable attorneys fees which may be incurred by the Association in enforcing the lien upon said Lot. The lien shall become effective on a Lot immediately upon the closing of the Lot. The lien granted to the Association may be foreclosed as other liens are foreclosed in the State of Tennessee. Failure by the Owner or Owners to pay any assessment, annual or special, on or before the due dates set by the Association for such payment shall constitute default, and this lien may be foreclosed by the Association.

5.09 Lease, Sale or Mortgage. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, which lease, sale or mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Lot, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Lot; and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot and the Association under this Declaration. Such statement shall be executed by an officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Lot is to be leased, sold or mortgaged at the time when payment of any assessment against said Lot shall be in default, then the rent, proceeds of the sale or mortgage shall be applied by the lessee, purchaser or mortgagee first to the payment of any then delinquent assessment or installments thereof due to the Association before payment of any rent, proceeds of sale or Mortgage to the Owner of any Lot who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Lot, the grantee(s) shall be jointly and severally liable with the grantor(s) for all unpaid assessment against the grantor(s) and the Lot made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee(s) to recover from the grantor(s) the amounts paid by the grantee(s) therefor.

**ARTICLE VI**  
**REGISTER OF OWNERS AND SUBORDINATION**  
**OF LIENS TO MORTGAGES**

6.01 Register of Owners and Mortgages. The Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Lot, together with such recording information that shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Lot. Further the Owner shall at all times notify the Association of any Mortgage and the name of the Mortgagee on any Lot, and the recording information which shall be pertinent to identify the Mortgage and Mortgagee. The Mortgagee may, if it so desires, notify the Association of the existence of any Mortgage held by it, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same. The Association may rely on such register for the purpose of determining Owners of Lots and holders of Mortgage.

6.02 Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot if, and only if, all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgage (i.e. one who records a Mortgage on a Lot for which all assessments have been paid prior to recording) shall acquire title to any Lot by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obliged for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to the date of acquisition of such title. In the event of acquisition of title to a Lot by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or enforcement of collection of such payment by means other than foreclosure.

6.03 Common Properties and Deposits. No First Mortgagee shall be obligated to construct any Common Properties and shall not be liable for any fees or deposits held hereunder unless the same are actually received by such First Mortgagee through foreclosure or any other lawful method.

**ARTICLE VII**  
**REMEDIES ON DEFAULT**

7.01 Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time

to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.

7.02 Grounds for and Form of Relief.

- (a) Failure to comply with any of the Covenants of the Declaration, the Bylaws or the Rules and Regulations promulgated by the Developer or board which may be adopted pursuant thereto shall constitute a default and shall entitle Developer or the Association to seek relief which may include, without limitation an action to recover any unpaid assessment, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Developer or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by an aggrieved Owner.
- (b) The Developer or Board of Directors shall have the power to impose reasonable fines which shall constitute an automatic and continuing lien upon a Lot of the violating Owner, to suspend an Owner's right to use the Common Properties, and to preclude Builders, contractors, subcontractors, agents and other invitees of an Owner or occupant from the property for violation of any duty imposed under the Declaration or the By-Laws; provided, however, that nothing herein shall authorize the Developer, Association or the Board of Directors to limit an Owner's or occupants ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration or the By-Laws, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, that if the fine is not paid by the occupant within the time period set by the Developer or Board of Directors, the Owner shall pay the fine upon notice from the Developer or Board of Directors. The failure of the Developer or Board of directors to enforce any provision of the Declaration or By-Laws shall not be deemed a waiver of the right of the Developer or Board of Directors to do so thereafter.
- (c) Prior to imposition of any sanction hereunder for any reason other than nonpayment of assessments or other charges, the Developer or Board of Directors or its delegate shall serve the accused with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than ten (10) days within which the alleged violator may present a written request to the Developer or Board of Directors for a hearing, and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within ten (10) days of the notice.
- (d) If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in the executive session of the Developer or Board of Directors at the next regularly scheduled meeting or at a Special Meeting affording the accused a reasonable opportunity to be heard. Prior to the effectiveness of any sanction 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 accused appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any. The Developer or Board of Directors may, but shall not be obligated, to suspend any proposed sanction if the violation is cured within this ten (10) day period. Any suspension shall not constitute a waiver of the rights to sanction future violations of the same or other provisions by any person.
- (e) Notwithstanding anything to the contrary herein contained, the Developer or Association may elect to enforce any provisions of the Declaration or the By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of

parking rules and regulations) or by 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 attorneys fees incurred.

7.03 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Developer or the Association, if successful, shall, in addition to the relief provided for in Section 7.02, be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court, but in no event shall the Owner be entitled to such attorneys' fees.

7.04 Waiver. Developer or the Board may choose, at its option, not to enforce any provision, covenant or condition herein. The failure of the Developer or the Association or an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce such Covenant(s) in the future.

7.05 Election of Remedies. All rights, remedies and privileges granted to the Developer, the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude to the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

#### ARTICLE VIII EMINENT DOMAIN

8.01 Boards Authority. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by eminent domain, the Developer or the Board is authorized and directed to proceed as follows:

- A. To obtain any pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Developer or the Board in its discretion deems necessary or advisable to aid and advise it in all matters relating to such taking and its effect, including but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.
- B. To negotiate with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary and advisable in connection with the same.
- C. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in boards of directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.

8.02 Notice to Owners and Mortgagees. Each Owner and each First Mortgagee on the records of the Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases contemplated by the Development or the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity to be heard with

respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

8.03 Reimbursement of Expenses. The Developer and/or the Board shall be reimbursed for all attorneys', engineers', architects' and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

8.04 Subordination to First Mortgage on Common Properties. Notwithstanding any provision herein to the contrary, the terms and provisions of this Article VIII shall be subject and subordinate to the terms and provisions of any First Mortgage encumbering the Common Properties.

#### ARTICLE IX GENERAL PROVISIONS

9.01 Duration. The Covenants of the Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Developer, the Board, the Association or an Owner, their respective legal representation, heirs, successors and assigns, in perpetuity, unless amended or terminated as provided herein.

9.02 Amendments. This Declaration may be amended, modified or revoked in any respect from time to time by the Developer, in his sole and absolute discretion, prior to the date that the governing authority for the Development is transferred from the Developer to the Board of the Association in accordance with the Bylaws. Thereafter, this Declaration may be amended in accordance with the following procedure:

- A. An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided, however, that, if considered at an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the special meeting provided for in the Bylaws, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment that would adversely affect Mortgagees' rights shall also be sent to each Mortgagee listed upon the register of the Association.
- B. At any such meeting of the members of the Association, the amendment must be approved by an affirmative seventy-five percent (75%) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, the Developer shall have the number of votes as provided in the Bylaws.
- C. An amendment adopted shall become effective upon its recording with the Register, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this section; provided, that in the event of the disability or incapacity of either, the Vice-President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including without limitation, any Mortgagee, prospective purchaser, tenant, lienor, or title insurance company that the amendment was adopted in accordance with the provisions of this Section.
- D. The certificate referred to in Paragraph C of this Section shall be in substantially the following form:

I, \_\_\_\_\_, do hereby certify that I am the Secretary of the Prairie Pass Homeowner's Association, Inc., and that the within amendment to the Declaration of Covenants and Restrictions of the Prairie Pass Subdivision was duly adopted by the Owners of said Association, in accordance with the provisions of Section 9.02 of said Declaration.

Witness my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Secretary  
Prairie Pass Homeowner's Association, Inc.

9.03 Deeds Conveying Home/Lot. Upon conveyance of any Home and/or Lot, the conveying deed shall contain reference to these Covenants and Restrictions.

9.04 Notices. Any notice required to be sent to any Owner or Mortgagee under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner or Mortgagee on their mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, or the Developer under the provisions of this Declaration shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

~~1120 Enclave Road~~  
Chattanooga, TN 37415

*Need Address for Assurance Land Development*

The address for the Board, the Association or any officer thereof, may be changed by the Secretary or President of the Association by executing, acknowledging and recording an amendment to this Declaration stating the new address or addresses. Likewise the Developer may change its address by executing, acknowledging and recording an amendment to this Declaration stating its new address.

9.05 Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal or unenforceable, for any reason by the adjudication of any court or other tribunal having jurisdiction of the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

9.06 Captions. The captions herein are inserted only as a matter of convenience and are for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.

9.07 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.

9.08 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

9.09 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.

9.10 Effective Date. This Declaration shall become effective upon its recording in the Office of the Register of Hamilton County, Tennessee.

IN WITNESS WHEREOF, the Developer has executed or caused to have executed by its duly authorized officers this Declaration on the date first above written.

**WPBS INVESTMENTS, G.P., a Tennessee General Partnership**

BY: *Haresh Patel*  
**Haresh Patel, General Partner**

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, the undersigned Notary Public, of the State and County aforesaid, personally appeared **HARESH PATEL**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be a general partner of **WPBS INVESTMENTS, G.P.**, the within named bargainer, a Tennessee General Partnership, and that such person, as such general partner, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the partnership by such person as general partner.

WITNESS my hand and seal, this 9<sup>th</sup> day of March, 2012.

*Amber D. James*  
Notary Public

My commission expires: 1/23/13



**EXHIBIT A**  
**LEGAL DESCRIPTION**

All that tract or parcel of land lying and being in the Second Civil District of Hamilton County, Tennessee, being Lots 1 thru 111, Prairie Pass, Final Planned Unit Development Plan, as shown by plat recorded in Plat Book 96, Page 8, in the Register's Office of Hamilton County, Tennessee.

Being a portion of that property conveyed by Deed recorded in Book 9196, Page 192, in the Register's Office of Hamilton County, Tennessee.



**EXHIBIT B**

**BYLAWS FOR**  
**PRAIRIE PASS HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE I**  
**NAME**

The following provisions shall constitute the Bylaws of PRAIRIE PASS HOMEOWNERS' ASSOCIATION, INC. (the "Bylaws"), a not-for-profit corporation (the "Association") which shall, along with the provisions of the Declaration of Covenants and Restrictions (the "Declarations") and the rules and regulations adopted by the Board of Directors of the Association ("the Board), govern the administration of Prairie Pass, a residential development (the "Development"). The terms in these Bylaws (unless otherwise identified) shall have the same meaning as the terms defined in the Declaration for this Development.

**ARTICLE II**  
**OFFICERS**

The principal office of the Association shall be located at:

1120 Enclave Road  
Chattanooga, TN 37415

or at such other place either within or without the State of Tennessee, as shall be lawfully designated by the Association, or as the affairs of the Association may require from time to time.

**ARTICLE III**  
**PURPOSES**

The purposes of this Association shall be to provide for the establishment of a residents' association for the government of the Development in the manner provided by the Declaration, these Bylaws and in its Charter (the "Charter"). The aims of this Association are to be carried out through any and all lawful activities, including others not specifically stated in the Declaration, the Charter or these Bylaws but incidental to the stated aims and purposes; provided that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Charter or which are imposed on real estate homeowners' associations by the Internal Revenue Code of 1986 and the regulations thereunder, as presently enacted or as they may hereafter be amended or supplemented. All present and future owners or tenants, or their employees, or any other person who might use the facilities on the Development in any manner, shall be subject to the covenants, provisions or regulations contained in this Declaration and these Bylaws, as amended, and shall be subject to any restriction, condition or regulation hereafter adopted by the Association.

**ARTICLE IV**  
**ASSOCIATION**

4.01 **Membership**. The Developer and every person or entity who is a record owner of a fee simple interest or an undivided fee simple interest in any Lot or Home which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of

any Lot or Home and recording of the deed of conveyance in the Register's Office of Hamilton County, Tennessee. Membership shall be appurtenant and may not be separated from ownership of any Lot or Home which is subject to assessment.

4.02 Voting Rights. (a) Except as hereinafter provided in Section 4.02(b) Members shall be entitled to one (1) vote for each Lot or Home in which they hold the interest required for membership by Section 4.01. When more than one person holds such interest or interest in any Lot or Home, all such persons shall be Members, and the vote for such Lot or Home shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Home. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

(b) The Developer shall be entitled to five (5) votes for each Lot or Home owned and unsold.

#### ARTICLE V THE BOARD OF DIRECTORS

5.01 Board of Directors. Subject to Section 5.12 of this Article hereinbelow, the administration of the Property on behalf of the Association shall be conducted by the Developer until such time as it calls a special meeting pursuant to Sections 5.02 and 5.12 whereby a Board of Directors will be appointed. The Board of Directors (the "Board") shall consist of three (3) natural persons of legal age, each of whom shall be an Owner or a member of the household of an Owner at all times during membership on the Board. The rights, duties and functions of the Board are limited as set forth in Section 5.12.

5.02 Election. At each annual meeting, subject to the provisions of Section 5.12 hereof, the Association shall elect those members of the Board as required under Sections 5.01 and 5.03 who shall serve the terms as set out in Section 5.03; provided, however, the members of the Board elected to succeed the Developer shall be elected at a special meeting duly and specifically called for that purpose by the Developer. The Board elected at that special meeting shall serve until the first annual meeting of the Association held thereafter. At least thirty (30) days prior to any annual meeting of the Association, the Board shall elect from the Association a Nominating Committee of not less than two (2) Owners (none of whom shall be members of the Board) which shall recommend to the annual meeting one nominee for each position on the Board to be filled at that particular annual meeting. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by two (2) or more Owners and by the nominee named therein indicating his willingness to serve as a member of the Board, if elected.

5.03 Term. Members of the Board shall serve for a term of two (2) years; provided, however, that two (2) members of the first Board elected by the Association at the annual meeting thereof shall be elected and shall serve for a term of one (1) year and the other one (1) member shall be elected and serve for a term of two (2) years. Thereafter, all Board members elected each year shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.04 Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President or to the remaining Board members. Any member of the Board may be removed from membership on the Board by a two-thirds (2/3) majority affirmative vote of those

Members of the Association who are in attendance or represented at an annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of death of a member, the disability of a member which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a member shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining members shall elect a successor member to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

5.05 Compensation. The members of the Board shall receive no compensation for their services unless expressly provided for by the Association but shall be reimbursed for reasonable expenses incurred by them in performance of their duties.

5.06 Powers and Authority of the Board. The Board, after being granted such power under Section 5.12 herein, for the benefit of the Property of the Association, shall enforce the provisions of the Declaration, these Bylaws, and the Rules and Regulation governing the Property. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

- A. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility services for the Common Properties.
- B. The services of a person or firm to provide security for the Development to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.
- C. Legal and accounting services necessary or advisable in the operation of the Property and the enforcement of this Declaration, these Bylaws, and any Rules and Regulations made pursuant thereto.
- D. Offices and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.
- E. A fidelity bond naming the Manager and such other persons as may be designated by the Board as principals and the Board, Association and Owners as obligees, in an amount to be determined from time to time by the Board.
- F. Painting, maintenance, repair, replacement and landscaping of the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.
- G. Any other materials, supplies, labor services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.
- H. Any other function set forth in the Declaration.

The Board shall have the exclusive right to contract for all goods, services, including security personnel, and insurance, payment for which is to be made a Common Expense.

5.07 Additional Powers of the Board. The Board, after being granted such power under Section 5.12 herein, shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed agents of the Owners and as such shall manage,

maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with this Declaration, these Bylaws and the Rules and Regulations.

5.08 Meetings of the Board. Meetings of the Board shall be held at such places as the Board shall determine. Two (2) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Association or not. The Board shall annually elect all of the officers set forth in Section 6.05 hereof. The meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be, or which may be, taken by the Board may be taken without a meeting of the Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

5.09 Special Meetings. Special meetings of the Board may be called by the President of the Association or by any Board meeting.

5.10 Notice of Meetings. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.11 Waiver of Notice. Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

5.12 Developer Performs Functions. The rights, duties and functions of the Board shall be solely exercised by Developer until such time as the Developer in its sole discretion determines to call a special meeting of the Association to elect a Board to succeed Developer pursuant to Section 5.02 hereof. Until such time, Developer may in its sole discretion designate up to five (5) individuals to serve on the Board on behalf of Developer during the period that the Developer is performing the functions of the Board. Such individuals designated by Developer need not be Members and may be replaced by Developer at will. The Developer may call such special meeting to elect the Board granting it limited rights, duties and functions, allowing the Board to act only in a limited capacity if Developer so wishes. The Developer, in its own discretion, may at a later date after such special meeting grant the Board more rights, duties and functions as it deems appropriate.

5.13 Notice of Election. After the election of the Board to succeed the first Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that, in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.14 Fiscal Year. The fiscal year of the Association shall be determined by the Board.

5.15 Special Committee. The Board, by resolution duly adopted, may designate one or more special committees, including without limitation an Architectural Review Committee, each committee to

consist of two (2) or more Owners appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. The Developer shall perform the functions of all Special Committees or the Developer may appoint Special Committees until such time as provided in Section 5.12 hereof. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Owners to fill vacancies on Special Committees.

5.16 Rules and Regulations. The Board shall have the power and right to adopt and amend rules and regulations for the purposes of governing the details of the operation and use of the Common Properties and setting forth restrictions on, and requirements respecting the use and maintenance of the Common Properties. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective. The Board shall also be responsible for administering a grievance policy to administer Owner complaints.

5.17 Limitation on Capital Additions, Etc. The Board shall authorize no structural alterations, capital additions to, or capital improvements of the Common Properties, any of which require an expenditure in excess of Five Thousand and No/100 Dollars (\$5,000.00) without approval of a majority vote of those Members who are present or represented at any annual or special meeting of the Association; or in excess of Ten Thousand and No/100 Dollars (\$10,000.00) without approval of two-thirds (2/3) of the vote of those Members who are present or represented at any annual meeting or special meeting of the Association; provided, however, that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Common Properties as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could reasonably be called and held.

5.18 Failure to Insist on Strict Performance Not Waiver. The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these Bylaws, or the Rules and Regulations or to exercise any right or option herein contained, or to serve any notice or institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.

## ARTICLE VI THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

6.01 Quorum. The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Owners of Lots or Homes subject to assessment under the Declaration or Owners entitled to cast at least fifty (50) votes, whichever is less, in response to notice to all owners properly given in accordance with Sections 6.02 or 6.03 of these Bylaws, as the case may be, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of persons entitled to cast a majority of the votes which are represented at such meeting.

6.02 Annual Meeting. There shall be an annual meeting of the Association on the first Monday of February at 6:00 p.m. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the

Board shall furnish to the Owners: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Owners who were not present at the annual meeting if not previously provided.

6.03 Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by a majority of the Board, or by at least one-third (1/3) of the Owners by written notice, delivered to all Owners not less than thirty (30) days prior to the date fixed for said meeting. The notice shall specify date, time and place of the meeting, and the matters to be considered.

6.04 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.

6.05 Officers. The officers of the Association shall be a President, Vice-President, Secretary and Treasurer. The Developer shall, in its sole discretion, designate individuals to fill these positions during the period that the Developer is performing the functions of the Board pursuant to Section 5.12 hereof. Such officers designated by the Developer need not be Owners, and may be removed and replaced by the Developer at will. The Developer shall determine the scope and authority of each such designated officer.

Once the Developer has turned over authority to a successor Board pursuant to Section 5.02 hereof, the following provisions shall become applicable: Each officer shall be required to be an Owner, and the President must be a member of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed and replaced by the Board. In the event an office becomes vacant due to an Officer ceasing to be an Owner, or due to the death or disability of an officer for any other reason, the Board shall immediately name a successor to that office to serve out the remainder of the term. The Board may, in its discretion, require that officers be subject to fidelity bond coverage.

- A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.
- B. Vice-President. In the absence or inability of the President, the Vice-President shall perform the functions of the President.
- C. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.
- D. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

## ARTICLE VII LIABILITIES AND INDEMNIFICATION

7.01 Liability of Members of the Board and Officers. The members of the Board, the officers and any agents and employees of the Association shall: (i) not be liable to the Owners or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith, or which involve intentional misconduct or a knowing violation of law; (ii) have no

personal liability to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Owners in their capacity as such; (iii) have no personal liability in tort to an Owner or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (iv) have no personal liability arising out of the use, misuse or condition of the Common Properties, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.

7.02 Indemnification By Association. To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation attorneys' fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action or suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Owners or any other persons or entities, to which he shall be made or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association, or the Board or otherwise. The indemnification by the Association set forth in this Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

7.03 Indemnification by Owner. To the extent now or hereafter permitted by applicable law, the Owners shall indemnify and hold harmless the Association or Developer from and against any and all liability, and all expenses, including without limitation, attorneys' fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners or any other persons or entities, to which it shall be made or shall be threatened to be made a party.

7.04 Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners. No suit shall be brought by one or more but less than all Owners on behalf of all Owners without approval of a majority of Owners and, if approval is obtained, the plaintiffs' expenses, including reasonable attorneys' fees and court costs, shall be a Common Expense unless such suit is brought by one or more Owners against other Owners, the Association or against the Board, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Owners as defendants, in which event the plaintiffs' expenses, including attorneys' fees and court costs, shall not be charged as a Common Expense.

7.05 Notice of Suit and Opportunity to Defend. Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any Mortgagees, and shall be defended by the Board, and the Association and all Owners shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all Owners shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots or Homes affected, and shall be defended by such Owners at their expense.

## **ARTICLE VIII** **GENERAL PROVISIONS**

8.01 Businesses. Nothing contained in these Bylaws shall be constructed to give the Board the authority to conduct any business for profit on behalf of the Association or any Member.

8.02 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by Developer prior to the election of the first Board and thereafter by not less than two-thirds (2/3) of the affirmative vote of those Members of the Association who are present or represented at a meeting duly called for that purpose, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. At any such meeting the Developer shall have the number of votes as provided in Section 4.02 hereof. Notwithstanding the foregoing, any amendment shall not be required to be recorded with the Recorder's office but must be kept on file with Developer or the Secretary and available to all Owners upon written request.

8.03 Notices. Any notice required to be sent to any Owner under the provisions of the Bylaws shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot or Home shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, under the provisions of these Bylaws shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

1120 Enclave Road  
Chattanooga, TN 37415

8.04 Conflict. In the event of any conflict between these Bylaws and the provisions of the Articles of Incorporation, the latter shall govern and apply. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.

8.05 Nonwaiver of Covenants. No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8.06 Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Owners, the heirs, successors and assigns.

8.07 Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

8.08 Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.



**ADOPTION OF BYLAWS**

The undersigned as the Developer of the Common Properties hereby adopts the foregoing Bylaws of the Association this 4<sup>th</sup> day of March, ~~2011~~ 2012

**PRAIRIE PASS HOMEOWNER'S  
ASSOCIATION**

**BY: WPBS INVESTMENTS, G.P., a  
Tennessee General Partnership**

BY: Haresh Patel  
**Haresh Patel, General Partner**

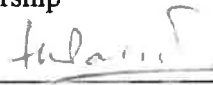
**ACTION BY WRITTEN CONSENT OF DEVELOPER  
OF  
PRAIRIE PASS HOMEOWNER'S ASSOCIATION**

The undersigned, being the Developer of Prairie Pass P.U.D., acting pursuant to Sections 5.01 and 5.12 of the Bylaws for Prairie Pass Homeowner's Association, Inc., attached as Exhibit B to the Declaration of Covenants and Restrictions for Prairie Pass Planned Unit Development (the "Bylaws"), which authorize Developer to exercise all functions of the Board, on this 26th day of February, 2014, does hereby consent to and take the following action as evidenced by its signature hereto:

1. Developer hereby appoints Signature Brokers LLC as property manager for Prairie Pass P.U.D., to act for and on behalf of the Corporation in all matters related to collection of annual and/or special assessments and management of the property.

WPBS Investments, G.P., a Tennessee  
General Partnership

By: \_\_\_\_\_

  
Haresh Patel, General Partner