

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**FOR**

**THE GROVES OF CHAPEL HILL**

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
THE GROVES OF CHAPEL HILL**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR The Groves (the "Declaration") is made this 16 day of February, 2026, by Jeff Knox Construction, LLC, a Tennessee limited liability company (hereinafter referred to as "Declarant").

Declarant is the owner of the real property located in Marshall County, Tennessee and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to create a planned unit development and impose upon the Subdivision (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Subdivision. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Subdivision, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Subdivision as are now or hereafter subjected to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Subdivision or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

Declarant desires to complete the development of The Groves of Chapel Hill (hereinafter referred to as "The Groves of Chapel Hill" or "the "Subdivision") including the infrastructure thereof and the common amenities attendant thereto.

Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the Assessments and charges hereinafter created.

Declarant has caused or will cause to be incorporated under the laws of the State of Tennessee, as a non-profit corporation, The Groves of Chapel Hill Homeowners Association, Inc. for the purpose of exercising the functions aforesaid.

Now, therefore, the Declarant hereby declares that the real property described in Exhibit "A" hereof is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding upon all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors or assigns, and shall inure to the benefit of each owner thereof.

Article I  
Definitions

Section 1. Area of Common Responsibility shall mean and refer to the Common Areas, together with those areas, if any, which by the terms of this Declaration or by contract become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Subdivision, or any public rights-of-way within or adjacent to the Subdivision, may be part of

the Area of Common Responsibility.

Section 2. "Assessments" shall mean and refer to any Assessments levied upon the Lots pursuant to the terms and provisions herein, including the Base Assessments and any Special Assessments.

Section 3. "Association" shall mean and refer to The Groves of Chapell Hill Homeowners Association, Inc., a Tennessee non-profit corporation, and its successors and assigns.

Section 4. "Base Assessment" shall mean and refer to Assessments levied against all Lots in the Subdivision to fund Common Expenses.

Section 5. "Board" or "Board of Directors" shall be the elected governing body of the Association having its normal meaning under Tennessee corporate law.

Section 6. "Builder(s)" shall mean SDH and any other Person holding fee simple title to a Lot for purposes of development and construction of a Unit and other improvements thereon to be sold to a third-party purchaser; provided, however, that Declarant shall not be considered a Builder for purposes of the Assessment obligations imposed upon Builders under Article X, Section 10 and the insurance obligations imposed upon Builders under Article V, Section 2 herein.

Section 7. "Bylaws" shall mean and refer to the Bylaws of The Groves of Chapel Hill Homeowners Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 8. "Charter" shall mean and refer to the Charter of The Groves of Chapel Hill Homeowners Association, Inc., as filed with the Secretary of State of the State of Tennessee. A copy of the Charter of the Association is attached hereto as Exhibit "B".

Section 9. "Class "B" Control Period" shall mean and refer to the period of time during which the Declarant, as the Class "B" Member, is entitled to appoint the members of the Board of Directors, as provided in Article III, Section 2(b), of the Declaration, and Article III, Section 2 of the Bylaws.

Section 10. "Common Area(s)" shall mean all real and personal property, including the Properties, but excluding Residential Lots (as defined below), components thereof and easements appurtenant thereto, now or hereafter owned, controlled, or used by the Association for common use and enjoyment of the Owners, including, but not limited to, all areas labeled Common Area on the Plat, all lawns, any and all streets, roads, bridges, parking areas, drainage facilities, open spaces, community swimming pool(s), clubhouses, pavilions, walking trails, benches, mail kiosk, or other common amenities (if any) and all related facilities, ponds, viewsheds, waterways, fences, structures, sidewalks, curbs, signs, lights, common utilities, and other improvements and elements (other than the Lots) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Subdivision.

Section 11. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Areas, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Charter of the Association.

Section 12. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Subdivision. Such standard may be more specifically determined by the Board of Directors and the ARC (as defined in Article XI).

Section 13. "Declarant" shall mean and refer to Jeff Knox Construction LLC, a Tennessee limited liability company, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit "A" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 14. "Documents" shall mean and refer to this Declaration, any exhibits or supplements thereto, including the Bylaws and Charter of the Association, as well as the rules and regulations adopted by the Association, all of which as may be amended and/or supplemented from time to time.

Section 15. "Member" shall mean and refer to a Person or entity entitled to membership in the Association, as provided herein.

Section 16. "Mortgage" shall mean and refer to a first lien mortgage, a deed of trust, a deed to secure debt, or any other form of security deed encumbering one (1) or more Lots.

Section 17. "Mortgagee" shall mean and refer to any Person that is an institutional lender and that holds a bona fide Mortgage encumbering a Lot, which has notified the Association, in writing, of its name and address, and that it holds a Mortgage with respect to a Lot(s). The term "institutional lender" specifically includes a bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

Section 18. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 19. "Owner" shall mean and refer to one (1) or more Persons or entities, including Declarant who holds fee simple title to any Residential Lot which is part of the Subdivision, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Lot is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 20. "Person" means a natural person, a corporation, a limited liability company, a partnership, a trustee, a fiduciary or other legal entity.

Section 21. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 22. "Residential Lot" or "Lot" shall mean a portion of the Subdivision, whether developed or undeveloped, intended for the development, use, and occupancy as a single family residence. The term shall include all portions of the Lot owned, including any structure thereon. A Residential Lot shall include all easement rights appurtenant to such Lot as set forth herein or as shown on the final subdivision plat for the respective phase or section of The Groves of Chapel Hill (the "Plat").

Section 23. "Residential Unit" or "Unit" shall mean and refer to improvements situated upon any Lot designated and intended for use and occupancy as a residence by a single family.

Section 24. "SDH" shall mean and refer to SDH Nashville, LLC, a Georgia limited liability company, and its successors and assigns.

Section 25. "Special Assessments" shall mean and refer to Assessments levied in accordance with Article X, Section 3 of this Declaration.

Section 26. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Article II  
Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the Owner's lessee.

Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of property within the Subdivision then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for The Groves of Chapel Hill desired to be effectuated by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Groves of Chapel Hill. To the extent that any property to be removed from the Subdivision is owned by a Person other than Declarant, such Person's consent must be obtained to said removal, as evidenced by such Person's signature affixed to the Declaration amendment.

Article III  
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws. The membership rights of a Lot owned by a corporation, limited liability company, or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the Bylaws.

Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership, but any transfer by Declarant of title to a Residential Lot shall automatically transfer the membership in the Association appurtenant thereto, free and clear from such assignment.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Members, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Lot.

In any situation in which more than one (1) Person holds the interest in a Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Members shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" Members shall originally be entitled to twenty (20) votes for each Lot in which they hold the interest required for membership under Section 1 hereof plus for each vote outstanding in favor of any other person or entity, Declarant will have four (4) additional votes until the expiration or termination of the Class "B" Control Period. The rights of the Class "B" Members, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. The Class "B" Members shall be entitled to, in their sole discretion, appoint the members of the Board of Directors during the Class "B" Control Period, subject only to the Bylaws. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership

(i) six (6) months following the date on which one hundred percent (100%) of the Lots with respect to all phases of The Groves of Chapel Hill have been conveyed to Owners other than the Declarant or Builders; or

(ii) twenty (20) years after the date on which the first Lot has been conveyed to an Owner other than the Declarant or any Builders; or

(iii) when, in their discretion, the Class "B" Members so determines.

From the happening of this event, the Class "B" Members shall be deemed to be Class "A" Members entitled to one vote for each Residential Lot in which it holds the interest required for membership under Section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the Bylaws for special meetings, to advise the membership of the termination of Class "B" status.

Notwithstanding any provisions to the contrary contained in this Declaration or the Bylaws, during the Class "B" Control Period, any action, policy or program of the Association requiring approval by the vote of the Members of the Association shall not be taken or adopted until also approved in writing by the Class "B" Members.

#### Article IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair, order, and condition (including exterior surfaces and landscaping) the Common Areas and all improvements, furnishings, equipment and other personal property of the Association, as further described in Article IX, Section 1 herein, with such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. Maintenance may also include such portions of any additional property included within the Subdivision as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Lots as part of the Base Assessment.

The Association may maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable

to maintain the Community-Wide Standard.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Lot, as well as the Residential Unit and all other structures or improvements thereon, including exterior surfaces of the residence, parking areas, fences and other improvements located on the Lot in a manner consistent with the Community-Wide Standard and all applicable provisions of the Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association.

If any Owner fails properly to perform his or her maintenance responsibility as provided under this Section 2, the Association may perform it and assess all costs incurred by the Association against the Lot and the Owner thereof, in accordance with Article X, Section 4 of this Declaration, which assessment shall be a lien against said Lot and Owner; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. The Board may alternatively enforce this Section through reasonable monetary fines against the Owner or Lot and each day the maintenance, repair, or replacement is not completed shall constitute a separate violation for which fines may be assessed on a daily basis.

Section 3. Developer's Liability. During the term of the development of this Property, nothing contained within these CCRs shall limit or waive the Declarant's (Developer's) responsibility to comply with all applicable Town ordinances, regulations, and any agreements with the Town of Chapel Hill.

#### Article V Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained, including coverage for vandalism and malicious mischief. Insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction of said improvements in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Two Million (\$2,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit. Furthermore, the Association shall obtain workers compensation insurance and employer's liability insurance if and to the extent required by law, with fidelity insurance covering all Persons responsible for handling Association funds.

Premiums for all insurance shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article 1 and as more particularly described in Article X, Section 1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. However, if the Board reasonably determines, after notice and an opportunity to be heard, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Residential Lot pursuant to Article X, Section 3 and in the event of multiple parties being at fault, shall be allocated in relation to the amount each party's loss bears to the total deductible.

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

(a) All policies shall be written with a company licensed to do business in Tennessee which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies shall be for the benefit of the Association and its Members and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Subdivision shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees, and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Marshall County, Tennessee, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the actions of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

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

(vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but,

if reasonably available, may not be less than three (3) months' Assessments on all Lots, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of obtaining title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry full replacement cost casualty insurance on the Units and all other improvements built upon the Lot(s) meeting the same requirements as set forth in Section 1 of this Article V for insurance on the Common Area. In addition, each Owner shall carry liability insurance covering the Owner's Lot and Unit for all damage or injury, including bodily injury, death, and property damage, arising from any condition or occurrence on the Owner's Lot or in the Owner's Unit. The Board shall, upon request, make available for review by Owners a copy of the Association's insurance policies to allow Owners to assess their personal insurance needs. All insurance obtained by the Owner of each Lot shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or Declarant, and their respective servants, agents, employees and guests. Each Builder, other than the Declarant, shall, in addition to the other insurance requirements set forth herein, carry liability insurance with coverage limits reasonably satisfactory to Declarant and the Association for all damage or injury, including bodily injury, death and property damage, arising from the exercise of the Builder Construction Easement granted by Declarant in Article XVII, Section 2. Prior to exercising any rights granted pursuant to said Builder Construction Easement, each Builder shall deliver to the Declarant and the Association a certificate of insurance (i) evidencing that the aforementioned insurance coverage has been obtained and (ii) naming the Declarant and the Association as Additional Insureds.

Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of the Unit and other improvements located upon said Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the Community-Wide Standard.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with filing and adjusting all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed portion of the Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area, except for the drainage and water detention areas, shall be repaired or reconstructed unless the Members representing at least eighty (80%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. Any damage or destruction to the drainage or water detention areas located within the Common Areas must be timely repaired or reconstructed. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair

or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

(d) Notwithstanding any provision in the Documents to the contrary, if the damage or destruction to the Common Area is to be repaired or reconstructed, and such insurance proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for Base Assessments. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made to any portion of the Common Area, any proceeds remaining, after making such settlement as is necessary with the Mortgagee, shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made to any Lot or Unit, any proceeds remaining, after making such settlement as is necessary with the Mortgagee, shall be paid to the respective Owner(s).

Section 5. Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from Assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair as set forth in this Article to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction designated by the Board.

#### Article VI No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Subdivision or any part thereof seek any judicial partition unless the Subdivision has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

#### Article VII Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least two-thirds

(2/3) of the total Association vote and the Declarant, as long as the Declarant owns any property subjected to and encumbered by this Declaration) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" or seventy-five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII  
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until the date that is twenty (20) years from the date on which the first Lot is conveyed to an Owner other than the Declarant or Builders (the "Declarant Annexation Period"), subject to the provisions of this Declaration and the jurisdiction of the Association, to annex any other real property not described on Exhibit "A" attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the Register's Office for Marshall County, Tennessee, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner thereof if such owner is not the Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation with Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association, after the expiration of the Declarant Annexation Period, may annex real property other than that described on Exhibit "A" to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require (i) the affirmative vote of Members representing a majority of the Class "A" votes of the Association present at a meeting duly called for such purpose and (ii) the affirmative vote of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the Register's Office of Marshall County, Tennessee, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, the Declarant if required pursuant to this Section 2, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the Bylaws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, annexed to, and located within, the Subdivision which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant during the Class "B" Control Period.

Article IX  
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Water and Other Utilities in Common Areas Only. The Association shall be responsible for acquiring, providing, and/or paying for, water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Areas and all utility services to enable the Association to maintain the Area of Common Responsibility.

Section 3. Taxes and Assessments. The Association shall promptly pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or of the property owned by the Association, including the Common Areas owned by the Association. Such taxes and Assessments may be contested or compromised by the Association; provided that they are paid or a bond in an amount at least equal such taxes and Assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or Assessments.

Section 4. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Subdivision conveyed to it by the Declarant.

Section 5. Enforcement in General.

(a) Enforcement of the standards as specified in this Declaration may be by any proceedings at law or in equity against any person or persons violating or attempting or threatening to violate a covenant or restriction, either to restrain a violation or to recover damages. In addition, the Association may establish monetary fines as well as suspend voting rights and usage of the Common Areas for any violations of the restrictions and provisions set forth in the Documents. Any failure by the Declarant, the Association or Owner to enforce any restriction or other provisions herein contained shall in no event be deemed a waiver of the rights to do so thereafter nor constitute an acquiescence in or an estoppel against enforcing any, actual or future, breaches or violations of these covenants and restrictions.

(b) In the event any cost or expenses, including attorneys' fees and any costs of litigation, are incurred by the Declarant or Association in connection with the action to correct or abate any violation or breach of the provisions hereof, the Owner or occupant of a Unit located upon such Owner's Lot shall pay any such costs or expenses, and provided that reasonable notice to the Owner of the subject Lot(s) has been given, such cost and expenses shall be a lien against the Lot(s) of such Owner and such charges shall be subject to the provisions for lien rights and collection as specified in Section 6 below. No such cost or expenses shall be a

lien when the nonexistence of a violation or breach hereof has been established by a court of competent jurisdiction.

Section 6. Covenant and Creation of the Lien of Personal Obligation for Court Ordered Violation in Section 5. The Declarant for each Lot owned by him within the subdivision hereby covenants and agrees, and each owner of any Lot by acceptance of a deed therefore whether or not it shall be so expressed in such deed as the conveyance shall be deemed to covenant and agree, to pay any court ordered violation cost and other costs or expenses incurred in Section 5 above, together with such interest thereon and cost of collection thereof, including attorneys' fees, as provided herein, and shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such obligation is made. It shall also be the personal obligation of each Person who was an Owner of such property at the time of the violation.

Section 7. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Subdivision, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include monetary fines, which if unpaid, shall constitute a lien on such Owner's Lot subject to enforcement as provided under Article X hereunder, as well as suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Such rules and regulations, as amended, shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Members representing a Majority of the total Class "A" votes in the Association and with the consent of the Class "B" Members, so long as such membership shall exist.

The Association, acting through the Board by contract or other agreement, shall have the right to permit Marshall County, Tennessee, to enforce ordinances on the Subdivision for the benefit of the Association and its Members.

Section 8. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege, including, but not limited to:

- (a) imposing monetary fines and suspending use and voting privileges;
- (b) granting permits and licenses, utility easements and other easements, permits or licenses under, through or over the Common Areas;
- (c) sell, transfer or convey portions of the Common Area, but only upon approval of two-thirds (2/3) of the total eligible votes of the Association.

#### Article X Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 6 of this Article. There shall be two (2) types of Assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association as described in Section 2 below; and (b) Special Assessments as described in Section 3 below.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of

Directors which may include, without limitation, acceleration of the annual Base Assessment for delinquents, including Owners delinquent in the payment of fines imposed in accordance with Article IX, Section 5 of this Declaration as well as Article III, Section 21, of the Bylaws. Unless the Board otherwise provides, the Base Assessment shall be paid in monthly installments.

No Owner, except for the Declarant during the Class "B" Control Period and a Builder during the Builder Exception Period as discussed in Section 10 below, may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner, and each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these Assessments. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Base Assessments; Computation. Base Assessments shall be levied equally on all Lots, except as otherwise provided under Section 9 below with respect to Common Area and Section 10 below with respect to Declarant and any Builders. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Lot subject to Assessment shall be in such amount as reasonably determined by the Board to cover the budgeted Common Expenses for the coming year. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Lot for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. The initial Base Assessment will be Forty Five and No/100 Dollars (\$45.00) per month.

Notwithstanding the foregoing, If the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the other Assessments authorized in this Article, and except for Lots owned by a Builder, the Association may levy a Special Assessment or Special Assessments from time to time;

The Board may also levy a Special Assessment against any Member, to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of the Declaration, any amendments thereto, the Charter, the Bylaws, and the Association rules, and to pay the deductible provided in Article V, Section 1, which Special Assessment may be levied upon the vote of the Board

Section 4. Lien for Assessments; Power of Sale to Enforce Lien.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Areas, the assumption of the obligations of Owners set forth in this Declaration by grantees as required hereunder, the receipt of which is hereby acknowledged, and to secure the payment of Assessments, interest, late charges and attorneys' fees as provided herein (hereinafter collectively referred to as the "Secured Charges"), a lien is expressly retained in favor of the Association on each and every Owner's Lot and pro rata interest in the Common Areas.

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of One Dollar (\$1.00) paid in cash, receipt of which is acknowledged, the Owners, their respective heirs, successors, administrators, and assigns (hereinafter sometimes referred to, collectively, as "Trustors" and individually as "Trustor") hereby transfer and convey unto Donald R. Barrett, Jr., a resident of Williamson County, Tennessee, his successors and assigns, their respective Lots with the appurtenances, estates, titles and interests thereto belonging, upon the uses and trusts set forth in this Section 4.

(c) Each Trustor agrees (i) to pay the Secured Charges attributable to such Trustor's Lot when due, as provided in this Declaration; (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against its Lot and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to comply with all of the terms and conditions of the Documents; and (iv) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Declaration and Bylaws or any rule and regulation of the Association. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of those things, and the amounts so paid shall bear interest at the highest rate allowed under applicable law in effect from time to time from the date of payment and shall become a part of the Secured Charges secured hereby.

(d) If the Secured Charges with respect to any Lot are not paid promptly when due, then the Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by one (1) publication in any newspaper, daily or weekly, published in, Marshall County, Tennessee to sell said Lot at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, the statutory right of redemption, homestead, dower and all exemptions of every kind, all of which are hereby expressly waived; and the Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any of the Secured Charges, enter and take possession of the Lot, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Lot, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

(i) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing the lien herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(ii) Second, to the payment of all taxes which are due but unpaid with respect to such Lot;

(iii) Third, to the payment of all unpaid Secured Charges with respect to such Lot; and

(iv) Fourth, the residue, if any, will be paid to the Owner of such Lot, its order, representatives or assigns.

The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no Assessment shall be assessed or levied on it; and (iii) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

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

Section 5. Capital Budget and Contribution. The Board of Directors may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by Assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within the Base Assessment and distributed with the budget, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Assessments & Effect of Nonpayment of Assessments.

(a) Except as otherwise agreed to in writing by the Association, the Assessments provided for herein shall commence as to all Lots upon conveyance of the first Lot to an Owner other than the Declarant; provided, however, if such conveyance is to a Builder, such Assessment shall not commence until the expiration of the Builder Exception Period (as defined in Section 10 below). Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first Assessments levied by the Association shall be adjudged according to the number of days remaining in the fiscal year at the time Assessments commence on the Lot.

(b) All Assessments, together with interest at a rate not to exceed ten (10%) percent or the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees (including post-judgment attorneys' fees from a prior judgment, if any), shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. No first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to acquisition of title, unless otherwise provided under applicable laws.

(c) The Association shall, within a reasonable time upon written request, furnish to any Owner, Mortgagee or Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, a certificate in writing signed by an officer or the managing agent of the Association, setting forth the amount of Assessments due and unpaid, including any late charges, interest, fines or other charges against a Lot, if any. Such certificate shall be conclusive evidence of payment to the Association of such Assessment therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Section 7. Subordination of the Lien to First Mortgages. The lien of Assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage, or by a deed in lieu of foreclosure, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any Assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Lot obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of common expenses or Assessments shall be deemed to be common expenses collectible from Owners of all the Lots, including such acquirer, its successors and assigns.

Section 8. Capitalization of Association: Working Capital Fund. In conjunction with the acquisition of record title to any Lot by the purchaser thereof, other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser at the closing of the purchase of the Lot to the working capital of the Association in an amount as determined by the Board. This amount shall not be considered an advance payment on the Base Assessment. The initial Working Capital Assessment shall be Five and No/100 Dollars (\$500.00).

Section 9. Exempt Property. Notwithstanding anything to the contrary herein, all Common Area and property dedicated or otherwise conveyed to and accepted by any governmental authority or public entity, shall be exempt from payment of Assessments.

Section 10. Obligation of Declarant and Builders for Assessments. Until the expiration of the Class "B" Control Period, Declarant shall not be liable for the payment of Assessments on its unsold Lots.

In addition, no Assessments shall be levied on Lots owned by any Builder until the date that the Lot is conveyed from the Builder to a third-party purchaser holding title to the Lot for purposes permitted herein other than the development and construction of a Unit and other improvements thereon.

Section 11. Account Set Up Fee . In conjunction with the acquisition of record title to a Lot by the purchaser thereof, other than the Declarant or a Builder, a reasonable contribution shall be made by or on behalf of the purchaser at the closing of the purchase of the Lot to the management company or Association, as applicable, to cover certain administrative costs related to establishing the new Owner's account with the Association. The amount of this fee shall be agreed upon by the Board and the management company as a part of the management agreement for the community.

#### Article XI Architectural Standards

No Owner, occupant of an Owner's Lot, or any other Person, other than the Declarant, may: (i) make any exterior change, alteration, modification, or construction on a Lot; (ii) erect, place or post any thing or object which may affect the appearance of a Lot; or (iii) change the grade or slope of a Lot without first obtaining the written approval of the Architectural Review Committee ("ARC"). Notwithstanding the foregoing, the Declarant may, in its sole discretion, overrule any approval or disapproval by the ARC during the Class "B" Control Period, provided that Declarant's decision is in compliance with the Architectural Guidelines, if any, and this Declaration, both as may be amended. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the ARC established in Section 1 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land or Lot subject to this Declaration or subject to annexation to this Declaration.

The Declarant, at the time of sale and/or the plat is recorded for each phase/section of The Groves of Chapel Hill, has the right to establish additional restrictions and/or design-standards with respect to improvements constructed upon the Lots in that particular phase/section of The Groves of Chapel Hill.

Section 1. Architectural Review Committee. The ARC shall have exclusive jurisdiction over all original construction on any portion of the Subdivision as well as modifications, additions, or alterations made on or to existing Lots or structures and improvements thereon, as well as the Common Areas. The ARC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and review procedures (the "Architectural Guidelines"). Copies shall be available from the ARC for review. The Architectural Guidelines shall be those of the Association, and the ARC shall have sole and full authority to prepare and to amend the Architectural Guidelines). Any amendments to the Architectural Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Guidelines and the ARC is expressly authorized to amend the Architectural Guidelines to remove requirements previously imposed or otherwise to make the Architectural Guidelines less restrictive. A copy of the Architectural Guidelines, as well as any amendment, supplement, or modification thereto, shall be provided to all Owners, including any Builders, and developers who seek to engage in development of or construction upon all or any portion of the Subdivision, and such Owners, Builders and developers shall conduct their operations strictly in accordance therewith. The Architectural Guidelines, if promulgated and adopted, are intended to provide guidance to Owners and Builders regarding matters of particular concern to the ARC in considering applications hereunder, but shall not be the exclusive basis for decisions of the ARC, and compliance with the Architectural Guidelines does not guarantee approval of any application. Notwithstanding the foregoing, the Architectural Guidelines must be consistent with the requirements set by the Marshall County or other applicable governmental authority.

Until one hundred percent (100%) of the Lots with respect to all phases as shown on the master plan of the Subdivision, as may be revised or amended from time to time, have been developed and conveyed purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the ARC, which shall consist of at least three (3), but no more than five (5), persons. One member of the ARC shall be appointed by SDH, so long as SDH owns a Lot within the Subdivision. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the ARC.

In addition to the foregoing, plans and specifications showing the nature, kind, shape, color, size, materials, and location of any initial construction, modifications, additions, or alterations for all improvements on the Lots, including, but not limited to, any structure, building, fence, wall, driveway, path, or landscaping shall be submitted, prior to any construction, to the ARC for its written approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Prior to the formation of the ARC, such approval shall be granted by the Declarant and any approval granted by the Declarant shall be binding on the Association. The Board, the ARC, or the Association may establish a reasonable processing and review fee related to the consideration of any submitted architectural review requests. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of the residence located upon such Owner's Lot, or to paint the interior of such Owner's residence any color desired. In the event that the ARC fails to approve or to disapprove such plans or to request additional information reasonably required within sixty (60) days after submission, the plans shall be deemed approved, unless such construction, modification or improvement otherwise is in violation of the Declaration, the Bylaws, the Architectural Guidelines, the Association's rules and regulations, or applicable zoning ordinances.

The ARC shall be the sole arbiter of the application and may withhold approval for non-arbitrary reasons, including purely aesthetic considerations. The Association, acting through the Board shall be entitled to stop any construction or modification which is not in conformance with approved plans. In the event that the ARC disapproves any application or part thereof, an Owner shall have the right to appeal the ARC's decision to the Board of Directors, in writing by certified mail. Said notice of appeal must be received by the Board within fourteen (14) days from the date of the ARC's notice to Owner of its decision, otherwise the decision of the ARC shall be final. The Board shall rule on the appeal with thirty (30) days of receiving written notice requesting an appeal from the Owner; and all decisions of the Board shall be final.

Neither the Board nor the ARC shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements. Neither the Declarant, Association, the Board, the ARC or any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design, or quality of approved construction or modifications to any Lot, nor may any action be brought against the Declarant, Association, the Board, the ARC, or any member thereof, for any such injury, damage or loss.

Section 2. No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatsoever, subsequently or additionally submitted for approval or consent.

Section 3. Variance. The ARC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 4. Enforcement of Architectural Standards. Any construction, alteration, or other work done in violation of this Article, the Declaration, the Bylaws, the design standards or any applicable zoning ordinances, codes, or regulations shall be deemed non-conforming, and upon written request from the Board, such non-conforming construction, alteration, or other work shall be removed at the sole expense of the Owner and the Lot shall be restored to substantially the same condition as existed prior to such construction, alteration or work. Should the Owner fail to do so, the Board or its designees shall have the right, in addition to other remedies provided under Article IX of the Declaration as well as the rules and regulations of the Association, to enter the Lot and remove the violation and restore the Lot, or obtain a court order compelling the violating Owner to do so. All costs thereof, including reasonable attorney's fees, may be assessed against such Lot, regardless of whether or not litigation is filed. The remedies under this Section 4 shall be in addition to, and not in substitution for, any other remedies provided under the Documents, or at law or in equity.

## Article XII Use Restrictions

Section 1. Signs and Flagpoles. No sign of any kind shall be erected or placed within the Subdivision without the written consent of the Board of Directors, except (i) that an Owner may place one (1) sign on such Owner's lot advertising the sale thereof; (ii) for political or campaign posters or signs as

permitted pursuant to under the “Tennessee Freedom of Speech Act of 2017” as codified under Tenn. Code Ann. § 2-7-143, as may be subsequently amended, or any other applicable federal, state, or local laws; and (iii) as otherwise permitted under Article XIV with respect to Declarant and Builders. Notwithstanding the foregoing, the Board of Directors shall have the right to erect signs as it, in its sole discretion, deems appropriate. No flagpoles shall be erected on any Lot, except for (i) Lots owned by the Declarant or any Builder where Units or improvements located thereon are used as models and sales offices or trailers; and (ii) flagpoles permitted under the “Freedom to Display the American Flag Act of 2005” as codified under 4 U.S.C. § 5 (Executive Order 10834, Section 3), as may be subsequently amended, or any other applicable federal, state, or local laws.

Section 2. Parking and Garages. No Owner or occupant shall keep more than two (2) vehicles parked in said Owner’s driveway at any time. All other vehicles must be parked in garages, designated parking spaces, or other areas authorized in writing by the Board. Vehicles shall not be parked on any Sidewalk, common area that is not intended to be used as a parking lot, fire lanes or in any manner that would preclude the passing of traffic or create a safety hazard, over a sidewalk curb cut, over a sidewalk driveway apron lawn, yard, private street or alley. There shall also be designated parking spaces located upon the Common Area, which shall be utilized for guest parking as well as special parking permits issued by the Board. Parking upon any public streets or dedicated right-of-ways of the Subdivision shall be in compliance with applicable laws, ordinances, codes, and county regulations. The Board may also adopt reasonable rules and regulations regarding parking within the Subdivision, which shall be in compliance with this Section.

Garage doors shall remain closed at all times, except for necessary use, ingress, and egress. Each garage should be maintained in such a manner that parking for the maximum number of motor vehicles for which it was originally designed to hold is allowed and possible with the exception of a garage temporarily converted to a sales center by the Declarant or any Builder. Garages shall not be converted to living areas or used as a living area at any time.

No vehicle that does not have a current license tag or is inoperable on a roadway may be parked on or within the Subdivision. In addition, no vehicle may be parked upon or within any portion of the Subdivision for a period of thirty (30) consecutive days or more without being driven during said period, unless prior written permission has been obtained from the Board of the Association. Boats, trailers, jet-skis and trailers for same, buses, vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a “cars” or “passenger vehicle” classification by the Tennessee Department of Motor Vehicles), recreational vehicles (including, without limitation, RVs, motor homes, and campers), vehicles used primarily for commercial purposes, and vehicles with commercial writings and/or logos on their exteriors are also prohibited from being parked upon any portion of the Subdivision property, except in areas, if any, that may be designated by the Board as parking areas for particular types of vehicles. Notwithstanding the foregoing, commercial motor vehicles may be parked or otherwise located upon the Subdivision property as follows: (i) any light-duty or medium-duty vehicle, as classified by the Federal Highway Administration and having a gross weight vehicle rating less than 16,000 lbs., with or without commercial writings and/or logos on the exterior of said vehicle, that is owned or operated by an Owner or occupant, for use in such Person’s employment or business ventures, may be parked in such Owner’s driveway or in the garage; provided, however, that such vehicle shall not have an exterior rack, tools, or equipment attached to the vehicle, unless it is located in the garage at all times when parked on the Lot; (ii) commercial vehicles shall be allowed temporarily on a Lot or the Common Area during normal business hours for the purpose of serving any Lot or the Common Area; provided, however, no such vehicle shall remain on a Lot or the Common Area overnight or for any purpose unless prior written consent of the Board is first obtained; and (iii) all emergency response and local, state, and federal law enforcement vehicles may be parked on the Subdivision property so long as they are either owned by an Owner or occupant or they are parked on the Subdivision property in furtherance of emergency response or law enforcement purposes.

If any vehicle is parked on any portion of the Subdivision property in violation of this subsection or in violation of the Association's rules and regulations, a Board member or other agent of the Association may enter the lot for the purpose of placing a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or other agent of the Association may enter the lot and have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle. If a vehicle is parked in a fire lane or a space designated for handicapped parking, is blocking another vehicle or access to another parking space, is obstructing the flow of traffic, is parked in a parking space which has been assigned as exclusively serving another Lot, or otherwise creates a hazardous condition or is an obstruction to the safety or health of other persons on the Subdivision property, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed or booted in accordance with this subsection or if a vehicle is seized or towed by any other Person that is not an employee or agent of the Association, then neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the seizure or towing activity. Also, the Association, and its officers or agents, shall not be liable for any vehicle that is stolen or otherwise unlawfully removed from property within the Subdivision by a third party. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions under the rules and regulations or remedies at law or in equity, rather than exercise its authority to tow or boot. The Management company may charge a reasonable administrative fee for the towing or booting.

Section 3. Occupants Bound. All provisions of the Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot Owner.

Section 4. Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept in or on any portion of the Subdivision, except as otherwise provided below. Dogs, cats, or other usual and common household pets not to exceed a total of three (3) may be permitted with respect to each Lot. Pets are not permitted to roam free, and in the sole discretion of the Association, any pets which endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any portion of the Subdivision may be removed either, in accordance with applicable state and/or local laws, statutes, codes, ordinances, and regulations or at the direction of the Board after the Board having provided a minimum of 3 warnings. In order for the animal to be removed by the Board the Board must file suite and be issued a court order to remove the animal. All cost of the suit shall be paid for by the owner of the animal or lot. All cost of removal shall be paid for by the owner of the animal or lot. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a residence be confined on a leash held by and under the physical control of a responsible person. Local laws governing leashing, control, etc., of animals shall apply to the residents of The Groves of Chapel Hill. Homeowners shall be responsible to clean-up after their pet. Any Owner or occupant who keeps or allows any pet on a portion of the Subdivision shall be deemed to have indemnified and agreed to hold the Association, its, directors, officers, and agents free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping, maintaining, or allowing such pet within the Subdivision.

Section 5. Governmental Laws and Nuisance. No portion of the Subdivision shall be used, in whole or in part, in violation of any applicable local, state, or federal laws, statutes, regulations, codes, or ordinances ("Governmental Laws"). In the event that any provision of applicable Governmental Laws

conflicts with the provisions of this Declaration, the more restrictive provision shall apply.

No portion of the Subdivision shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye. Moreover, no substance, thing, or material shall be kept upon any portion of the Subdivision that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Subdivision, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Subdivision. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Subdivision.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Subdivision. No property owner shall prepare, field dress or otherwise store remnants of a wild animal such as a deer or other animal that has been hunted upon the lot in view of the public. No owner shall allow for the accumulation of pet waste upon the lot.

Section 7. Basketball or Playground Equipment, Clotheslines, Garbage Cans, Irrigation Systems, and Window Air Conditioning Units.

(a) No clothes lines, above-ground tanks, and other similar items shall be placed, allowed or maintained upon any portion of the Subdivision, including any Lot. All garbage cans and trash receptacles shall be stored in the garage or in other ARC approved structures located upon the Owner's Lot so as to be screened and concealed from view of neighboring Lots, streets, and other property adjacent to the Lot, except that garbage cans or other trash receptacles may be placed at curbside on days designated for trash pick-up for that particular Lot. All rubbish, trash, and garbage shall be regularly removed from the Subdivision and shall not be allowed to accumulate thereon.

(b) Portable basketball hoops, backboards and poles will be allowed under the following conditions: (1) the portable basketball hoop, backboard and pole must be taken down and stored out of site when not in actual use; (2) the portable basketball hoop, backboard and pole cannot remain up overnight and must be stored out of site; (3) the above mentioned basketball equipment can be used between the hours of eight (8) a.m. and ten (10) p.m. only; and (4) the portable basketball equipment must be set up and used as far away as feasibly possible from the Units located on adjacent Lots. Permanent basketball shall not be permitted to be installed upon any Lot within the Subdivision, unless prior written approval has been obtained from the ARC. Basketball hoops attached or affixed to the residence shall not be permitted upon any portion of the Subdivision.

(c) All playground equipment located upon the Lots, including but not limited to, swing sets, slides, seesaws, playhouses, and/or climbing apparatuses, shall be maintained in good condition, constructed of natural wood, and finished with a natural wood exterior surface. With the exception of trampolines, no painted wood finish, predominately plastic or metal structures shall be allowed. Any allowable playground equipment must be hidden as much as possible from the street view and from the view of adjoining Owners and must be located in the rear yard of a home, no structure of this type may be installed on the side or in the front of a home.

(d) No irrigation system or lawn sprinkler system may be installed by or on behalf of an Owner, unless such irrigation or lawn sprinkler systems (i) are installed by, or on behalf of, the Declarant or a Builder, or (ii) have received prior written approval of the ARC.

(e) No window air conditioning units may be installed by an Owner

Section 8. Guns. The discharge of firearms within the Subdivision is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

Section 9. Lighting. Except for seasonal decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration

Section 10. Leasing.

(a) Definition. "Leasing" for purposes of this Declaration, is defined as regular, exclusive occupancy of a residence located upon a Lot by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) General. Lot residences may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of residences or assignment of leases unless prior written approval is obtained from the Board of Directors. No short term rental or transient tenants may be accommodated in any residence or other improvements located upon the Lots. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner Shall make available to the lessee copies of the Documents to the Board with in 15 days of the property being leased. Failure to do so shall result in a fine in the amount of \$100.00 for the first month, \$250.00 for the second month and \$500.00 per month thereafter until such time as the lease documents are provided to the board. The Board shall not have the ability to waive this fine for any reason. The Association, or managing agent of the Association, may charge the Owner a reasonable review and processing fee with respect to the lease submitted under this subsection. The association's board at it's sole discretion may evict a resident non-owner and all occupants from a home or lot due to a consistent violation of the DCCR and by-laws for the community or if the resident is a hazard to the community is arrested for a felony or is convicted of a felony while living in the community.

(c) Compliance with Declaration, Bylaws and Rules and Regulations. Every Owner shall cause all occupants of his or her residence to comply with the Documents, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a residence are fully liable and may be sanctioned for any violation of the Documents.

Section 11. Amenities. Any amenities (including, but not limited to parks, playground equipment, walking trails, community pool(s), and pavilions) provided by the Association or erected within the Subdivision, if any, shall be used at the risk of the user, and the Association shall not be held liable to any person for any claim, damage, or injury occurring thereon or related to use thereof. The Board may promulgate additional rules and regulations governing the use of such amenities.

Section 12. Residential Use Only. Each Lot shall be used for residential purposes only and no trade or business may be conducted in or from any Lot located within The Groves of Chapel Hill, except that an Owner, or lessee or other occupant of a residence, may conduct business activities within the residence 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 residence; (b) the business activity conforms to all zoning requirements for the Subdivision; (c) the business activity does not involve persons coming onto the Subdivision who do not reside in the Subdivision or door-to-door solicitation of residents of the Subdivision, provided however, this provision shall not preclude delivery of materials or items by U S Postal delivery or by other customary parcel delivery services (UPS, Fed Ex, etc.); and (d) the business activity is consistent with the residential character of the Subdivision and does not increase traffic, does not increase insurance premiums paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage, and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the sole discretion of the 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 persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) 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 therefore. Notwithstanding the above, the leasing of a residence located on a Lot in accordance with Section 10 of this Article or the leasing of a model home or a sales trailer on a Lot by the Declarant or a Builder shall not be considered a trade or business within the meaning of this Section.

Section 13. Garage Sales. No garage sale, yard sale, or similar activity shall be conducted in the Subdivision without prior approval of the Board. The Board may additionally permit Subdivision garage sale or yard sale days.

Section 14. Antennas and Satellite Dishes and Exterior Decorations and Lghting. All television antennas, satellite dishes, dishes which receive video programming services via multipoint distribution services and any other device used for the reception of television broadcast signals, direct broadcast satellite services or multi-channel multipoint distribution (wireless cable) services must be twenty-four (24) inches or less in diameter, must be located to the rear of the residence located on the Lot and not visible from the street (unless such location would preclude reception of an acceptable quality signal) and may not be affixed to any portion of the Common Areas. Television antennas must be located to the rear of the roof ridgeline, cable or centerline of the principal dwelling. Freestanding antennas must be attached to and located behind the rear wall of the main residential structure. No antenna may be erected on a wooden pole. Any deviation from this policy must be approved in advance by the Board of Directors. To the extent that any of the foregoing provisions of this Declaration or provisions of the rules and regulations adopted by the Board with respect to satellite dishes and antennas is not permitted under the Federal Communications Commission ("FCC") rules and regulations, the remaining portion of this Section 14 shall survive independently to the extent permissible under the FCC rules and regulations. Holiday decorations shall be permitted to be placed on any home or upon any lot 30 days prior to any federal or nationally recognized holiday, All decorations must be removed 30 days after said holiday. Light omitting decorations shall not be permitted to shine in the windows of neighboring homes. Music and other noise making devices shall not be able to be observed with in 10 feet of the lot boundary. Inflatable type decorations are strictly prohibited to be placed in any front or side yard upon the lot.

Section 15. Swimming Pools. Swimming pools below ground level for the use of Owners, Unit occupants, and their guests may be constructed on Lots provided that: (1) the location, plans and specifications thereof are approved by the Declarant, and after the expiration of the Class "B" Control Period, the ARC, (2) all applicable laws, ordinances, rules and regulations of governmental agencies are complied with, and all necessary governmental permits are obtained; and (3) such construction is not commenced until after construction of the residence has begun. Should a residence become vacant, that is,

not occupied for residential purposes, the owner shall see that the pool is drained and kept drained during the period of such non-occupancy, so as to prevent health and safety hazards. Above-ground pools are prohibited within the Subdivision.

Section 16. Tents, Trailers and Temporary Structures. Except as otherwise permitted with respect to the Declarant and Builders under Article XIV hereunder, no tent, utility, shed, shack, trailer or other structure, whether it be of a temporary or permanent nature, shall be placed upon a Lot or any part of the Subdivision, unless expressly permitted under the Architectural Guidelines and prior written approval is obtained for such structure from the ARC.

Section 17. Drainage and Septic Systems. Catch basins and 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 Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Septic systems are prohibited upon or within the Subdivision.

Section 18. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of (a) the Board of Directors of the Association, and (b) the local governmental authorities. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. Any such division, boundary line change, or re-platting shall not be in violation of the applicable subdivision and zoning regulations. Moreover, any two or more Lots that are combined into one or more Lots by Owners, other than the Declarant, shall continue to be responsible for the Base Assessments and Special Assessments allocated to said Lots as if the combination of Lots had not taken place.

Section 19. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 20. Artificial Vegetation; Yard and/or Outdoor Decorations. No artificial vegetation shall be permitted on the exterior of any portion of the Subdivision. No decorative appurtenances, including, but not limited to, sculptures, birdhouses, birdbaths, fountains or other similar decorative embellishments shall be placed on or in any front yard or on any part of a Lot visible from any street or other Lot, unless the placement and design of such embellishments has been approved by the ARC pursuant to the provisions of Article XI.

### Article XIII Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Lots in the Subdivision. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. A Mortgagee shall be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Subdivision or which affects any Lot on which there is a Mortgage held, insured, or guaranteed by such eligible holder;
- (b) any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Mortgagee, upon request, is entitled to written notice

from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

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

(d) any proposed action which would require the consent of a specified percentage of Mortgagees.

Section 2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of a Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 4. Amendment by Board. Should the U.S. Department of Housing and Urban Development/Federal Housing Administration, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 5. Applicability of Article XIII. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Tennessee law for any of the acts set out in this Article.

Section 6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within sixty (60) days of the date of the Association's request.

Section 7. Inspection of Books. The Association shall permit any holder, insurer, or guarantor of a Mortgage with respect to a Lot, or any Owner to inspect the project documents, including the Documents, as amended, as well as the records, books, and financial statements of the Association during normal business hours.

Section 8. Financial Statements. The Association shall provide any holder, insurer, or guarantor of a Mortgage with respect to a Lot which submits a written request with a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association, and any cost associated with the preparation of said financial statement shall be borne by said holder, insurer, or guarantor of the Mortgage.

Section 9. Conformity with Federal Guidelines. Notwithstanding anything to the contrary contained in the Declaration and Bylaws, all terms, conditions, and regulations now existing, or which may be promulgated from time to time, by the U.S. Department of Housing and Urban Development/Federal Housing Administration, Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation pertaining to planned unit developments are hereby incorporated as terms and conditions of this Declaration and such shall be governing upon the Subdivision, so long as such conditions are not inconsistent with the laws of the State of Tennessee and do not impinge on any substantial property rights of individual Lot Owners.

Section 10. Conflicts. This Article XIII is supplemental to, and not in substitution for, any

other provisions of the Declaration, but in the case of conflict, the provisions of this Article XIII shall control.

Article XIV  
Declarant's Rights

Section 1. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or its Bylaws may be transferred or assigned in whole or in part to any other Person, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Register's Office of Marshall County, Tennessee.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and the initial sale of Lots shall continue, it shall be expressly permissible for Declarant, and any Builder to maintain and carry on upon portions of the Subdivision, including any Lot, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model homes, and sales offices, trailers and related parking facilities, and the Declarant and such Builder(s) shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right of Declarant to use designated portions of the Common Area and Lots owned by the Declarant and the right of any Builder to use Lots owned by Builder, as models and sales offices or trailers, respectively.

No Person shall (1) institute legal or equitable proceedings involving the alleged defective design or construction of any Unit, structure, or improvement within the Subdivision or (2) retain an expert for the purpose of inspecting the design or construction of any Unit, structure, or improvement within the Subdivision in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction, unless Declarant and the respective Builder have been first notified in writing and given an opportunity to meet with the Owner of the Lot to discuss the Owner's concerns and conduct their own inspection(s). Declarant and the respective Builder(s) reserve the right for themselves and others designated to inspect, monitor, test, redesign and correct any Unit, improvement or condition which may exist on any portion of the Subdivision, including the Lots and Common Area, and a perpetual easement of access through the Subdivision for such purposes. No entry into a Unit shall be permitted without the express consent of the Owner. Any Person exercising this right shall promptly repair, at such Person's expense, any damage resulting from the exercise thereof.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Subdivision without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 2. This Article may not be amended, and the rights contained herein may not be terminated, waived, or released, without the express written consent of the Declarant. The rights contained in this Article shall terminate only upon the recording by Declarant of a written statement that all sales activity has ceased and that Declarant releases such rights by express reference thereto.

Article XV  
Professional Management

The Association may, but shall not be required to, hire a professional management agent or agents, at

a reasonable compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize.

Article XVI  
Non-liability of Declarant

Declarant, as developer of the Subdivision, may sell all or portions of the Subdivision to other parties for purposes of constructing individual residences to be located on the Lots. Consequently, all Owners acknowledge and affirm that the Declarant shall not be liable for any claims or causes of action of any kind whatsoever in law or in equity arising from or in any way relating to the construction of improvements upon the Lots that was performed by parties other than Declarant its agents, employees, subsidiaries or other affiliated entities.

To the extent that a claim(s) may be asserted against the Declarant or its affiliates by the Association or by Owners with respect to the design, construction, sale, maintenance, habitability or, condition of any Lots or the Common Areas of the Development, said claim(s) shall be resolved by a final and binding arbitration hearing conducted in Nashville, Tennessee by a panel of no more than three (3) arbiters with a company actively involved in the dispute resolution business and mutually agreeable to all parties, but if no agreement can be reached, then the hearing will be conducted by a company chosen by the Declarant. The Association is hereby authorized to act as the exclusive representative of all Owners in asserting any such claims and causes of action relating to the Common Areas of The Groves of Chapel Hill. Each Owner does hereby appoint the Association to exclusively act as its power of attorney (which power shall be irrevocable) with respect to the above-referenced claims and causes of action including the right to compromise and settle the same. No Owner shall assert a claim or cause of action relating to the Common Areas except through the Association. Any arbitration award may be confirmed and enforced in any court of competent jurisdiction, and the legal principles of *res judicata* and collateral estoppel shall be applicable to any arbitration award. Any attempt by any such person or entity to enforce this arbitration provision shall constitute conclusive evidence of its intent to be bound hereby. Any portion of this provision that may be held to be unenforceable shall be severable from the balance of this provision so that the remainder of this provision shall remain in full force and effect.

Article XVII  
Easements

In addition to, and without limitation of, any other easements or rights reserved elsewhere in this Declaration, the following rights and easements are hereby reserved:

Section 1. Easements for Utilities, etc. There is hereby reserved unto Declarant and any Builder, so long as the Declarant and such Builder(s) owns any property described on Exhibit "A" or any Additional Property subsequently annexed to the Subdivision, the Association, and the designees or grantees of each (which may include, without limitation, Marshall County Tennessee, and any public or private utility), blanket easements upon, across, over, and under all, or a portion, of the Common Areas and upon, across, over, and under all, or a portion, of the Lots, and any Units located thereon, for ingress, egress, installation, replacing, altering, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, HVAC systems, gas, and electricity. Notwithstanding anything to the contrary contained in this Article, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Subdivision except as may be approved by the Association's Board of Directors or as provided by Declarant or any Builder with respect to utilities to be installed or located upon such Builder's Lot(s). Within these easements, no structure, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the

easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Any portion of the Subdivision property that has been subjected to, or encumbered by, easements granted pursuant to this Declaration or as shown on the Plat(s) for The Groves of Chapel Hill shall be maintained by, and at the expense of, the Association. Should any entity furnishing a service covered by the general easements herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Subdivision without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Subdivision.

Section 2. Declarant and Builder Easements. (a) Until completion of Declarant's intended development of the Property, an easement is reserved to the Declarant for ingress and egress generally across the Property, including any Lot, at reasonable places, for the purpose of completing Declarant's intended development of the Properties, provided that said easement shall be reasonable and shall not interfere with the construction of improvements on a Lot nor the use and enjoyment of a Lot by a Lot Owner. Declarant hereby grants and conveys to any Builder an easement for ingress and egress generally across the Properties reasonably required to allow completion, repair and maintenance of any and all utility areas or improvements upon any Lots owned by Builder. In addition, Declarant hereby grants and conveys to any Builder a temporary construction easement, 5 feet in width along the side yard boundary lines of any Lot for the purpose of facilitating home construction on an adjacent Lot owned by such Builder (the "Builder Construction Easement"), which temporary construction easement shall automatically terminate upon the issuance of a certificate of occupancy for the Unit constructed on the adjacent Lot by Builder. Builder shall indemnify, defend, and hold harmless the Declarant, the Association, and the Owner upon whose Lot the Builder Construction Easement is located from and against any and all claims, damages, demands, penalties, costs, liabilities, losses, and expenses (including reasonable attorneys' fees and expenses at the trial and appellate levels) that may result from Builder's use of the Builder Construction Easement.

(b) Until completion of Declarant's intended development of the Property, an easement is reserved to the Declarant to enter the Common Areas and to maintain thereon such facilities and perform such operations as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the intended development of the Property by the Declarant.

(c) Until the expiration of the Class "B" Control Period, Declarant may grant such easements over and across the Common Areas and/or any Lots owned by Declarant as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the intended development of the Subdivision by the Declarant.

Section 3. Easements for Maintenance, Repair, Emergency, and Other Purposes. A perpetual nonexclusive easement is granted and reserved to the Association, its officers, agents, employees, including employees of any management company having a contract with the Association, police, firemen, ambulance personnel and similar emergency personnel in the performance of their duties, over, across, and upon the Common Area and the Lots for emergency, security, safety and for other purposes reasonably necessary for proper maintenance, operation and repair of the Subdivision, including the maintenance of any utilities for which an easement has been granted, and to prevent damage to the Common Area or any Lot or Unit situated thereon. Except in an emergency situation, entry shall be only during reasonable hours and after notice to the Owner or Occupant. This right of entry shall include the right of the Association to enter a Lot to cure any violation of the Documents and any condition which may increase the possibility of a fire or other hazard in the event that an Owner fails or refuses to cure the condition upon request by the Board. The Association shall have the authority to grant easements over the Common Areas for such other purposes as may be determined by the Association, which do not unreasonably interfere with the Owners' use of the Common Areas.

Section 4. Entrance Signage and Landscaping Easement. The Declarant reserves the right but shall not be required to build the entrance signage and landscaping at the entrance(s) for the Subdivision, together with any utility or water lines serving the entrance features. Once constructed, the entrance sign and landscaping and utility or water lines shall become the property of the Association, together with the sole liability for maintenance, repair and replacement thereof. The Declarant reserves all rights of ingress and egress onto said Common Area as may be necessary to construct said entrance signage. Additionally, the Association shall have an easement over any portion of a Lot on which any entrance feature, including, but not limited to, the Subdivision sign and landscaping are located, including utility and waterlines across the Lot to the entrance features.

Section 5. Fence Easement. Declarant hereby reserves an easement to itself, any Builder, and the Association across any Lot which borders the perimeter of the Subdivision and any Lot that borders or contains a portion of any water facility, detention pond, or retention pond for the purpose of erecting a fence. The Owner of a Lot on which any portion of a fence is located shall be responsible for the maintenance and repair of the fence as part of the Owner's maintenance obligation; provided however, the Declarant or the Association may, but are not obligated to, repair and maintain any fence installed by or on behalf of Declarant or any Builder, and any expenses or costs associated therewith, including reasonable attorney's fees, may be assessed against such Lot, regardless of whether or not litigation is filed.

Section 6. Public Access and Utility Easements. There is specifically granted to the Town of Chapel Hill, and its authorized agents, a perpetual non-exclusive easement over all Common areas and easements. This shall include but not be limited to include access to all stormwater detention and drainage areas for the purpose of inspection and maintenance, as well as access for police, fire, and public utility services.

Section 7. Fine Policy. Unless otherwise stated herein the fine policy for the community shall be as follows. First offence \$0.00, Second Offence \$250.00 Third Offence \$500.00 per month until cured. Fines shall be issued by the board for any compliance matter as stated in the DCCR, By-Laws and or Rules and regulations or policies that are adopted by the board. Fines shall be applied in concurrence regardless of the timing and curing of the compliance matter and shall become a lien on the lot similar to an assessment.

## Article XVIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Subdivision, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Subdivision subject to this declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment.

(a) Prior to the conveyance of the first Lot, Declarant may unilaterally amend this Declaration. Thereafter, Declarant may unilaterally amend this Declaration at any time so long as it owns any portion of the property covered hereby. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes of the Association, and the written approval of the

Class "B" Members so long as the Class "B" membership exists. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(b) If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

(c) No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

(d) Notwithstanding any provision to the contrary in this Section 2, amendments of a material nature must be approved by Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association, by fifty-one (51%) percent of Mortgagees, and the written approval of the Class "B" Members so long as the Class "B" membership exists. A change to any of the provisions governing the following will be considered an amendment of a material nature:

- (i) Voting rights;
- (ii) Increases in Assessments that raise the previously assessed amount by more than 25%, Assessment liens, or the priority of Assessment liens;
- (iii) Reductions in reserves for maintenance, repair, and replacement of Common Areas;
- (iv) Responsibility for maintenance and repairs of the Common Areas;
- (v) Convertibility of Lots into Common Areas or vice versa;
- (vi) Hazard, liability or fidelity insurance requirements;
- (vii) Restrictions on the leasing of residences located on the Lots;
- (viii) A decision by the Association to establish self-management if professional management had been required previously by the Declaration, Bylaws, or by a holder of a Mortgage with respect to a Lot;
- (ix) Restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in the Documents; or
- (x) Any provisions that expressly benefit holders, insurers, or guarantors of a Mortgage with respect to a Lot.

The failure of a Mortgagee to respond within sixty (60) days after notice of any written request of the Association for approval of an addition or amendment to the Declaration or Bylaws has been provided shall constitute an implied approval of the addition or amendment.

(e) A copy of each amendment shall be certified by the Association as having been duly adopted and shall be effective when recorded in the Register's Office of Marshall County, Tennessee.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding

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

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 5. Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Lot, as well as residences located thereon, for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner. This right of entry shall include the right of the Association to enter onto any Lot, as well as residences located thereon, to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 6. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 7. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments as provided in Article X hereof, (c) proceedings involving challenges to *ad valorem* taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 8. Use of the Words "The Groves of Chapel Hill". No Person shall use the words "The Groves of Chapel Hill", or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms, "The Groves of Chapel Hill", in printed or promotional matter where such term is used solely to specify that particular property is located within the Subdivision. Notwithstanding the foregoing, Builders are specifically permitted to use the words "The Groves of Chapel Hill" in any business, sales, marketing or planning documents and activities.

Section 9. Disclosures. Each Owner acknowledges the following:

(a) The Subdivision is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

(b) The views from an Owner's Unit may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(d) No representations are made regarding the schools that currently or may in the future serve the Subdivision or any Unit.

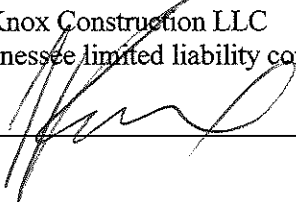
(e) Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Subdivision that an Owner may find objectionable and that it shall be the sole responsibility of the Owners to become acquainted with neighborhood conditions that could affect the Unit.

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

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the day and year first above written.

**DECLARANT:**

Jeff Knox Construction LLC  
a Tennessee limited liability company

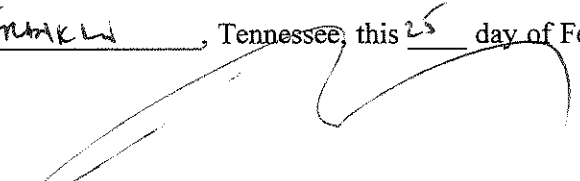
By:  \_\_\_\_\_

Name: Jeff Knox  
Its: Sole Member and Authorized Agent

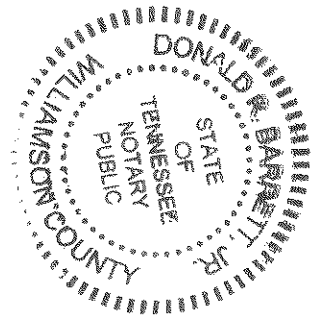
STATE OF TENNESSEE            )  
  )  
COUNTY OF WILLIAMSON        )

Before me, the undersigned, a Notary Public in and for State and County aforesaid, personally appeared Jeff Knox with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Sole Member and Authorized Agent of Jeff Knox Construction LLC, a Tennessee limited liability company, the within named bargainer, and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained

Witness my hand and official seal at Franklin, Tennessee, this 25 day of February, 2026.

  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires: 7/25/29



## EXHIBIT A

### Groves of Chapel Hill

Being a portion of Tax Map 025, Parcel 013.00 and Tax Map 020M A Parcel 015.00. The Groves of Chapel Hill, LLC. property as recorded in Deed Book 750, page 1 and being more particularly described as follows.

Beginning at a ½" iron pin found with no cap at the north west corner of the subject parcel, said point also being the south west corner of David Hobbs as recorded in Deed Book 730, page 717 and Lot 8 as shown on Plat Book A, page 77, Ashley Estates;

Thence with the south line of Hobbs, SOUTH 86°04'13" EAST a distance of 134.35' to an iron pin set;

Thence severing the property of Groves of Chapel Hill, LLC. as recorded in Deed Book 750, page 1, SOUTH 03°55'50" WEST a distance of 11.53' to an iron pin set;

Thence with the same, SOUTH 53°24'37" EAST a distance of 120.00' to an iron pin set;

Thence with the same, SOUTH 53°24'37" EAST a distance of 22.07' to an iron pin set;

Thence with the same, SOUTH 69°08'56" EAST a distance of 467.38' to an iron pin set;

Thence with the same, NORTH 20°51'04" EAST a distance of 24.13' to an iron pin set;

Thence with the same and with the northerly margin of 50' future right of way, NORTH 20°51'04" EAST a distance of 119.14' to an iron pin set;

Thence with the same and with a curve turning to the left with an arc length of 8.48', with a radius of 175.00', with a chord bearing of NORTH 19°27'47" EAST, with a chord length of 8.48', to an iron pin set;

Thence with the same, NORTH 18°04'30" EAST a distance of 869.50' to an iron pin set;

thence with a curve turning to the left with an arc length of 52.14', with a radius of 75.00', with a chord bearing of NORTH 01°50'23" WEST, with a chord length of 51.09', to an iron pin set;

Thence with the same, NORTH 21°45'16" WEST a distance of 19.10' to an iron pin set;

Thence with the south margin of Old State Highway 99, NORTH 54°51'53" EAST a distance of 51.40' to an iron pin set;

Thence with the same, SOUTH 21°45'16" EAST a distance of 30.99' to an iron pin set;

Thence with the same and with a curve turning to the right with an arc length of 86.89', with a radius of 125.00', with a chord bearing of SOUTH 01°50'23" EAST, with a chord length of 85.16', to an iron pin set;

Thence with the same, SOUTH 18°04'30" WEST a distance of 869.50' to an iron pin set;

Thence with the same and with a curve turning to the right with an arc length of 10.90', with a radius of 225.00', with a chord bearing of SOUTH 19°27'47" WEST, with a chord length of 10.90', to an iron pin set;

Thence with the same, SOUTH 20°51'04" WEST a distance of 118.56' to an iron pin set;

Thence continuing with a severance line of Groves of Chapel Hill, LLC. as recorded in Deed Book 750, page 1, SOUTH 69°49'05" EAST a distance of 125.01' to an iron pin set;

Thence with the same, SOUTH 20°51'04" WEST a distance of 799.83' to an iron pin set;

Thence with the same, SOUTH 69°08'56" EAST a distance of 400.00' to an iron pin set;

Thence with the same, SOUTH 69°08'56" EAST a distance of 46.40' to an iron pin set;

Thence with the north margin of the railroad right of way, SOUTH 20°27'41" WEST a distance of 18.19';

Thence with the same, NORTH 69°32'19" WEST a distance of 15.00';

Thence with the same, SOUTH 20°27'41" WEST a distance of 850.00';

Thence with the same, SOUTH 69°32'19" EAST a distance of 15.00';

Thence with the same, SOUTH 20°27'41" WEST a distance of 1,466.17';

Thence with the same, NORTH 89°46'04" WEST a distance of 112.00';

Thence with the same, SOUTH 42°51'10" EAST a distance of 117.62';

Thence with the same, SOUTH 20°27'41" WEST a distance of 2,137.98';

Thence with the northerly line of Colleen Garatoni, *et. al.* as recorded in Deed Book 885, Page 1969 NORTH 82°16'11" WEST a distance of 416.42' to an iron pin set;

Thence NORTH 80°31'08" WEST a distance of 528.24' to a ½" iron pin found with no cap;

Thence with the east line of Marcus McAnally as recorded in Deed Book 114, page 472, NORTH 03°33'23" EAST a distance of 1,273.33' to a ½" iron pin found with no cap;

Thence with the same, SOUTH 83°51'52" EAST a distance of 169.25' to a fence post in rock;

Thence with the same, NORTH 00°20'55" WEST a distance of 559.15' fence post corner in the TVA easement area;

Thence with the same, SOUTH 83°36'02" EAST a distance of 376.30' to a fence post in the TVA easement area;  
Thence with the same, NORTH 12°06'14" WEST a distance of 866.79' to an iron pin set;  
Thence with the same, NORTH 12°25'29" WEST a distance of 35.99' to a 5/8" iron pin found;  
Thence with the same, NORTH 13°03'26" WEST a distance of 325.04' to a 1/2" iron pin found;

Thence with Don and Rebecca Lester as recorded in Deed Book 287, page 111, SOUTH 86°38'42" EAST a distance of 582.17' and generally following and old fence to a fence post flagged;  
Thence with the same, SOUTH 86°59'32" EAST a distance of 391.15' to a 1/2" iron pin found with no cap at a fence corner post;  
Thence with the same, NORTH 04°52'31" EAST a distance of 771.98' to a fence post flagged;  
Thence with the same, NORTH 00°22'46" WEST a distance of 81.21' to flagged metal T post;

Thence with James and Bargar Garvin as recorded in Deed Book 126, page 786, NORTH 04°04'47" EAST a distance of 752.03' to a 5/8" iron pin found;  
Thence with the same, NORTH 05°36'57" EAST a distance of 569.77' to an iron pin set;  
Thence with the same, NORTH 05°36'58" EAST a distance of 89.01' to a 24" Hickory tree;  
Thence with the same, NORTH 64°02'41" WEST a distance of 67.67' to a 5/8" iron pin found;  
Thence with the easterly margin of Old Highway 99 and with a curve turning to the left with an arc length of 184.59', with a radius of 156.40', with a chord bearing of NORTH 31°29'48" EAST, with a chord length of 174.06', which is the point of beginning, having an area of 587,412 square feet, 134.70 acres

Tracking Number  
B2026112457

## Charter Nonprofit Corporation

Division of Business and Charitable Organizations

Department of State

State of Tennessee

312 Rosa L. Parks Avenue, 6th Floor

Nashville, Tennessee 37243

Phone: 615-741-2286

[tncab.tnsos.gov/portal/](http://tncab.tnsos.gov/portal/)

Control #: 002085221

Filed: 02/10/2026 02:30 PM

Tre Hargett

Secretary of State



Tre Hargett  
Secretary of State

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## Entity Information

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**Entity Name:** THE GROVES OF CHAPEL HILL HOMEOWNER'S ASSOCIATION  
INC.

**Entity Type:** Nonprofit Corporation

**Fiscal Year Ending Month:** December

**Additional Designation:** *(No additional designation)*

**Principal Office Address**  
1001 WILSON SCHOOL RD  
CHAPEL HILL, TN 37034  
Marshall County, USA

**Mailing Address**  
1001 WILSON SCHOOL RD  
CHAPEL HILL, TN 37034  
Marshall County, USA

**Will this filing have a delayed effective date?**

Yes  No

**Period of Duration:**

Perpetual

**This corporation is a:**

Public Benefit Corporation  Mutual Benefit Corporation  
 Religious Corporation  Not Religious Corporation

**This corporation will:**

Have Members  Not Have Members

**Provisions regarding the distribution of assets upon dissolution:**

Distributed to the members

**Other Provisions:**

*(No other provisions)*

**Do you have additional uploads you would like to attach to this filing?**

Yes  No

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## Incorporators

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DONALD BARRETT  
1001 WILSON SCHOOL RD  
CHAPEL HILL, TN 37034, USA

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## Registered Agent Information

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THE GROVES OF CHAPEL HILL HOMEOWNER'S  
ASSOCIATION INC.  
1001 WILSON SCHOOL RD  
CHAPEL HILL, TN 37034, USA

---

## Incorporator's Signature

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By entering my name in the space provided below, I certify that I am authorized to file this document on behalf of this entity, have examined the document and, to the best of my knowledge and belief, it is true, correct and complete as of this day.

The undersigned, acting as incorporator of the nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopt the above Articles of Incorporation.

**Signed Electronically:** DONALD R BARRETT

**Date:** 02/10/2026

**EXHIBIT "B"**

**CHARTER OF THE ASSOCIATION**

[SEE ATTACHED]

**EXHIBIT "C"**

**BY-LAWS OF  
THE GROVES OF CHAPPEL HILL HOMEOWNERS ASSOCIATION, INC.**

These are the By-Laws (the "By-Laws") of the Groves at Chappel Hill Homeowners Association, Inc., a Tennessee non-profit corporation (the "Association") whose members are comprised of those certain Owners who hold the interest(s) in Lots at The Groves at Chappel Hill Subdivision, Marshall County, Tennessee, required for membership by that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR The Groves at Chappel Hill Homeowner's Association Inc., (collectively, the "Declaration").

**ARTICLE I  
NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

**Section 1.** Name. The name of the Association shall be the Goves at Chappel Hill Homeowners Association, Inc.

**Section 2.** Principal Office. The initial principal office of the Association in the State of Tennessee shall be located in the County of Marshall. The Association may have such other offices, either within or outside the State of Tennessee, as the Board of Directors may determine or as the affairs of the Association may require.

**Section 3.** Definitions. The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions and Restrictions for the Groves at Chappel Hill Homeowners Association, Inc. (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**ARTICLE II  
ASSOCIATION:  
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

**Section 1.** Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

**Section 2.** Classes of Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as is more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

**Section 3.** Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical. Meetings may also be conducted electronically, either via telephone conference or video conference call technology, at the discretion of the Board of Directors.

**Section 4.** Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association or as rescheduled by the board. Meetings shall be of the Voting Members or their alternates. Subsequent regular annual meetings shall be set by the Board so as to generally occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by

the Board of Directors. However annual meetings are optional during the Declarant's Class B Control period notwithstanding any other language.

**Section 5.** Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least sixty-five (65%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 6.** Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Voting Members, including telephone or video conferencing instructions, if applicable, shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose, or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

**Section 7.** Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling of convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

**Section 8.** Adjournment of Meetings. If any meeting of the Association cannot be held because a voting quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

The voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the Members required to constitute a quorum.

**Section 9.** Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

**Section 10.** Proxies. Voting Members may vote by proxy or in person or through their designated alternates.

**Section 11.** Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty-one (51%) percent of the total number.

**Section 12.** Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing thirty (30%) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

**Section 13.** Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the Meeting and a record in a minute book of all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

**Section 14.** Action Without a Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by eighty percent (80%) of the Voting Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Voting Members.

**ARTICLE III**  
**BOARD OF DIRECTORS:**  
**NUMBER, POWERS, MEETINGS, COMPOSITION AND SELECTION**

**Section 1.** Governing Body; Composition. A Board of Directors, each of whom shall have one (1) vote, shall govern the affairs of the Association. Except with respect to Directors appointed by the Declarant, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner, which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director.

**Section 2.** Directors. During the Class B Control period, the Directors shall be selected by the Class B Member acting in its sole discretion, subject only to Article III, Section 6, hereof, and shall serve at the pleasure of the Class B Member until the first to occur of the following:

(a) when ninety-five (95%) percent of the Lots planned for the property described on Exhibit "A" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale; or

(b) when, in its discretion, the Class B Member so determines.

Within thirty (30) days thereafter, the Class B Member shall cause the Board to call a meeting, as provided in Article II, Section 5, of these By-Laws for special meetings, to advise the membership of termination of the Class B Control Period.

**Section 3.** Declarant Participation. This Section 3 may not be amended without the express, written consent of the Declarant, until the sixth (6th) year after the Class B Control Period. After termination of the Class B Control Period, the Declarant shall have the right to participate in the decision-making process and the right to disapprove all actions of the Board, as is more fully provided in this Section. These rights shall be exercisable only by the Declarant, its successors, and assigns who specifically take this power in a recorded instrument and shall terminate after five (5) years after the date of termination of the Class B

Control Period. Declarant participation shall be as follows: No action authorized by the Board of Directors shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Declarant, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Declarant shall have the right to disapprove any policy or program authorized by the Board of Directors or any committee thereof, and any action to be taken by the Board, any committee thereof, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Declarant, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Notwithstanding any provision herein to the contrary, the Declarant shall not have the right to require any action or counteraction on behalf of any committee, the Board, or the Association, and shall not exercise its rights hereunder to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

**Section 4.** Number of Directors. The number of directors in the Association shall be five (5). The Class B Member shall appoint the first Board.

**Section 5.** Nomination of Directors. Except with respect to Directors selected by the Class B Member, nominations for election to the board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association, with at least one (1) Member from each Possible Voting Group. The Nominating Committee shall be appointed by the board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate slates for Directors to be elected at-large by all Possible Voting Members, and for the Directors to be elected by and from each Voting Group. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

**Section 6.** Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the termination of the Class B Control Period, or sooner in the discretion of the Class B Member, the Class B Member shall cause the Board to call a meeting, as provided in Article II, Section 5, of these By-Laws for special meetings, to advise the membership of termination of the Class B Control Period. At the first annual meeting of the Members, or at a special meeting called for the purpose of electing directors, after the termination of the Class B Control Period,

five (5) directors shall be elected by the Members. One (1) director shall be elected to serve for a term of one (1) year, two (2) directors to serve for two (2) years, and two (2) directors to serve for three (3) years. At all subsequent elections, members of the Board shall be elected for a term of three (3) years.

(b) The candidate receiving a plurality of the votes cast for the office shall be declared elected. In the case of members of the Board, those receiving the greater number of votes out of the number to be cast shall be declared elected, and in case of a tied vote as to the last place to be filled, a new ballot shall be cast in order to determine the last successful candidate.

(c) No member who has failed to pay any dues or assessments to the Association, nor any member against whom a lien therefor is being prosecuted, shall be eligible for election as an officer or a member of the Board of Directors.

(d) Directors elected to fill any vacancy due to death, resignation, or removal shall serve for the remaining unexpired term of the Director they replace.

(e) If the number of Directors shall have been increased, they shall be elected at the annual or a special meeting called for that purpose in the manner prescribed herein.

**Section 7.** Removal of Directors and Vacancies. Any Director elected by the Voting Members may be removed, with or without cause, by the vote of Voting Members representing a majority of the votes entitled to be cast for the election of such Director. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. A Director who was elected at large solely by the votes of Voting Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Members. Upon removal of a Director, a successor shall then and there be elected by the Voting Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director. However, any Director appointed by the Class B Member can only be removed by the Class B member.

Any Director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, sale of property, or resignation of a Director, the Board may declare a vacancy and it may appoint a successor. Any Director appointed by the Board shall be selected from the Voting Group represented by the Director who vacated the position and shall serve for the remainder of the term of such Director.

**Section 8.** Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

**Section 9.** Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year with at least one (1) per half year. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver, notice or a written consent to holding of the meeting. Such waiver of notice may be deemed as written if placed in the meeting minutes approved by a majority of the Board.

**Section 10.** Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone or e-mail communication, either directly to the Directors or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the record of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

**Section 11.** Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 12.** Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the originally called meeting, and business may be transacted at such following meeting without further notice. Such following meeting may be adjourned without a Quorum at the President's decision.

**Section 13.** Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by the Voting Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon unanimous approval of the other Directors.

**Section 14.** Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

**Section 15.** Limited Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the Board shall be open in a limited manner to all Voting Members but Voting Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President will limit the time any Voting Member may speak to two (2) minutes.

**Section 16.** Action without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

**Section 17.** Powers and Duties. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things implied or stated by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively for the Voting Members or the membership generally.

The Board of Directors can delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, In way of explanation, but not limitation:

(a) preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;

(b) making assessments to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Lot's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

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

(f) reserve funds may not be deposited in depositories other than banks;

(g) making and amending rules and regulations, but not the initial restriction without a vote, opening of bank accounts on behalf of the Association and designating the two (2) signatures required on any and all checks and payments;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings, which may be instituted on behalf of or against the Owners concerning the Association;

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

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Lot or Residence, any Owner of a Lot or Residence, any first mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot or Residence, current copies of the Declaration, the Article of Incorporation, the By-Laws, rules governing the Properties and all other books, records, and financial statements of the Association: and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

**Section 18.** Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b) and (f), of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. However, the Class B Member may employ an agency to manage the Association at the Class B Member's discretion. Unless earlier removed by the Class B member, this initial agency would then remain as the original agency until one (1) full year after end of the Class B Control Period. No management contract after the initial one (1) year term in the above paragraph may have a term in excess of three (3) years and must permit termination by either party only with cause and without a termination fee on sixty (60) days or less written notice. The Class B Member may authorize the managing agent or manager as the signatory on Association checks.

**Section 19.** Accounts and Reports. The following management standard of performance will be followed unless the Board by resolution specifically determines otherwise: accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed; accounting and controls should conform to generally accepted accounting principles; cash accounts of the Association shall not be commingled with any other accounts, but Association may use an agent that uses a bank designated lock box type control; no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prized, gifts, or otherwise; anything of value received shall only benefit the Association; any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; commencing at the end of the month in which the first Residence is sold and closed, financial reports shall be prepared for the Association at least every six (6) months containing: (i) an income statement reflecting all income and

expense activity for the preceding period on an accrual basis; (ii) a statement reflecting all cash receipts and disbursements for the preceding period; (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format; (iv) a balance sheet as of the last day of the preceding period; and (v) a delinquency report listing all Owners who are delinquent thirty (30) days or more in paying the monthly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent [a monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors]; an annual report consisting of at least the following shall be distributed to all Members who request a reply by written request each year within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, or if determined by the Board, by an independent public accountant; provided, during the Class B Control Period, the annual report and, statements shall include financial statements but do not have to be prepared by an independent accountant plus does not have to be audited or reviewed.

**Section 20.** Borrowing. The Board of Directors, with unanimous agreement in writing shall have the power to borrow money for the purpose of maintenance, repair, or restoration of the Area of Common Responsibility without the approval of the Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities.

**Section 21.** Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operations, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents' Associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association after the Class B Control Period expires, shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (excluding any management contract) executed during the Class B Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than sixty (60) days' notice to the other party. The Class B member can at their sole choice elect to do all the maintenance work or part thereof at no charge to the Association.

**Section 22.** Enforcement. The Board shall have the power to impose reasonable fines against Owners or occupants, which shall be an assessment on the Lot, shall constitute a lien upon the property of the violating Owner, and may be collected in the same manner provided for the collection of assessments in Article X of the Declaration. The Board also shall have the authority to suspend an Owner's right to vote, or to use the Common Area, for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of the Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall be assessed against the owner. The fine may be paid by the occupant within the time period set by the Board, but the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

**Section 23.** Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing: (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

**Section 24.** Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner 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 alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee, if any, may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

**Section 25.** Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration these By-Laws, or the rules and regulations of the Association 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 court and/or attorney's fees actually incurred.

#### ARTICLE IV OFFICERS

**Section 1.** Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, with such officers having the authority to perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

**Section 2.** Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

**Section 3.** Removal. The Board of Directors, by a majority vote of the entire Board, may remove any officer whenever in its judgment the best interests of the Association will be served thereby.

**Section 4.** Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of

the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

**Section 5.** Duties of President. The President shall be the Chief Executive Officer of the Association and, when present, shall preside at all meetings of the membership and, unless a chairman of the Board of Directors has been elected and is present, shall preside at the meetings of the Board of Directors. The President or Vice President, unless some other person is specifically authorized by vote of the Board of Directors, shall sign all documents on behalf of the Association, including, but not limited to, deeds, mortgages, leases and contracts of the Association.

**Section 6.** Duties of Vice President, (if any). The Vice President shall perform the duties and have the powers of the President during the absence or disability of the President.

**Section 7.** Duties of Secretary. The Secretary shall keep accurate minutes for all meetings of the membership and the Board of Directors and, to the extent ordered by the Board of Directors or the President, the minutes of meetings of all committees. He shall cause notice to be given of meetings of stockholders, of the Board of Directors and, when requested to do so, of any committee appointed by the Board. He shall have general charge of the records, documents and papers of the Association which shall, at all reasonable times, be open to examination by any Director or member. He may sign or execute contracts with the President or a Vice President thereunder authorized in the name of the Association.

**Section 8.** Duties of Treasurer (if any). The Treasurer, subject to the order of the Board of Directors, shall be responsible for the money and funds of the Association and shall deposit such monies and funds in the name of the Association in such banks as the Board of Directors may designate. No payment for any purpose in excess of the amount budgeted for that purpose shall be made without approval of the Board of Directors. If required by the Board of Directors, he shall give such bond as shall be determined appropriate for the faithful performance of his duties.

**Section 9.** Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 10.** Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association approved by the Board of Directors shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board of Directors.

**Section 11.** Compensation of Officers. The officers shall serve without compensation.

## ARTICLE V COMMITTEES

**Section 1.** General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

**Section 2.** Covenants Committee. In addition to any other committees, which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Article III, Section 24 of these By-Laws.

## ARTICLE VI MISCELLANEOUS

**Section 1.** Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

**Section 2.** Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Articles of Incorporation, the Declaration, or these By-Laws.

**Section 3.** Conflicts. If there are conflicts between the provisions of Tennessee law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail. Further, notwithstanding anything in this document to the contrary in the event of any direct conflict between these CCRs and local laws, ordinances, or regulations, the Town of Chappel Hill's laws and regulations shall prevail.

**Section 4.** Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

**Section 5.** Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid as follows:

(a) if to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot or Residence of such Member or Voting Member; or

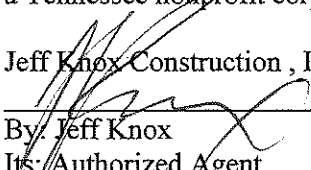
(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

**Section 6.** Amendment. Until such time as one hundred percent (100%) of all Lots within the Property and any other properties annexed in accordance with the Declaration have been conveyed to an Owner other than the Declarant or a builder holding title to one or more Lots solely for development, construction and resale, the Declarant may unilaterally amend these By-Laws. Thereafter, these By-Laws may only be amended by the affirmative vote (whether by proxy, upon written consent, in person, or other permitted means) of the Members representing at least seventy-five percent (75%) of the total votes of the Association. If an Owner consents to any amendment to these By-Laws, it shall be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any Mortgage or contract between such Owner and any third party will affect the validity of such amendment. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of Declarant or the assignee of such right or privilege. The percentage of votes necessary to amend a specific clause shall never be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Marshall County, Tennessee.

IN WITNESS WHEREOF, the undersigned has executed these By-Laws this the 25 day of February, 2026.

The Groves at Chappel Hill  
Homeowner's Association, Inc.,  
a Tennessee nonprofit corporation

Jeff Knox Construction, LLC

By:   
Its: Authorized Agent

Curtis Johnson, Register  
Marshall County Tennessee  
Rec #: 222264 Instrument #: 263597  
Rec'd: 260.00 Recorded  
State: 0.00 3/2/2026 at 12:00 PM  
Clerk: 0.00 in Record Book  
Other: 2.00 918  
Total: 262.00 PGS 312-363