



Book/Page: **GI 11258 / 910**

Instrument: 2018012900277

50 Page RESTRICTIONS

Recorded by DLS on 1/29/2018 at 2:46 PM

MISC RECORDING FEE 250.00
DATA PROCESSING FEE 2.00

This Instrument Prepared By:

After Recording Return to:

Marcus Jones
Magnolia Investors, LLC
1038 Meroney Street
Chattanooga, Tennessee 37405

Cumberland Title & Guaranty Company, LLC
1300 Broad Street, Suite 200
Chattanooga, TN 37402

TOTAL FEES \$252.00

State of Tennessee Hamilton County Register of Deeds **PAM HURST**

DECLARATION OF COVENANTS AND RESTRICTIONS FOR MAGNOLIA ONE SUBDIVISION

THIS DECLARATION made this 29th day of January, 2018, by MAGNOLIA INVESTORS, LLC (hereinafter the "Developer").

WITNESSETH

WHEREAS, Developer as owner of certain real property located in Hamilton County, Tennessee, and more particularly described in Exhibit A attached hereto and incorporated herein (hereinafter the "Property") desires to create thereon a residential development known as Magnolia ONE (hereinafter the "Development"); and

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

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

WHEREAS, Developer has caused or may cause to be incorporated under the laws of the State of Tennessee, Magnolia ONE Homeowners Association, a Tennessee non-profit corporation, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, the Developer subjects the real property described in Article II hereof, and such additions thereto as may from time to time be made, to the terms of this Declaration and declares that the same is and shall be held, transferred, conveyed, sold, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens

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(sometimes referred to collectively as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof.

ARTICLE I
DEFINITIONS

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

1. Architectural Review Committee. "Architectural Review Committee" shall mean the body established by this Declaration and charged with the responsibility of reviewing and enforcing various architectural and building covenants and restrictions herein provided, and which shall be the Developer until the Architectural Review Committee is appointed as herein provided and as provided in the Bylaws.
2. Association. "Association" shall mean the Magnolia ONE Homeowners Association, Inc. a Tennessee non-profit corporation.
3. Board of Directors or Board. "Board of Directors" or "Board" shall mean the governing body of the Magnolia ONE Homeowners Association established and elected pursuant to this Declaration.
4. Builder. "Builder" shall mean Magnolia Developments, LLC, or those contractors who have been approved by the Developer pursuant to Article III Section 40 of this Declaration.
5. Bylaws. "Bylaws" shall mean the Bylaws of the Association. The initial text of which is set forth in Exhibit "B" attached hereto and incorporated herein.
6. Common Expense. "Common Expense" shall mean and include (a) expenses of administration, maintenance, repair or replacement of the Common Properties; (b) expenses agreed upon as Common Expense by the Association; (c) expenses deemed to be a Common Expense by Developer; and (d) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration.
7. Common Properties. "Common Properties" shall mean and refer to those tracts of land and any improvements thereon which are deeded or leased to the Developer or Association and designated in said deed or lease as "Common Properties". The term "Common Properties" shall also include any personal property acquired by the Developer or Association if said property is designated as a "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying Dwelling Units or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Developer or Board of Directors of the Association)

subject to the fee schedules and operating rules adopted by the Developer or Association; provided, however, that any lands which are leased by the Developer or association for use as Common Properties shall lose their character as Common Properties upon the expiration of such lease. The Common Properties may include, but not be limited to, street lights, entrance and street signs, pool, pool house, parks, ponds, medians in roadways, maintenance easement areas, landscaping easement areas, and walkways.

8. Covenants. "Covenants" shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.
9. Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions for the Magnolia ONE Subdivision and any Supplemental Declaration filed pursuant to the terms hereof.
10. Development. "Development" shall mean and refer to the real property described in Article II Section 1 hereof as improved for use as a single family residential subdivision, and any and all additions thereto, which are subjected to this Declaration or any Supplemental Declaration under the provisions hereof.
11. Developer. "Developer" shall mean Magnolia Investors, LLC, its successors and assigns.
12. Dwelling Unit. "Dwelling Unit" shall mean any building situated upon the Properties designated and intended for use and occupancy by a single family.
13. First Mortgage. "First Mortgage" shall mean a recorded Mortgage with priority over other Mortgages.
14. First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.
15. Lot or Lots. "Lot" or "Lots" shall mean and refer to any improved or unimproved parcel of land located within the Property, which is intended for use as a site for a single family detached Dwelling Unit as shown upon any recorded final subdivision map of any part of the Property, with the exception of the Common Properties.
16. Member or Members. "Member" or "Members" shall mean any or all Owner or Owners.
17. Mortgage. "Mortgage" shall mean a deed of trust as well as a Mortgage.
18. Mortgagee. "Mortgagee" shall mean a beneficiary, creditor or holder of a deed of trust, as well as a holder of a Mortgage.

19. Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Recorder, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot, situated upon the Property, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee or holder of a security deed, its successors, or assigns, unless and until such Mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure, nor shall term the "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the office of the Recorder, a long-term contract of sale covering any Lot within the Property, the Owner of such Lot shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property. The Developer may be an Owner.
20. Property. "Property" shall mean and refer to the real property described in Article II, Section 1 hereof, and additions thereto, which is subjected to this Declaration or any Supplemental Declaration under the provisions hereof.
21. Record or to Record. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.
22. Recorder. "Recorder" shall mean and refer to the Register's Office of Hamilton County, Tennessee.
23. Supplemental Declaration. "Supplemental Declaration" shall mean any declaration filed subsequent in time to this Declaration in accordance with Article II, Section 3 (a) hereof.

ARTICLE II

PROPERTIES, COMMON PROPERTIES AND IMPROVEMENTS THEREON

1. Property. The Covenants set forth in this Declaration, as amended from time to time, are hereby imposed upon the real property located in Hamilton County, in the State of Tennessee and more particularly described in Exhibit "A" attached hereto and additions or amendments thereto, which shall hereafter be held, transferred sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to the Declaration. Additionally, any easements on any real property retained by or granted to the Developer or the Association for the purpose of erection and maintenance of streets, entrance signs or street lights, or landscaping and maintenance thereof, shall also be considered Property and subject to this Declaration. Every person who is or shall be a record Owner shall be deemed, by the taking of such record title, to agree to all terms and provisions of this Declaration.

2. Association. The Developer has caused, or will cause, the Association to be formed and incorporated under the laws of the State of Tennessee for the purpose of carrying on one or more of the functions of a homeowner's association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in this Declaration. Developer shall retain control of the Development and may exercise all the powers and privileges and perform all duties and obligations set out in this Declaration and Bylaws until such time as Developer explicitly grants powers it would otherwise have to the Board or another committee. Every person who is an owner is and shall be a Member of the Association, as more particularly set forth in the Bylaws.

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

The Supplementary Declaration may increase or decrease the minimum square foot requirements for a Dwelling Unit and contain such other complementary additions and /or modifications of the Covenants contained in this Declaration as may be necessary or convenient, in the sole judgment of the Developer, to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration, but such modifications shall have no effect on the Property as described in Article II, Section 1 above.

- b. Other Additions. Upon approval in writing of the Association pursuant to seventy-five percent (75%) of the vote of those present in person or by proxy at a duly called meeting, the Owner of any property (other than the Developer) who desires to add it to the plan of these Covenants and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the Covenants of this Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and/or modifications of the Covenants contained in this Declaration as may be necessary or convenient in the sole judgment of the Association to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modification shall have no effect on the Property described in Article II, Section 1 above.

- c. Separate Associations. For any additional property subjected to this Declaration pursuant to the provisions of this Section, there may be established by the Developer an additional association limited to the owners and/or residents of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort and convenience, to elect representatives to the Board of the Association, to receive from the Association a portion, as determined by the Developer or the Board of Directors, of the annual assessment levied pursuant hereto and used such funds for its general purposes, and to make the enforce rules and regulations of the supplementary covenants and restrictions, if any, applicable to such lands.
 - d. Mergers. Upon a merger or consolidation of the Association with another association, its Properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the properties of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants established by this Declaration.
4. Common Properties and Improvements Thereon. The Developer may install initially one or more entrance signs to the Development. The signs shall become part of the Common Properties when the Developer conveys the sign to the Association, at which time the Association shall become responsible for the operation, maintenance, repair and replacement of the signs. The Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have reserved an easement. These areas shall become Common Properties when conveyed to the Association and the Association shall then become responsible for maintenance of the landscaped areas. The Developer may install initially entrance gates to the Development. The gates shall become part of the Common Properties when the Developer conveys the gates to the Association, at which time the Association shall become responsible for the operation, maintenance, repair and replacement of the gates. Additionally, the Developer may install a pool, pool house, street lights and street signs and certain other improvements which shall likewise become Common Properties when conveyed to the Association. The Developer and the Association may add additional Common Properties from time to time as they see fit. The Common Properties shall remain permanently as open space, except as improved, and there shall be no subdivision of the same, except as otherwise provided herein. Except as permitted by the Developer, no building, structure or facility shall be

placed, installed, erected or constructed in or on the Common Properties unless it is purely incidental to one or more of the uses above specified. The Developer may reserve to itself or its designees the exclusive use of any portion of the Common Properties for the placement and use of a mobile home or similar structure for use as a sales office and as storage areas or construction yards as may be reasonably required, convenient or incidental to the sales of Lots and/or the construction improvements on the Common Properties.

ARTICLE III
COVENANTS, USES AND RESTRICTIONS

1. Application

It is expressly stipulate that the restrictive, covenants and conditions set forth in this Article III apply solely to the Property described in Exhibit "A", which Property is intended for use as single-family residential Lots only. These restrictive, covenants and conditions are not intended to apply to any other lots, tracts or parcels of land in the area or vicinity owned or to be owned by the Developer. For the avoidance of doubt, the Developer, its successors or assigns, reserve the right to use or convey such other lots, tracts and parcels beyond the Property described in Exhibit "A" with different restrictions.

2. Residential Use

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

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

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

3. No Multi-Family Residences, Business

No Dwelling Unit shall be designed, patterned, constructed or maintained to serve or for the use of more than one single family. No Dwelling Unit shall be used as a multiple family dwelling unit at any time. Notwithstanding any terms or conditions to the contrary herein, nothing herein contained shall be construed to prohibit the construction of attached single

family residences in areas designated by the Developer for such construction. No trade or business may be conducted in or from any Dwelling Unit, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Unit 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 Dwelling Unit; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property; and (d) the business activity is consistent with the resident character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms business and trade, as used in this paragraph, 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 therefor. Notwithstanding the above, the leasing of a Dwelling Unit shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to any activity conducted by the Developer with respect to its development and sale of the Property or its use of any Dwelling Units which it owns within the Property. Nothing contained herein shall prohibit the Developer or the Association from permitting, maintaining or operating concessions or vending machines on the Common Properties.

4. Minimum Square Footage

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

- a. All homes shall have a minimum of Two Thousand Four Hundred (2,400) square feet of living space not including basement square footage, with an attached two car garage. Notwithstanding the foregoing to the contrary, due to the size on configuration of Lots 1, 2, and 20, they will be the only lots allowed to have less than Two Thousand Four Hundred (2,400) square feet of living space not including basement square footage.
- b. No split foyers shall be allowed for any Lot.

5. Maximum Lot Depth

No Dwelling Unit shall be constructed longer the seventy (70) feet without prior written consent from the Developer or the Association.

6. Maximum Lot Height

The heights of the Dwelling Units will be regulated by city codes, building codes, and the approval of the Architectural Review Committee. Lots 10 and 17 above ground height will not exceed thirty-two feet without prior consent of the Architectural Review Committee.

7. Restrictions set by the City of Chattanooga or any other governmental body. For the purposes of this Declaration, steps and open porches or decks shall not be considered as part of the building, provided, however, this shall not be construed to permit any portion of the building on the Lot to encroach upon another Lot. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variation from such set-back requirements. Such variances may be granted or rejected by the Developer or the Architectural Review Committee in their sole and absolute discretion.

8. Rearrangement of Lot Lines. Not more than one Dwelling Unit shall be erected or maintained on any one Lot. With the written approval of the Developer or the Board of Directors, contiguous Lots may be combined if the Lots have the same Owner for the purpose of erecting an approved Dwelling Unit thereon; however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 42 hereof, Lots may not be resub divided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

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

Neither the foregoing nor any other section of this Declaration shall prevent the Developer, or any builder approved by the Developer, from constructing a Dwelling Unit for use as a model home that may contain office-type furniture and be used for conducting the business or either selling that house or other houses within the Development, nor shall the foregoing or any other section of the Declaration prevent the Developer from designating a Lot or Lots from time to time for temporary placement of a trailer or other similar structure for use as an office

and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

10. Rainwater Drainage. Catch basins in drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person, other than Developer or the Association, may obstruct or rechannel the drainage flows after location and installation or drainage swales, storm sewers or storm drains. Developer hereby reserves for itself and the Association a perpetual easement across the property for the purpose of altering drainage and water flow.
11. Utility Easement. A perpetual easement is reserved on each Lot, as shown on the recorded plat, for the construction and maintenance of utilities such as electricity, gas, water, sewage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.
12. Frontal Appearance. The frontal appearance must be in keeping with the overall look that is desired for the development and shall be a part of the Architectural and Design Review process set out in Article IV of this Declaration.
13. Building Requirements
 - a. Foundation. Any and all structures of any kind constructed on any lot shall have full masonry foundation, no exposed block, concrete or plaster shall be exposed to any exterior grade level. Partial cement board is allowed under decks / porches on the basement level.
 - b. Exterior of Front Elevation. As a part of the Architectural Design and Review process, the exterior of the front elevation may be brick, stone, fiber cement siding, cedar shake, or genuine stucco that is steel-troweled cement, approved cement siding or a combination of all the above. No vinyl siding will be allowed. These must be strictly approved as a part of the Architectural Design and Review process in advance of construction as set out in Article IV of this Declaration.
 - c. Side and Rear Elevation. Side and rear elevation must be approved through Architectural and Design Review Process as set out in Article IV of this Declaration. Particular attention shall be given to the rear and side elevations that face any Common Property or street.
 - d. Windows. Design, size and placement of windows shall be a part of the Architectural Review Process as set out in Article IV of this Declaration. All windows shall be double paned. Any windows not having mullions, grids, outlined in this document must be approved by the Architectural Review Committee. Grazing on doors and windows shall

be clear. Wood, Vinyl, Vinyl clad and aluminum clad will be acceptable. No full aluminum windows are allowed.

- e. Awnings. No awnings shall be permitted without prior approval.
 - f. Roof Materials. All roofing must be at least a Twenty-Five (25) year asphalt dimensional shingles. All roof stacks, plumbing, etc. shall be placed on the rear slope of the roof, so as not to show from the front elevation. Any exceptions to this must be approved in accordance with Article IV of this Declaration.
 - g. Siding. Fiber cement siding (e.g., Hardy Plank) shall be approved siding. Any other materials shall require approval in accordance with Article IV of this Declaration. Also, siding design (lap, horizontal, etc.) and location to be used must be part of Architectural Review process.
 - h. Skylights. Location and design of all skylights must be approved by the Architecture Review Committee.
 - i. Solar Panels. No solar panels or collectors shall be allowed on any roof or in sight of any street or adjacent property.
14. Fences. All fences, walls and retainer walls must be approved by the Developer or Architectural Review Committee. A drawing showing location, height, material and any other pertinent information required by the Developer or Architectural Review Committee shall be submitted. No privacy, wire, wood, or chain link fences are allowed. Vinyl, wrought iron, or aluminum fences will be black and may be approved by the Developer or Architectural Review Committee in accordance with Article IV of this Declaration. All fences shall be painted. No fence shall be allowed any closer to the street than the front elevation of the Dwelling Unit. In the case of a corner lot, no fence shall be allowed closer to the side street than the property line facing that street. No fence shall be over six feet in height. Any fence joining Common Properties may be required to be of a specific design.
15. Driveways and Sidewalks. Driveways and sidewalks shall be considered and treated as part of the landscaping. Each Dwelling Unit constructed upon a Lot must be served by a driveway and by walkways constructed of hard surface materials such as concrete, brick, exposed aggregate or pre-cast pavers. All driveways and sidewalks other than concrete must be approved in writing by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory on all Owners of Lots in the Project to construct or place any driveways, culverts or other structures, or grading which are within the limits of any dedicated roadways, in strict accordance with the specifications therefor, as set forth on the recorded subdivision plat, in order that the roads or streets, which may be affected by such placement or construction, may not be disqualified or

acceptance into the road system of Hamilton County, Tennessee. Each and every Lot shall have a sixty (60) inch wide sidewalk constructed of concrete and offset from the back of the curb by four (4) feet. This sidewalk must be from lot line to lot line on each Lot. Sidewalks shall be completed when the Dwelling Unit is completed, or within one (1) year from purchase of a Lot. The Developer or Architectural Review Committee, as applicable, may grant an extension if appropriate in its sole discretion.

16. Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.
17. Signs. One sign offering the Lot and/or Dwelling Unit for sale and one sign reflecting the name of the builder may be placed upon a Lot. Upon sale of any Lot to an Owner, or upon sale of any Lot owned by a Builder upon which a speculative Dwelling Unit is constructed or is being constructed, one sign reflecting that such Lot and/or Dwelling Unit is sold may be placed upon the Lot. Such signs must be in a form approved by the Developer or the Architectural Review Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Developer or the Architectural Review Committee. Nothing in the foregoing shall be construed to prevent the Developer from erecting and maintaining signs at the entrance of the Development as provided herein.
18. Service Area. Each Dwelling Unit shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from public view by an enclosure that is an integral part of the site development plan (the site development plan being more fully described in Article IV, Section 1(a) hereof), using materials, colors or landscaping that are harmonious with the Dwelling Unit it serves.
19. Garages. Each Dwelling Unit shall have at least a double car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. Garage doors may face the street upon which the Dwelling Unit fronts. The Developer or the Architectural Review Committee may require specific types and/or modifications to the proposed garage doors. The inside walls of garages must be finished. Garage doors may not be allowed to stand open.

20. Landscaping. A landscape plan shall accompany every new home application (the new home application being more particularly described in Article IV, Section 1 hereof) submitted to the Developer or the Architectural Review Committee for approval. Developer or Architectural Review Committee may require ornamental trees to be planted as part of the landscaping plan. The type, size and placement shall be determined by Developer or the Architectural Review Committee. On a corner Lot, the Owner may be required to place said tree on each side of the lot facing street. If a Dwelling Unit has a rear exterior which faces Common Property, another Lot, or Street, the Developer or Architectural Review Committee may require the placement of up to four (4) four-inch (4") little gem magnolia trees in the rear of the lot, or other acceptable landscape buffer to provide screening for the Dwelling Unit. Landscaping in accordance with the approved landscape plan must be substantially completed before the unit is occupied. Shrubbery plantings adjacent to roadways and sidewalks shall not impede the vision of vehicle operators. No artificial plantings will be allowed. Sidewalks and driveways shall be considered and treated as part of the landscaping. Developer or the Architectural Review Committee require 2 – ½" minimum Caliper Quercus lyrata / overcup oak trees in the forty-eight (48) inch verge between the sidewalk and curb after sidewalk / driveway construction.
21. Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats or other household pets is permitted provided, however, that nothing contained herein shall permit the keeping of dogs, cats or other animals for commercial purposes. No kennels, runs, or doghouses may be located upon the Property. No dogs or other animals which evidence a propensity to bite or otherwise harm humans or other domestic pets or which constitute a nuisance to the other residents in the Development shall be allowed or maintained on any Lot. Pet owners shall not allow pets to roam unattended. The pet owner shall muzzle any pet which consistently barks. If barking persists the pet owner shall have the pet removed from the Development. If the pet owner refuses, it shall be deemed an "offensive activity". Nothing contained herein shall be deemed to permit the keeping of an unreasonable number of pets, or the keeping of any animal deemed to be a danger to other residents. Developer or the Board of Directors shall, in their sole discretion, have the authority to determine what constitutes an "unreasonable" number or a "dangerous" pet. No dog pens, kennels or such shall be allowed without the written consent of Developer or the Board.
22. Zoning. Whether expressly stated so or not in any deed conveying any one or more of the Lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.
23. Gardens. No vegetable gardens shall be allowed within view of any street.
24. Unightly Conditions. All of the Lots must, from the date of purchase, be maintained by the Owner or Builder in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot,

including an Owner who is a Builder, fails, of his own volition, to maintain his Lot in a neat and orderly condition, the Developer, or its duly appointed agent, or the Board, or its duly appointed agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition and shall bill the Owner two hundred percent (200%) of the cost of such work. All Owners in the Development shall keep cars, trucks and delivery trucks off the curbs of the streets.

25. Offensive Activity. No noxious or offensive activity (be it offensive as to sight, sound, smell or otherwise) shall be carried on any Lot, nor shall anything be done thereon that may be or may become an annoyance, discomfort, embarrassment or nuisance to the Development or which may disrupt the peaceful and quiet enjoyment of any other Owner.
26. No Detached Buildings. There shall be no detached garages, outbuilding or servant's quarters without the prior written consent of the Developer or the Architectural Review Committee.
27. Sewage Disposal. Before any Dwelling Unit on any Lot shall be occupied, a connection with the sewer system meeting applicable municipal codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any vault or septic system without the written approval of the Developer or the Board.
28. Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, and to maintain unsightly Lots, the Developer or the Board, or their respective agents, may enter upon any Lot on which a Dwelling Unit has not been constructed and upon which no landscaping plan has been implemented, such entry to be made by personnel with tractors or such other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Developer or the Board detracts from the overall beauty, setting and safety of the Development or Lots. Such entrance for the purpose of mowing, removing, clearing, cutting or pruning shall not be deemed a trespass. The Developer and its agents or the Board and its agents may likewise enter upon a Lot to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this Section shall not be construed as an obligation on the part of the Developer and its agents or the Board and its agents to mow, clear, cut or prune any Lots or to provide garbage or trash removal services. Expenses incurred for any of the foregoing shall be chargeable to and recoverable from the Owner of the Lot upon which such work is done.
29. Tree Removal. Except as provided in the landscape description of the site development plan, no live trees or shrubs having a diameter greater than six (6) inches shall be removed prior to obtaining the written approval of the Developer or the Architectural Review Committee. Any Owner who, without having obtained written approval from the Developer or the Architectural Review Committee, cuts down or allows to be cut down any tree having a diameter of six (6)

inches or greater shall be liable to the Association for liquidated damages in the amount of One Thousand and No/100 Dollars (\$1,000.00) for each tree so cut.

30. Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and such tanks or receptacles may be installed only within a Dwelling Unit, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be visible from adjoining Lots, houses or from any street. Garbage cans can only be place at the street on the day of garbage pickup and must be removed from the street before the following day.
31. Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Developer or the Architectural Review Committee.
32. No Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be attached to or installed upon the exterior portion of any Dwelling Unit or other structure on the Property or any Lot within the Development without the prior written consent of the Developer or the Architectural Review Committee; nor shall any radio, television nor any other form of electromagnetic radiation be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals upon any other Lot. Without limiting the applicability of the foregoing, Developer or Architectural Review Committee may permit the installation of unobtrusive television reception devices if such devices are attached to the exterior of a Dwelling Unit and are attached in a location approved by the Developer or the Architectural Review Committee which location shall not be in the public view and shall not be unsightly regardless of its location. Notwithstanding the foregoing, the provisions of this Section shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Development.
33. Excavation. No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which would materially affect the surface grade of a Lot unless the prior written consent of the Developer or the Architectural Review Committee is obtained.
34. Sound Devices. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, with exception to security devices used exclusively for security purposes, shall be located, used or placed upon Lots within the Development. Notwithstanding the foregoing, exterior covered porch speakers are allowed. The playing of loud music from any balconies or porches shall be offensive, obnoxious activity constituting a nuisance.
35. Laundry. No Owner, guest or tenant shall hang laundry from any area within or outside a Dwelling Unit if such laundry is within the public view, or hang laundry in public view too dry, such as on balcony or terrace railings.

36. Mailboxes. Each and every Dwelling Unit shall have the same standard, preaddressed mailbox and post selected by the Developer. Each Builder shall be made aware of the approved mailbox, and where it can be obtained.
37. Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economic value of all Lots within the Development, each Owner and Developer (with respect to improved property owned by Developer) shall have the affirmative duty to rebuild, replace, repair or clear and landscape within a reasonable period of time, any building, structure, improvements, and significant vegetation which shall be damaged or destroyed by fire or another casualty. Variations and waivers of this provision may be made only upon Developer or the Board of Directors establishing that the overall purpose of these Covenants would be best effected by allowance of a variance. Variations to this section are to be strictly construed and the allowance of a variance by the Developer or the Board shall not be deemed to be a waiver of the binding effect of this section upon all other Owners. A variance by the Developer or the Board of Directors shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.
38. Vehicle Parking. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designated for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats or other watercraft, boat trailers and the like shall be parked only in enclosed garages. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted, except within enclosed garages. Vehicles of any type also must not be parked on a sidewalk at any time. Notwithstanding the foregoing, service and delivery vehicles may be parked in the driveway of a Lot during daylight hours for such period of time as is reasonably necessary to provide service or make a delivery to a lot. Guest should be parked in the driveway of the person visited. Home owners should make every effort to not leave cars parked in their driveway longer than twenty-four (24) hours. Any vehicle which is parked in violation of this paragraph may be towed by the Board of Directors at the Owners expense. This paragraph shall not apply to any commercial vehicles providing service or making deliveries to or on behalf of the Association or Developer or their agents. No more than two vehicles shall be parked in the driveway for a length of time exceeding ten consecutive days without moving.
39. Maintenance. Each Lot Owner shall, at all times, maintain all structures located on such Lot, including driveways and permitted fences in good repair which shall include exterior painting as needed, and each Lot Owner shall keep all vegetation and landscaping in good and presentable condition.
40. Approved Builders. Magnolia Developments, LLC or builders who have been approved by the Developer are the only approved Builders.

41. Occupancy Before Completion. No Dwelling Unit shall be occupied until the Dwelling Unit has been completed. The only exception may be considered in the case of landscaping due to inclement weather or other excusable conditions. Any exception shall be approved by the Developer.
42. Developer Reserves the Right. Notwithstanding any other provisions herein to the contrary, the Developer reserves unto itself, its successors and assigns, the following rights, privileges and powers to: subdivide Lots; combine Lots or parts of Lots; rearrange boundaries of Lots; cause any part of any Lot to become a part of the Common Properties; and cause portions of the Common Property Lots to become part of any of the Lots boarding them, provided that the Lots to be altered are owned by anyone other than the Developer.
43. Lawn Care. All unimproved Lots (except those owned by the Developer) and all improved Lots must be kept fully seeded with grass (except where other provisions of this Declaration require sodding) and regularly cut.

The Developer will require that all Lots to be serviced by a lawncare service chosen by the Developer and funded through the assessments established by the Association. The Developer will require each Lot to contain a full irrigation system in which the cost and operation will be the sole responsibility of the Owner. Tree and shrubbery replacement will be the responsibility of the Builder until the warranty period ends, at which time the responsibility for the tree and shrubbery is turned over to the applicable Owner. Oversight of the lawncare service contract will be the responsibility of the Association.
44. Fireplaces. All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney. The design of and materials for the shroud must be approved in writing by the Developer or the Architectural Review Committee.
45. Adjoining Lot Damage. Any damage done to any adjacent or adjoining Lot or by a Builder employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or the Builder that caused such damage, as damage. Temporary construction support must be provided for the curbs and sidewalks by the Owner or contractor during the time of construction. All construction debris shall be removed as least weekly and the street must be kept clean during construction.
46. Material Quality. Only good materials and design will be accepted on any structure built on any Lot. Asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

47. Air Conditioning and Heating Units. Air conditioning and heating units shall be architecturally screened or landscaped so as not to be visible from any street.
48. Sodding. Front, side, and rear of all dwellings must be sodded with fescue and irrigated.
49. Exterior Finish Materials. All exterior finish materials, including without limitation, siding, roofing, gutters, windows and doors, and any finish applied to such materials, and including, without limitation, all paints or stains, mortar or cement, must be approved in writing by the Developer or the Architectural Review Committee.
50. No Waterway Use or Dumping. No boat or rafts of any kind shall be permitted upon, nor shall any swimming be permitted in, any pond, lake, waterway, etc. on the Common Properties. No garbage, trash or other refuse shall be dumped in any pond, lake waterway or any other body of water of the Development. Owners will be assessed a Five Hundred Dollar (\$500.00) fine for each violation of this provision in addition to assessments for the cost of removal. The Developer shall not be responsible for any loss, damage or injury to any person or property arising out of the authorized use of lakes, ponds or streams within the Development.
51. Decks. All exterior wood decks and railings on Dwelling Units whose rear yard adjoins a street or public right of way must be water sealed and/or stained in accordance with the requirements of the Developer or the Architectural Review Committee.
52. Swimming Pools. No above ground swimming pools will be permitted. All pools shall be inground and shall be fenced. Design, placement and construction details shall be submitted to Developer or Architectural Review Committee for approval of inground swimming pools. Fencing must also be approved by Developer or the Architectural Review Committee.
53. Spas and Hot Tubs. Spas and hot tubes must be submitted for approval by the Developer or Architectural Review Committee and must be screened from any street or adjacent property. If placed on decks, screening shall be placed around decking to conceal any motors, pipes, etc.
54. Renting or Leasing. No Dwelling Unit may be rented or leased for a period of time that is less than one (1) year. The only exception is a month to month rental following the expiration of a one (1) year lease. Every Owner shall cause all occupants of a leased Dwelling Unit to comply with these Covenants and Restrictions and the Bylaws. Owner of the Dwelling Unit that is subject to the lease shall be responsible for all violations by such occupants.
55. Playground Equipment. No playground equipment, swing sets, basketball backboards, or similar equipment shall be permitted on any Lot without the written approval of the Developer or Architectural Review Committee. All such equipment must be made of wood and blend with the natural surroundings. The Developer or architectural Review Committee shall in its sole and absolute discretion determine whether or not any applications meet approval, and such

approval shall be on a case-by-case basis and the approval of one application shall not be construed as the basis to approve other applications even if they are substantially similar in nature.

56. Damaged Structure. Any damaged or destroyed structure shall be promptly repaired or rebuilt to original state. If damage is beyond repair, the owner or insurance company shall make the site safe, and remove all debris and bring the lot back to the original state at their expense within six (6) months.
57. Modular, Manufactured or Trailer Homes. No modular, manufactured or trailer homes shall be allowed. Only on the job stick built homes shall be allowed.
58. Obligation to Commence and Complete Construction. Each Owner, except the Developer, agrees that within twelve (12) months of the date on which it takes title to a Lot, they shall execute a construction contract with Magnolia Developments, LLC (or another approved Builder) and will commence construction of a Dwelling Unit on that Lot. Once construction has commenced, each Owner shall continuously and diligently pursue such construction until complete, but in no case, shall completion be more than 12 months from the date of commencement of construction. "Complete" shall mean that a final inspection and approval is granted by the governmental authority having the power to grant such approval, and shall also include completion of the landscaping in accordance with the landscape plan as required herein. Provided that for good cause shown, the Developer or the Board may grant an extension by written approval to an Owner who, in the opinion of the Developer or the Board in their sole and absolute discretion, has made a demonstrable good faith effort or comply with this provision.

An Owner who violates this requirement, and after receipt of notice of such violation from the Developer or the Board and the passage of a reasonable amount of time to commence construction, fails to commence, pursue or complete construction shall be liable for a fine of Five Hundred and 00/100 Dollars (\$500.00) for each month said Owner is in violation of this covenant. If upon 12 months of lot purchase date the owner has not commenced construction, Magnolia Investors, LLC, or its designee, shall have the option but not the obligation to purchase the Owner's Lot at the original price the Owner paid for the Lot excluding any transaction costs that the owner may have incurred in connection with such acquisition.

59. Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of this Declaration, the Developer, its successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots which provisions of this Declaration apply, or the Board, may bring an action or actions against the Owner in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorney's fees incident to any such proceeding, which costs and fees shall constitute liquidated damages. In the event of a violation of set-back lines,

side, rear or front which may be minor in character, a waiver thereof may be made by the Developer or the Board of Directors may grant variances of the restrictions set forth in this Declaration if such variances do not, in the sole discretion of the Developer or the Board of Directors, adversely affect the purposes sought to be obtained hereby.

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

ARTICLE IV
ARCHITECTURAL CONTROL

1. Architectural and Design Review.

The Developer shall have sole architectural and design review authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect the Board to succeed the Developer as provided in the Bylaws, the Developer may execute a document stating that the Developer reserves unto itself, its successors or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserved to it until such time as it shall execute a document assigning these rights to the Board. Upon such occurrence, the Board shall establish an "Architectural Review Committee" as soon as is practicable. When such Committee has been established, the Developer shall transfer reviewing authority to it. Within sixty (60) days of the election of a Board to succeed Developer as above described, such Board shall appoint three (3) persons to make up the Architectural Review Committee. The president of the Association shall always be a member of the Architectural Review Committee. The Architectural Review Committee may adopt rules and bylaws for its own procedural operation as are necessary and convenient; provided, however, that such rules and bylaws must be approved by the Board.

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

- a. A site development plan which in addition to other site plan details shall clearly show the proposed location of the Dwelling Unit on the Lot and the location of all improvements or proposed improvements on and to the Lot including but not limited to all driveways, sidewalks, parking areas, patios and decks.
- b. A detailed landscape plan showing the location of all trees with diameter of five inches or more and indicating which of those trees, if any, are to be removed, and showing the location and type of all plantings proposed to be located on the Lot. All of which shall be in strict compliance with the provisions of this Declaration.
- c. The proposed building plans and specifications (including height and composition of roof, siding or other exterior materials and finishes) of any improvements proposed to be constructed or located upon any Lot. Said plans and specifications shall be in sufficient detail so as to enable the Developer or the Architectural Review Committee to determine whether or not such improvements conform to the provisions of this Declaration, and whether such improvements are suitable and consistent with the intent of this Declaration. In such cases the determination of the Developer or the Architectural Review Committee shall be final.

The Developer or the Architectural Review Committee shall approve or disapprove in writing such plans and shall establish an appropriate level for the required escrow fund prior to the commencement of any construction.

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

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

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

The Developer or the Architectural Review Committee shall charge a fee for each application submitted for review. The amount of the fee shall be set in the sole discretion of the

Developer or the Architectural Review Committee and shall be set initially at Two Hundred Fifty and No/100 Dollars (\$250.00). Developer or the Architectural Review Committee may in their sole and absolute discretion from time to time adjust or waive this fee.

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

2. Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under this Article will be withheld unless such plans, location and specifications comply with the applicable Restrictions and Covenants of this Declaration. Approval of the plans and specifications by the Developer or the Architectural Review Committee is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.
3. Licensing. All Builders, contractors, landscape architects and others performing work on any Lot must be licensed as may be required by the State of Tennessee or any other governmental authority having jurisdiction in order to construct a Dwelling Unit on a Lot or to perform services for an Owner.

ARTICLE V ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner by acceptance of a deed conveying a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of these Covenants and pay to the Association annual assessments or special assessments for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more Owners, to the Association for the payment of all assessments, whether annual or special which may be levied while such party or parties are Owners of a Lot. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and on all the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from the due date to the date of payment at the rate set by the Board, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation. In the event that two or more Lots are

combined into a single Lot by an Owner, the assessments will continue to be based upon the number of original Lots, and if any original Lot is subdivided, the assessment on such original Lot shall be prorated between the Owners based upon the square footage owned by each Owner. Neither the liability for assessments, nor the amount of assessments, shall be reduced or avoided due to the fact that all or any portions of the Common Properties or other portions of the property are not completed. If Owner leases a Lot and/or Dwelling Unit, Owner remains primarily liable for the assessments.

2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used to provide services to the Owners, promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Common Properties and for such other reasons consistent with these provisions, including but not limited to, construction and maintenance of a clubhouse and/or swimming pool.
3. Onetime Pool and Clubhouse Construction Assessment. The onetime pool and clubhouse assessment will be a part of the purchase price for each Lot. Pool construction will begin after the tenth (10th) Lot in the Development has been sold to a buyer not affiliated to the Developer and, in connection with each such sale, a home build contract has been entered into by the Owner and Builder. The amount of the assessment is Eight Thousand Five Hundred and 00/100 Dollars (\$8,500.00). Lot purchases and build contracts entered into prior to November 15, 2017 will be assessed the additional \$8,500.00 and will be due prior to pool and clubhouse construction start date. Owners who fail to pay the onetime pool and clubhouse assessment will not be granted access to the pool and clubhouse, but will be still assessed for pool maintenance as part of the annual assessments charged by the Association. Lot purchase and build contracts entered into after November 15, 2017 will include the pool and clubhouse assessment of \$8,500.00 in the contract and due at closing.
4. Amount of Annual Assessment. Until the transfer of governing authority from the Developer to the Board takes place as described in the Bylaws, the amount of the annual assessments shall be set by the Developer at such amount as the Developer, in its sole discretion, deems appropriate to promote the recreation, health, safety and welfare of the Members (as they are defined in the Bylaws). Thereafter, the amount of the annual assessments shall be set by the Board of Directors unless seventy-five per cent (75%) of the Members who are in attendance or represented by proxy vote to increase or decrease the said annual assessment set by the Board. At any such meeting, the Developer shall have the number of votes as provided in the Bylaws.
5. Special Assessments for Improvements and Additions. In addition to the annual assessments, the Developer or Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, or the cost of any addition to the Common Properties, provided that any such assessment shall have the assent of seventy-five

percent (75%) of the vote of the Members who are in attendance or represented at a duly called meeting of the Association, written notice of which shall have been sent to all Members at least thirty (30) days in advance setting forth the purpose of the meeting (this does not apply until transfer from Developer to Board). At any such meeting, the Developer shall have the number of votes provided in the Bylaws.

6. Property Subject to Assessment. Only land within the Property which has been subdivided into Lots, and the plats thereof filed for public record, shall constitute a Lot for purposes of these assessments.
7. Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot in any other way.

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

- a. The grantee of the utility easement.
 - b. All properties dedicated and accepted by a local public authority and devoted to the public use.
 - c. All Common Properties as defined in Article I hereof.
 - d. All properties exempted from taxation by the laws of the State of Tennessee upon the terms and to the extent of such legal exemptions. This exemption shall not include special exemptions, now in force or enacted hereinafter, based upon age, sex, income levels or similar classifications of the Owners.
 - e. Developer-owned and Builder-owned Lots; provided however, the assessments will be due once Builder has transferred lots to a new Owner or Developer has transferred a lot to an Owner that is not a builder. Notwithstanding the foregoing, Builder will be responsible for assessments twenty-four (24) months from date he/she took title to the Lot.
8. Date of Commencement of Annual Assessment.
 - a. Imposition of the annual assessments provided for herein shall commence with the first sale of the first Dwelling Unit.
 - b. The annual assessments provided for herein shall commence on the first day of a month following transfer of title to the Owner from the Developer or Builder. The annual assessment shall be due and payable on the first (1st) day of the year. The amount of the first annual assessment shall be pro-rated at the time of title transfer. If less than six (6) months remain in the calendar year, Owner shall pay at the time of title transfer the pro-rata amount of the remainder of the current year, plus the following years annual assessment. Thereafter, payment is due annually on the first (1st) day of each year and shall be considered late and subject to penalty and interest after thirty (30) days.

- c. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.
9. Lien. Recognizing that the necessity for providing proper operation and management of the Common Properties entails the continuing payment of costs and expenses therefor, the Association is hereby granted a lien upon each Lot and the improvements thereon as security for the payment of all assessments against said Lot, now or hereafter assessed, which lien shall also secure all costs and expenses and reasonable attorney's fees which may be incurred by the Association in enforcing the lien upon said Lot. The lien shall become effective on a Lot immediately upon the closing of the Lot. The lien granted to the Association may be foreclosed as other liens are foreclosed in the State of Tennessee. Failure by the Owner or Owners to pay any assessment, annual or special, on or before the due dates set by the Association for such payment shall constitute a default, and this lien may be foreclosed by the Association.
10. Lease, Sale or Mortgage of Lot. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, which lease, sale or mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Lot, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Lot; and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot and the Association under this Declaration. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

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

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

ARTICLE VI
REGISTER OF OWNERS AND SUBORDINATION OF LIENS TO MORTGAGES

1. Register of Owners and Mortgages. The Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot to a third party,

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

2. Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot if, and only if, all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgage (i.e., one who records a Mortgage on a Lot for which all assessments have been paid prior to recording) shall acquire title to any Lot by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to the date of acquisition of such title. In the event of acquisition of title to a Lot by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.
3. Examination of Books. Each Owner and each Mortgagee of a Lot shall be permitted to examine the books and records of the Board and Association during regular business hours.
4. Common Properties and Deposits. No First Mortgagee shall be obligated to construct any Common Properties and shall not be liable for any fees or deposits held hereunder unless the same are actually received by such First Mortgagee through foreclosure or any other lawful method.

ARTICLE VII
REMEDIES ON DEFAULT

1. Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.
2. Grounds for and Form of Relief.

- a. Failure to comply with any of the Covenants of the Declaration, the Bylaws or the Rules and Regulations promulgated by the Developer or Board which may be adopted pursuant thereto shall constitute a default and shall entitle Developer or the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Developer or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by the aggrieved Owner.
- b. The Developer or Board of Directors shall have the power to impose reasonable fines which shall constitute an automatic and continuing lien upon a Lot of the violating Owner, to suspend an Owner's right to use the Common Properties, and to preclude Builders, contractors, subcontractors, agents and other invitees of an Owner or occupant from the Property for violation of any duty imposed under this Declaration or the Bylaws, provided, however, that nothing herein shall authorize the Developer, Association or the Board of Directors to limit an Owner's or occupants ingress and egress to or from a Lot. In the event that any occupant of a Lot violates this Declaration or the Bylaws, and a fine is imposed, the fine shall first be assessed against the occupant residing therein provided, however, that if the fine is not paid by the occupant within the time period set by the Developer or Board of Directors, the Owner shall pay the fine upon notice from the Association. The failure of the Developer or Board of Directors to enforce any provision of the Declaration or Bylaws shall not be deemed a waiver of the right of the Developer or Board of Directors to do so thereafter.
- c. Prior to imposition of any sanction hereunder for any reason other than nonpayment of assessments or other charges, the Developer or Board of Directors or its delegate shall serve the accused with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than ten (10) days within which the alleged violator may present a written request to the Developer or Board of Directors for a hearing, and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within ten (10) days of the notice.
- d. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session of the Developer or Board of Directors at the next regularly scheduled meeting or at a special meeting affording the accused a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The

minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any. The Developer or Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Any suspension shall not constitute a waiver of the rights to sanction future violations of the same or other provisions by any person.

- e. Notwithstanding anything to the contrary herein contained, the Developer or Association may elect to enforce any provisions of the Declaration or the By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.
3. Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Developer or the Association, if successful, shall, in addition to the relief provided for in Article VI, Section 2, be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be allowed by the court, but in no event shall the Owner be entitled to such attorneys' fees.
 4. Waiver. Developer or the Board may choose, at its option, not to enforce any provision, covenant or condition herein. The failure of the Developer or the Association or an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any part payment of an assessment, nor shall same constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce such Covenant(s) in the future.
 5. Election of Remedies. All rights, remedies and privileges granted to the Developer, the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.
 6. Violations and Enforcement; Fines
 - a. General. In the event of the violation, or attempted violation, of any one or more of the provisions of these Covenants, the Developer, its successors or assigns, or the Association, its successors or assigns, including the Board acting on behalf of the Association, or any party hereinafter becoming Owners of any one or more of the

Dwelling Units to which provisions of these Covenants apply, may bring an action or actions against the Owner in violation, or attempting violation, and the said violating Owner shall be subject to such equitable, injunctive, or declaratory relief as necessary to enforce the terms of this Declaration and shall be further liable for such damages as may accrue, including any court costs and reasonable attorneys' fees incident to any such proceeding. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the Developer, its successors or assigns or the Board. Further, the Developer or the Board may grant variances of the restrictions set forth in these Covenants (but not including the reduction of the minimum square footage requirements as set forth herein), if such variances do not, in the sole discretion of the Developer or the Board, adversely affect the purposes sought to be obtained hereby.

- b. Fines. In addition to all other rights, remedies, and privileges granted to the Association herein for the enforcement of this Declaration, the Association hereby authorizes the Board to assess, impose and collect monetary fines against Owners who violate or fail to comply with their duties under this Declaration, the Bylaws, or the Rules and Regulations of the Association, as same may be amended from time to time. Such fines shall not exceed the sum of the amount of the annual assessment then in effect for the Development, per instance of violation or noncompliance. Prior to assessing any fine, the Board shall give to the violating Owner written notice of the violation or noncompliance and shall allow the Owner fifteen (15) days from the date the Board sends such notice to cure the violation or noncompliance, or if a cure cannot be reasonably completed within such fifteen (15) days, then the Owner will be allowed such additional time as is reasonably necessary to complete cure so long as the Owner commences cure within the initial fifteen (15) day period and diligently pursues cure to its end. Notwithstanding the foregoing, the Board is not required to provide either written notice of or an opportunity to cure a violation or noncompliance (and the Board may immediately impose and assess a fine) if within one year of receiving written notice of a violation or noncompliance, an Owner commits a second violation or noncompliance that is similar in kind. All fines imposed and assessed by the Board shall be deemed part of an Owner's assessment against his/her Dwelling Unit, shall benefit from the provisions herein pertaining to assessments, and until paid shall be and become a lien against such Dwelling Unit, enforceable in accordance with the provisions of this Declaration and the Bylaws pertaining to assessments, including but not limited to the right to record a notice of lien encumbering the Dwelling Unit and to collect the amounts due by enforcing the lien through foreclosure or otherwise. The Board shall be entitled to use its business judgment in determining which instances of violation or noncompliance merit assessment of a fine, and the Board's failure to assess a fine in any particular instance of violation or noncompliance shall not undermine the general enforceability of this provision and shall not constitute a waiver of any future or other instances of violation of or noncompliance with this Declaration.

ARTICLE VIII
EMINENT DOMAIN

1. Board's Authority. If all or any part of the Common Properties (excluding personality) is taken or threatened to be taken by Eminent Domain, the Developer or the Board is authorized and directed to proceed as follows:
 - a. To obtain any pay for such assistance from such attorneys, appraisers, architects, engineers expert witnesses and other persons, as the Developer or the Board in its discretion deems necessary or advisable to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.
 - b. To negotiate with respect with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, an appeal from, all proceedings as it may deem necessary and advisable in connection with the same.
 - c. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in boards of directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.
2. Notice to the Owners and Mortgagees. Each Owner and each First Mortgagee on the records of the Association shall be given reasonable written advance notice of all final offers before acceptance, propose conveyances, settlements and releases contemplated by the Developer or the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity to be heard with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owners' or Mortgagee's own expense.
3. Reimbursement of Expenses. The Developer and/or the Board shall be reimbursed for all attorneys', engineers', architects' and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

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

ARTICLE IX
OWNER COMPLAINTS

1. Scope. The procedures set forth in this Article for Owner complaints shall apply to all complaints regarding the use or enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Association, including, without limitation, decisions of the Association or of the Board.
2. Grievance Committee. There shall be established by the Board a Grievance Committee to receive and consider all Owner complaints. The Grievance Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board.
3. Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the President of the Association and sent in the manner provided herein for sending notices.
4. Consideration by the Grievance Committee. Within twenty (20) days of receipt of a complaint, the Grievance Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefor. Within ten (10) days after notice of the decision, the complainant may proceed under Article IX, Section 5; but if complainant does not, the decision shall be final and binding upon the complainant.
5. Hearing Before the Grievance Committee. Within ten (10) days after notice of the decision of the Grievance Committee, the complainant may, in a writing addressed to the President of the Association, request a hearing before the Grievance Committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his expense, and the Grievance Committee, at the expense of the Association, shall be entitled to legal representation at such hearing. The hearing shall be conducted before at least two members of the Grievance Committee and may be adjourned from time to time as the Grievance Committee in its discretion deems necessary or advisable. The Grievance Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefor within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Article IX, Section 7, the decision shall be final and binding upon the complainant.
6. Questions of Law. Legal counsel for the Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.
7. Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Grievance Committee or the complainant may, at their option, within ten (10) days after notice of the decision as provided for in Article IX, Section 5, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator

shall be final and binding upon the complainant and the Grievance Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.

8. Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy, and no Owner shall bring suit against the Grievance Committee, the Association, the Board or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.
9. Expenses. All expenses incurred by complainant, including, without limitation, attorneys' fees and arbitration expenses and the like, shall be the sole responsibility of complainant. All expenses of the Grievance Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE X
GENERAL PROVISIONS

1. Duration. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of the be enforceable by the Developer, the Board, the Association or an Owner, their respective legal representatives, heirs, successors and assigns, in perpetuity, unless amended or terminated as provided herein.
2. Amendments. This Declaration may be amended, modified or revoked in any respect from time to time by Developer, in his sole and absolute discretion, prior to the date that the governing authority for the Development is transferred from the Developer to the Board of the Association in accordance with the Bylaws. Thereafter, this Declaration may be amended in accordance with the following procedure.
 - a. An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided, however, that, if considered at an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in the Bylaws, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment that would adversely affect Mortgagees' right shall also be sent to each Mortgagee listed upon the register of the Association.
 - b. At any such meeting of the members of the Association, the amendment must be approved by an affirmative seventy-five percent (75%) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, the Developer shall have the number of voter as provided in the Bylaws.
 - c. An amendment adopted under Paragraph B above shall become effective upon its recording with the Recorder, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary

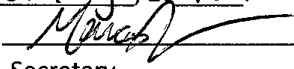
shall certify on its face that it has been adopted in accordance with the provisions of this Section; provided, that in the event of the disability or incapacity of either, the Vice-President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including without limitation, any Mortgagee, prospective purchaser, tenant, lien or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

- d. The certificate referred to in Paragraph C of this Section shall be in substantially the following form:

CERTIFICATE

I, Marcus Jones, do hereby certify that I am the Secretary of The Magnolia ONE Homeowners Association and that the within amendment to the Declaration of Covenants and Restrictions for Magnolia ONE Subdivision was duly adopted by the Owners of said Association and the Mortgagees, if applicable, in accordance with the provisions of Article X, Section 2(b) of said Declaration.

Witness my hand this 29 day of January, 2018.


Secretary

The Magnolia ONE Homeowners Association,
Inc.

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

Magnolia Investors, LLC
PO Box 11342
Chattanooga TN, 37401

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

5. Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal or unenforceable, for any reason by the adjudication of any court or other tribunal having jurisdiction of the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.
6. Captions. The captions herein are inserted only as a matter of convenience and are for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.
7. Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate. For the purposes of this Declaration, except as otherwise provided herein, the terms "Developer" and "Builder" shall mean Magnolia Investors, LLC.
8. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.
9. Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.
10. Effective Date. This Declaration shall become effective upon effective upon its recording in the office of the Register of Hamilton County, Tennessee

[Signature Appears on the Following Page]

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

Magnolia Investors, LLC

By: Marcus Jones
Print Name: Marcus Jones
Title: Secretary

STATE OF TENNESSEE)

COUNTY OF HAMILTON)

Before me, a Notary Public of the State and County aforesaid, personally appeared Marcus Jones, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Secretary of Magnolia Investors LLC, the within named bargainer, a limited liability company, and that he as such officer executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such officer.

WITNESS my hand and seal, this 29th day of January, 2018.

Todd C. McCain
Notary Public

My Commission Expires:

12-13-2020

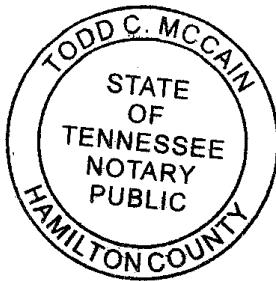


EXHIBIT "A"

The property encumbered by these covenants and restrictions are shown in Plat Book 111 Pages 24 in the Hamilton County Register's Office as Lots 1-31 of the Magnolia ONE Subdivision.

**BYLAWS FOR
MAGNOLIA ONE HOMEOWNERS ASSOCIATION, INC.**

This Instrument Prepared By:
Marcus Jones
Magnolia Investors, LLC
PO Box 11342
Chattanooga, Tennessee 37401

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BYLAWS FOR
MAGNOLIA ONE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME

The following provisions shall constitute the Bylaws of **Magnolia ONE Homeowners Association, Inc.** (the "Bylaws"), a not-for-profit corporation (the "Association") which shall, along with the provisions of the Declaration of Covenants and Restrictions for Magnolia ONE Subdivision (the "Declaration") and the rules and regulations adopted by the Board of Directors of the Association (the "Board"), govern the administration of **Magnolia ONE Subdivision**, a residential development (the "Development"). The terms in these Bylaws (unless otherwise defined) shall have the same meaning as the terms defined in the Declaration for this Development. These Bylaws are adopted by Marcus Jones, as President and Sole Director of the Association, appointed by Magnolia Developments LLC ("Developer"), in conjunction with recording the Declaration of Covenants and Restrictions at in the Register's Office of Hamilton County, Tennessee. Capitalized terms in these Bylaws which are not given expressly a definition herein shall have the meanings ascribed to them in the Declaration.

ARTICLE II
OFFICES

The principal office of the Association in the State of Tennessee shall be located at:

1038 Meroney Street
Chattanooga, TN 37405

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

ARTICLE III
PURPOSES

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

ARTICLE IV
ASSOCIATION

4.01 Membership. The Developer and every person or entity who is an Owner of Record of a fee simple interest or an undivided fee simple interest of at least fifty percent (50%) in any Dwelling Unit which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Dwelling Unit and recording of the deed of conveyance in the Register's Office of Hamilton County, Tennessee. Membership shall be appurtenant to and may not be separated from ownership of any Dwelling Unit which is subject to assessment.

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

ARTICLE V
THE BOARD OF DIRECTORS

5.01 Board of Directors. Subject to Section 5.02 of this Article hereinbelow, the administration of the Property on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of three (3) natural persons of legal age, each of whom shall be an Owner or the nominee of an entity (other than a natural person) which is an Owner, at all times during membership on the Board.

5.02 Developer Performs Functions.

A. The rights, duties and functions of the Board and the Architectural Review Committee (as defined in the Declaration) shall be exercised solely by Developer until such time as the Developer calls special meetings of the Association to elect members of the Board as herein provided. The Developer may, in its sole discretion, designate up to three (3) individuals to act as the Board on behalf of the Developer during the period that the Developer is performing the functions of the Board. Such individuals designated by the Developer need not be Owners, and may be removed and replaced by the Developer at will. The Developer may also limit the scope of authority of such individuals. Developer shall call a special meeting of the Association within sixty (60) days following the sale of seventy-five percent (75%) of the Dwelling Units in the Development, and at such special meeting, the Owners then making up the Association

(including the Developer to the extent it owns Dwelling Units) shall elect one (1) person to serve on the Board, and the Developer shall continue to serve in place of or to appoint the remaining two (2) members of the Board (or to appoint a single member of the Board who shall carry 2 votes). After selling the last Dwelling Unit in the Development Developer shall remain on the Board until the next regularly scheduled annual meeting of the Association, at which annual meeting Developer (or its appointees) shall step down from the Board, and all three (3) Board positions then shall be open for election by the Association in accordance with Sections 5.03 and 5.04 below, thus creating the first Board consisting entirely of persons other than the Developer (or its appointees).

B. The Developer shall exercise all powers of the Architectural Review Committee (as defined in the Declaration) until a Board consisting entirely of persons other than the Developer (or its appointees) has been elected by the Association in accordance with these Bylaws, which Board shall then appoint the members of the Architectural Review Committee in accordance with these Bylaws.

5.03 Election. At each annual meeting, subject to the provisions of Section 5.02 hereof, the Association shall elect those members of the Board as required under Section 5.01 who shall serve the terms set out in Section 5.04; provided, however, the members of the Board elected to join the Developer as provided in Section 5.02 shall be elected at special meetings duly called and specifically called for that purpose by Developer. At least thirty (30) days prior to any annual meeting of the Association, the Board shall appoint a Nominating Committee of not less than three (3) Owners (not more than one of whom shall be a member of the then current Board) which shall recommend to the annual meeting one nominee for each position on the Board to be filled at that particular annual meeting. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Owners and by the nominee named therein indicating his or her willingness to serve as a member of the Board, if elected.

5.04 Term. Members of the Board shall serve for a term of three (3) years; provided, however, that (i) prior to the election of the first Board consisting entirely of persons other than the Developer (or its appointees) pursuant to Section 5.02 above, Board members shall serve until the first regularly scheduled annual meeting of the Association following the Developer's sale of the last Dwelling Unit, and (ii) at the first annual meeting of the Association following Developer's sale of the last Dwelling Unit, when all three (3) Board positions shall be open for election, one (1) members elected to such first Board shall be designated to serve a term of one (1) year, one (1) members elected to such first Board shall be designated to serve a term of two (2) years, and one (1) member elected to such first Board shall be designated to serve a term of three (3) years. Thereafter, all Board members elected each year shall serve for a term of three (3) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.05 Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President, the remaining Board members or the Manager. Any member of the Board (other than the Developer or its appointees) may be removed from

membership on the Board by a two-thirds (2/3rds) majority affirmative vote of those members of the Association who are in attendance or represented by proxy at an annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of the death of a member, the disability of a member which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a member shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining members shall elect a successor member to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

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

5.07 Powers and Authority of the Board. The Board, for the benefit of the Property and the Association, shall enforce the provisions of the Declaration, these Bylaws, and the Rules and Regulations governing the Property. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

A. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility services for the Common Properties.

B. The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Property, whether such personnel are employed directly by the Board or are furnished by the Manager. All persons employed to manage or assist in the management or maintenance of the Property shall be employed at the will of the Board; provided that a Manager may be employed for successive periods not exceeding a three (3) year term in each period. The Board may delegate any of its duties, powers or functions relating to the daily administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

C. The services of a person or firm to provide security for the Development to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.

D. Legal and accounting services necessary or advisable in the operation of the Property and the enforcement of this Declaration, these Bylaws, and any Rules and Regulations made pursuant thereto.

E. Officers and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.

F. A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the Board, Association and Owners as obligees, in an amount to be determined from time to time by the Board.

G. Painting, maintenance, repair, replacement and landscaping of the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.

H. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.

The Board shall have the exclusive right to contract for all goods, services, including security personnel, and insurance, payment for which is to be made a Common Expense. The provision shall not be construed to prohibit the Board from delegating such authority to the Manager as it deems proper.

5.08 Additional Powers of the Board; Budgetary Responsibility. The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Owners and as such shall manage, maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with this Declaration, these Bylaws and the Rules and Regulations. The Board shall have the responsibility to establish and adopt the annual budget for the Association at the Association's annual meeting or at a special meeting called in accordance with the Association's fiscal year and to support such annual budget by establishing assessments to be contributed by Owners (subject to the provisions of Article V of the Declaration); provided however, that following the election of the first Board consisting entirely of persons other than the Developer (or its appointees) the Board may not increase the Association's annual budget for any given year in an amount in excess of ten percent (10%) of the prior year's annual budget without first obtaining the affirmative vote of not less and two-thirds (2/3rds) of those members of the Association who are present or represented at the annual meeting.

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

Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

5.10 Special Meetings. Special meetings of the Board may be called by the President of the Association or by any two Board members.

5.11 Notice of Meetings. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least five (5) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

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

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

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

5.15 Committees. The Board, by resolution duly adopted, may designate one or more standing committees or special committees (each a "Committee"), each Committee to consist of two (2) or more Owners appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. Except as otherwise specifically provided in this Declaration or these Bylaws, a Committee may give its recommendations to the Board for further action, but no Committee may make decisions or take any actions affecting the rights of Owners. Such Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Owners to fill vacancies on Committees.

5.16 Rules and Regulations. The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Common Properties, setting forth restrictions on, and requirements respecting the use and maintenance of the Common Properties, and otherwise establishing rules and codes of conduct for the Development. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

5.17 Limitation on Capital Additions, Etc. The Board shall not authorize structural alterations or capital additions to the Common Properties which require an expenditure in excess of Ten Thousand Dollars (\$10,000.00) without approval of a majority vote of those Members who are present or represented by proxy at any annual or special meeting of the Association; or in excess of Twenty Thousand Dollars (\$20,000.00) without approval of two-thirds of the vote of those Members who are present or represented by proxy at any annual or special meeting of the Association; provided, however, that the Board shall have the power to make any repairs to and to undertake maintenance on the Common Properties as may be of an urgent nature, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval.

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

ARTICLE VI
THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

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

6.02 Annual Meeting. There shall be an annual meeting of the Association on the second Tuesday of April at 7:00 P.M. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Owners not less than fifteen (15) days prior to the date fixed for said meeting. Prior to or at the annual meeting, the Board shall furnish to the Owners: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) an annual financial statement for the previous fiscal year.

6.03 Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by a majority of the Board, or by at least one-third (1/3) of the Owners by written notice, delivered to all Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.

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

6.05 Officers. The officers of the Association shall be a President, Vice President/Secretary, and Treasurer. A single person may hold multiple offices, except that the President may not also hold the office of Vice President/Secretary. Each officer shall be required to be an Owner (other than the Developer and its appointees), and the President must be a member of the Board and shall simultaneously serve as the chairman of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed from their officer capacity and replaced by the Board. In the event an office becomes vacant due to an officer ceasing to be an Owner, or due to the death or disability of an officer, or for any other reason, the Board shall immediately name a successor to that office to serve out the remainder of the term. The Board may, in its discretion, require that officers be subject to fidelity bond coverage, which shall be an expense of the Association.

A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association and chairman of a Board, including the appointment of committees.

B. Vice President/Secretary. In the absence or inability of the President, the Vice President/Secretary shall perform the functions of the President. The Vice President/Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

C. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

ARTICLE VII **LIABILITY AND INDEMNIFICATION**

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

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

7.03 Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners. No suit shall be brought on behalf of the Association without approval either of the Board or of a majority of Owners present or represented at a duly called meeting, and, if approval is obtained, the plaintiffs' expenses, including reasonable counsel's fees and court costs, shall be a Common Expense.

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

ARTICLE VIII GENERAL PROVISIONS

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

8.02 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by Developer prior to the election of the first Board consisting entirely of persons other than the Developer (or its appointees) and thereafter by not less than two-thirds (2/3rds) of the affirmative vote of those members of the Association who are present or represented at a meeting duly called for that purpose, provided, however, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. Notwithstanding the foregoing, any amendment shall be

required to be recorded with the Recorder's office and must be kept on file with Developer or the Secretary and available to all Owners upon written request.

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

Marcus Jones
Magnolia Investors, LLC
PO Box 11342
Chattanooga, Tennessee 37401

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

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

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

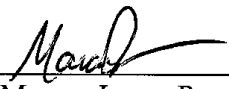
8.07 Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

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

ADOPTION OF BYLAWS

The undersigned as the designee of the Developer of the Property hereby adopts the foregoing Bylaws of the Association this 29 day of January, 2018.

**MAGNOLIA ONE HOMEOWNERS
ASSOCIATION, INC.**

By: 
Marcus Jones, President and Director, as
appointed by Magnolia Developments, LLC