

**AMENDED AND RESTATED
RESTRICTIVE COVENANTS AND CONDITIONS APPLYING TO
SKY RIDGE SUBDIVISION
BEDFORD COUNTY, TENNESSEE**

Sky Ridge Property Owners' Association, Inc., a Tennessee nonprofit corporation, being the owner in fee simple of the real estate that has been subdivided and named Sky Ridge Subdivision according to survey and plat of same, which plat is of record in Plat Book PLK 1, Page 18 of the Register's Office of Bedford County, Tennessee, (the "Plat") and which plat is made a part hereof by reference, does hereby agree and bind itself, its successors and assigns, that all the property described in said Plat, as well as any further properties incorporated as hereinafter described shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest to the property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof. This instrument shall be referred to as "Declaration" and is intended to replace entirely the all previous Restrictive Covenants and Conditions.

**ARTICLE I
DEFINITIONS**

- A. Association. Association shall mean and refer to the Sky Ridge Property Owners' Association, Inc., its successors, and assigns.
- B. Board of Directors or Board. Board of Directors or Board shall mean the governing body of the Association as provided in this instrument, the Articles of Incorporation, and the By-Laws thereof.
- C. By-Laws. By-Laws means the By-Laws of the Sky Ridge Property Owners' Association, Inc.
- D. Common Areas. Common Areas, if any, shall mean all real property and the improvements thereon as designated on the Plats and/or owned or maintained by the Association for the common use and enjoyment of the Owners.
- E. Common Elements. All improvements made within Common Areas and all other improvements made to the Property maintained by the Association are Common Elements, including but not limited to the centralized mail delivery area, development entrance signage, landscaping, fencing, and stormwater management facilities.
- F. Common Expenses. Common Expenses mean and include (a) expenses of administration, operation, management, repair or replacement of the Common Areas and Common Elements of the Property, (b) expenses declared common by the provisions of the instrument or the Charter, or By-Laws of the Association, (c) all sums lawfully assessed by the Board, and (d) expenses as provided in any duly authorized management agreement.

G. Developer. Developer shall mean and refer to Curl Properties, LLC, its successors, and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Developer for the purposes of development.

H. Documents. Documents and the Sky Ridge Subdivision Documents mean this document which may hereinafter be referred to as Declaration, the Articles of Incorporation, the By-Laws, the Plat and any amendments or supplements thereto.

I. Lot. Lot shall mean and refer to any numbered plot of land shown upon any recorded subdivision map for the Property with the exception of the Common Areas and dedicated streets, if any. Title to lots will be held by an Owner or Owners (the "Lot Owner") in fee simple.

J. Majority or Majority of the Lot Owners. Majority or Majority of the Lot Owners means the owners of more than fifty (50%) percent of the undivided membership in the Association present and then eligible to vote. Any specific percentage of Lot Owners means that percentage of Lot Owners who in the aggregate own such specified percentage of the entire undivided membership in the Association, present and then eligible to vote.

K. Member. Member shall mean and refer to every person or entity who holds membership in the Association.

L. Owner. Owner shall mean and refer to the record owner, including Developer, whether one or more persons or entities of a fee simple title to any lot which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

M. Plat. Plat means the plats of the Property of record in Plat Book PLK 1, page 18 of the Register's Office of Bedford County, Tennessee, showing the number of each Lot, location, and other data necessary for identification and any new or amended plats added pursuant to this document. Developer is authorized and empowered irrevocably to amend the Plat (without joinder of any Lot Owner) to correct mistakes and to define common elements more clearly.

N. Property. Property (whether singular or plural) means all the land, property and space which is the subject of this instrument (by amendment or otherwise), comprising the land shown on the Plat.

O. Residence. Residence shall mean and refer to any portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.

ARTICLE II THE ASSOCIATION

A. Organization.

1. The Association shall not be incorporated or otherwise organized until such time as determined by Developer; it being the specific intent that Developer shall, in the interim, act with the same powers as herein provided to the Association.

2. The Association is a non-profit Tennessee corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws, and this Declaration. Neither the Articles nor the By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and Board Directors of the Association shall be required to be either (i) members of the Association; or (ii) officers, directors, agents, representatives or employees of Developer or a successor to Developer.

3. A Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Sky Ridge Subdivision Documents. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration. Until the Association is incorporated, Developer shall act in place of the Association, with the same powers as herein granted the Association such as but not limited to the power to assess fees for the common area maintenance and to enforce all provisions of the Sky Ridge Subdivision Documents. Upon its incorporation, the Association shall be controlled by the Developer, and the Developer shall have the authority to appoint members to the Board from time to time as the Developer sees fit. Upon completion of the auction on May 2023, 2026 the Developer shall appoint at least three (3) Owners to compose the Board of Directors, one (1) Owner for a 1-year term, one (1) Owner for a 2-year term, and one (1) Owner for a three (3) year term. Thereafter, the Owners shall elect Board members as set forth in the By-Laws for the Association.

The initial Board Directors elected by the Members after the appointment period shall be grouped into two (2) separate classes so that approximately one-half of the total number of initially elected Board Directors are up for re-election each year. Thus, as to the initial Board Directors elected by the Members, one-half of the Board Directors will serve a term of one (1) year, and the other one-half of Board Directors will serve a two (2) year term. Thereafter, upon the expiration of a Board Manager's term, his successor shall be elected for a term of two (2) years.

B. Membership.

1. **Qualifications.** Each Owner (including Developer) shall be a member of the Association and shall be entitled to one (1) membership for each lot owned. Ownership of a lot shall be the sole qualification for membership in the Association.

2. Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in the applicable Sky Ridge Subdivision Documents.

3. Transfer of Membership. The Association membership of each Owner (including Developer) shall be appurtenant to the lot giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon the transfer of title to said lot and only to the transferee of title to such lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

C. Voting Rights - Members, Classes of Members.

1. Class A. Members. Class A Members shall be all owners with the exception of the Developer; but, in no event shall more than one (1) vote be cast with respect to any Lot in this class.

2. Class B. Members. Class B Members shall be the Developer and Developer shall be entitled to five (5) votes for each Lot owned. If Developer owns no lots, there is no Class B Member.

D. Duties of the Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions, (subject to the provisions of this Declaration), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the Properties.

1. Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitations, covenants, affirmative obligations, conditions, and other provisions of this Declaration, the plat, the By-Laws and Articles, and the other Sky Ridge Subdivision Documents.

2. Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area, in perpetuity, together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order, condition and repair.

Initially, the Association will mow the area between the exterior fence along northwest side of the subdivision and Whiteside Hill Rd. As homes are developed on the lots adjoining Whiteside Hill Rd, the owners of those lots will take over the maintenance of the area between the fence and Whiteside Hill Rd. The maintenance of the fence on lots adjoining Whiteside Hill Rd will, at all times, be the responsibility of the lot owners where the fence is located. Neither the fence nor the area between the fence and road are common areas defined herein.

3. Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area.

4. Taxes and Assessments. To pay all real and personal property taxes and assessments (if any) separately levied upon or assessed against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond ensuring a payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes. It is the intent of this Declaration in as much as the interest of each Owner's lot is an interest in real property on a proportionate basis appurtenant to each lot, that the value of the interest of each Owner in such Common Area shall be included in the assessment for each lot, and as a result any assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various lots.

5. Dedication for Public Use. Bedford County TN has approved the road as a county road as recorded in Plat Book PLK1, Page 18 and therefore all maintenance of the road will be the responsibility of Bedford County TN. Any lot owner who needs to add an entrance to access their lot will need to work with Bedford County TN individually to create the entrance at the lot owners sole expense.

6. Insurance. To obtain and maintain insurance as provided for by either the By-Laws, this Declaration, or the mortgagee protective agreement referred to in later sections of this Declaration.

7. Rule Making. To make, establish, promulgate, amend, and repeal the Association rules as provided for by this Declaration and the other Association documents except as otherwise provided.

8. Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration as may be reasonably necessary or appropriate to enforce or effectuate any of the provisions of this Declaration and the Association rules.

9. Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Developer, or by a successor to Developer, during the period in which Developer is continuing to develop this project, to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming the Sky Ridge Subdivision Documents to the requirements of such mortgagees or insurers, providing that any such agreements do not contravene the requirements of the Sky Ridge Subdivision Documents or any applicable law.

E. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject

only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

1. Assessments. To levy assessments on the Owners of lots and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

2. Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any Sky Ridge Subdivision covenants, conditions, obligations, or duties and to enforce, by mandatory injunction or otherwise, all the provisions of the Declaration, Articles and By-Laws.

3. Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in on, over or under the Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, (1) overhead or underground lines, cables, wires, conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television cables, radio and audio antennae facilities and for other appropriate purposes; (2) public sewers, storm water drains and pipes, water system, sprinkling systems, water, heating and gas lines or pipes; and (3) any similar public or quasi-public improvements or facilities.

4. Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such manager and employees shall have the right of ingress and egress over such portion of the Properties as is reasonably necessary for the purpose of performing such business, duties, and obligations.

5. Mortgage Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sell or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the owners of lots; (iii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the Properties, driveways, or the upkeep of lawns or plantings located upon the Properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such

improvements; (vi) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

6. Right of Entry. Without liability to any Owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in the Instruments, Articles and By-Laws, and for the purpose of maintaining or repairing any portion of the Properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the Properties.

7. Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration, and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance, sidewalks or lot clean-up in the event owner fails to maintain as required.

8. Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Instrument or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended insurance coverage covering the Common Areas, liability insurance, worker's compensation insurance and performance of fidelity bonds.

The Association is empowered to act in the best financial and operational interests of the Association and its members. This includes the authority to review and adjust insurance coverages maintained by the Association if the cost of obtaining or maintaining such coverages becomes prohibitively high or unsustainable for the community.

The Association shall periodically evaluate the costs of all insurance policies carried by the Association, including but not limited to property insurance, liability insurance, and any other required or recommended coverages. If the cost of maintaining any coverage increases substantially or becomes unsustainable, the Association is authorized to:

1. Seek competitive quotes from alternative insurance providers.
2. Modify policy limits, deductibles, or other terms to achieve cost-effective coverage.
3. Eliminate non-essential coverages if deemed appropriate by the Association.

If the Association determines that a change to Association's insurance coverage is necessary due to cost considerations, the Association shall provide written notice to all Owners at least 30 days in advance of implementing such changes. The notice shall include:

1. A summary of the current insurance coverages and costs.
2. An explanation of the proposed changes and reasons for the adjustment.
3. Information on any potential impact to members, including changes in individual responsibilities or coverage gaps.

If the Association determines that maintaining essential insurance coverages requires additional funding, the Association is authorized to levy a special assessment, subject to any approval requirements outlined in the governing documents.

If the Association reduces or eliminates specific coverages due to cost considerations, Owners are responsible for obtaining individual insurance policies to cover any resulting gaps in protection. The Association may provide recommendations or guidelines for such individual coverages but shall not be liable for ensuring individual compliance.

The Association's decisions regarding insurance coverage adjustments due to cost considerations shall be final and binding, provided such decisions are made in good faith and in accordance with applicable laws and the governing documents of the Association.

9. Utility Service. To contract and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

10. Professional Services. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, paths, drives or other paved areas upon any portion of the Properties not dedicated to any governmental unit and on the lots in the event the owners fail to keep such paved area maintained and repaired.

11. Protective Services. To contract and pay for, or otherwise provide for, fire, security and such other protective services as the Association shall from time to time deem appropriate for the benefit of the Properties, the Owners, and their guests.

12. General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary.

13. Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Areas on account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

14. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the Common Areas or any part thereof. In the event of a taking or acquisition of part or all of the common areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All Owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney

in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the condemnation of any part of the Common Area shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENT

A. Creation of the Lien and Personal Obligation of Assessments.

1. Each Owner for any lot, by said acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay: (1) the initial assessment, (2) annual assessments or charges, and (3) special assessments for capital improvements or losses, or for failure to maintain and repair, such assessments to be established and collected as hereinafter provided.

2. All assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them, but no such assumption shall relieve any Owner personally obligated from his personal liability.

B. Annual Assessments.

1. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the lots; the improvement, operation and maintenance of the Common Area; the duties and exercise of the powers of the Association; the payment of the proper expenses of the Association and all costs incurred in the performance by the Association of its duties, and the establishment of reasonable reserves for the maintenance repair and replacement of paths and paved areas within the Common Areas, landscaping and other improvements upon the Common Area.

2. Annual Assessments levied by the Association for each year shall be adequate to finance the operation and activities of the Association, to satisfactorily maintain the Common Area, and maintain adequate repair and replacement reserves.

C. Working Capital and Transfer Fees. In addition to the above Annual Assessments, each purchaser of a Lot other than builders to be named, shall be subject to the payment of a Working Capital Fee and a Transfer Fee both of which shall be due and payable at the closing of such Lot. The Working Capital Fee and Transfer Fee shall be determined at a future date and assessed per Lot. Both of these fees shall be due and payable immediately at the closing of a Lot. The fees as set forth herein shall be modifiable by the Board at any time. Each prospective purchaser shall be under a duty to have inquired about the amount of such fees prior to closing, which if not paid shall be a lien on the Lot.

D. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto.

E. Notice and Quorum for any Action Authorized under Section B. Written notice for any meeting called for the purpose of taking any action authorized under Section B shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting and shall state the purpose of such meeting. At the first such meeting called, the presence of members or of proxies entitled to cast Fifty one percent (51%) of all votes of such class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the Association has not been organized and the Developer is acting in lieu of such Association, the above notice requirement is waived.

Unless otherwise provided herein, the presence of Members of the Association representing fifteen percent (15%) of the votes of all Member, in person or by proxy, shall constitute a quorum for the transaction of the business of the Association.

F. Rate of Annual Assessment. Annual assessments must be fixed at a uniform rate for all lots and may be collected on a yearly basis or otherwise at the discretion of the Board.

G. Date and Commencement of Annual Assessments.

1. The annual assessments provided for herein shall commence as to each lot on the first day of the month following the Developer's conveyance of such lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment of every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment, but failure to fix or to notify shall not constitute a waiver of this right or of owner's obligation to pay. The due date shall be established by the Board of Directors.

2. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of the assessments on a lot is binding upon the Association as of the date of its issuance.

H. Effect of Non-payment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per occurrence or highest rate allowed by state law, whichever rate is less, and shall be a lien against the lot, and shall further be the personal obligation of the person owning the lot at the time the assessment comes due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose

the lien against the property, and interest, cost and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the lot.

I. Subordination of the Lien to Mortgages.

1. This transfer and conveyance, and the lien for common expenses payable by a Lot Owner which is secured by the transfer and conveyance shall both be subordinate to the lien of a recorded First Mortgage or Deed of Trust on the interest of such Lot Owner, regardless of whether the First Mortgage or Deed of Trust was recorded before or after this instrument, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. While the lien for assessments may be extinguished, the personal indebtedness therefor shall remain and be the personal obligation of the Lot Owner who owned the lot when the assessment came due. Any delinquent assessments (after lien extinguishment) may be reallocated and assessed among all Lots as a Common Expense. This subparagraph shall not be amended, changed, modified or rescinded except for the appointment of a substitute Trustee without the prior written consent of all First Mortgagees and Beneficiaries of record.

2. For purposes of this section a sale or transfer of a lot shall occur on the date of recordation of an instrument of title evidencing the conveyance of record title.

J. Exempt Property. All property dedicated to and adopted and accepted by a local public authority shall be exempt from the assessments created herein.

K. Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith and for value, but said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

L. Owners Shall Indemnify. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any liability arising from the claim of any lien claimant or judgment debtor against the lot of any other Owner or of the Common Area. The Association or any affected owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law including all rights granted to the Association under Article II.

M. Developer and Licensed Builder Exemptions. Notwithstanding the prior provisions of this Article III, the Developer, and its successors and assigns, shall be exempt from all assessments, including the Working Capital and Transfer Fees. Licensed builders who have received title from Developer for the purpose of constructing a residence for resale shall also be exempt from all annual and special assessments and the Working Capital and Transfer Fees until such time as the property is sold, leased, or otherwise occupied. Transfer of title from the builder shall not relieve the new owner of any liability for assessments and fees from date of the new owner's deed forward.

ARTICLE IV INSURANCE

A. Casualty Insurance. The Association shall keep all insurable improvements and fixtures on the Common Area insured against loss and damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all Common Areas with coverage for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees if any. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. All casualty, liability and fidelity bond coverage shall be in such manner and in such amount as required by the Federal National Mortgage Association (FNMA), and their requirements thereto as set forth in Sections 501-504, FNMA Lending Guide or as thereafter amended, are adopted herein by reference. Any insurance coverage with respect to the Common Area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are Common Expenses included in the common assessments made by the Association.

B. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owner.

C. Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, members of the Board and any standing committee, tenants, or guests, including, but without limitation, workers compensation, malicious mischief, and performance of fidelity bonds.

D. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of property which may be damaged or destroyed.

E. Hazard, Flood, Homeowners, and Fire Insurance. Each Owner shall obtain and maintain in effect fire and appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each residence and improvement owned by such owner, which may be established from time to time by the Board or the Association by

resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board of Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the Property.

Additionally, each Owner is solely responsible for maintaining insurance coverage for and bearing all costs associated with the repair, replacement, and maintenance of:

1. Interior finishes, such as paint, wallpaper, tile, or other wall coverings.
2. Fixtures, cabinetry, and countertops.
3. Flooring, ceiling materials, and moldings.
4. Appliances, HVAC systems, and other mechanical systems located within the Residence.
5. Personal property and belongings within the Residence.

The Association shall not be liable for any damage, loss, or claims arising from events originating inside a Residence, including but not limited to water damage, fire, or other perils.

Each Owner is required to maintain an individual insurance policy that adequately covers all aspects of the Residence for which the Owner is responsible, including but not limited to personal property, liability, and structural features. Evidence of such coverage must be provided to the Association upon request.

F. Obligation to Repair and Restore.

1. Subject only to the rights of an institutional holder of the first mortgage lien on the damaged lot, insurance proceeds from any insurance policy covering a lot shall be first applied to the repair, restoration, or replacement of such residence. Each Owner shall be responsible for the repair, restoration, or replacement of each residence owned by such owner pursuant to the terms hereof. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and in currently generally accepted design criteria) be generally harmonious with the other Sky Ridge Subdivision residences. Such repair and restoration will be commenced as soon as possible.

2. If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a residence or improvement, the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration, or replacement.

G. Association Rights. If any Owner fails to obtain the insurance required in this article, or fails to pay the premiums therefore when and as required or fails to otherwise perform the obligations of an owner under this article the Association may (but shall not be obligated to in any manner) obtain such insurance, make such payments for any such Owner, and/or perform such obligations, and add the cost of such payments or performance, as a special assessment, to the assessments of such Owner and enforce the payment of the assessment in a like manner as an annual assessment.

H. Proof of Insurance. At the discretion and at the request of the Association, each Owner shall provide the Association with a copy of an appropriate insurance policy and a paid

receipt thereof, showing that the Owner has proper hazard, fire, flood and homeowner's insurance coverage. Failure to so provide such insurance proof on an annual basis or at such other times as the Association may reasonable require will be construed as a default of the obligations under this article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said residence, with the Owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the Sky Ridge Property Owners Association, Inc., and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. Nothing herein shall be construed so as to require the Association to procure, insure or be a guarantor that insurance is procured or in force on any lot.

I. Notice to First Mortgagees. In the event of substantial damage to or destruction of any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a lot will be entitled to timely written notice of any such damage or destruction and no provision of any document will entitle the owner of a lot or other party to priority over such institutional holder with respect to the distribution to such Lot Owner of any insurance proceeds.

J. Tenant Liability Insurance Requirement. Any Owner who leases or rents their Residence ("Owner-Landlord") shall require their tenant(s) to maintain liability insurance coverage throughout the duration of the tenancy. The liability insurance policy must provide coverage for damages caused by the tenant(s) that result from negligence or other acts for which the tenant(s) may be held liable.

The liability insurance policy maintained by tenant(s) must provide minimum coverage as determined by the Association and must include:

1. Coverage for property damage to other Units, common areas, and HOA property.
2. Coverage for personal injury occurring as a result of tenant actions or negligence.

Prior to the commencement of any lease or rental term, the Owner-Landlord must obtain proof of the required liability insurance from their tenant(s) and provide a copy of such proof to the HOA upon request. The proof of insurance must:

1. List the HOA as an additional interested party for notification purposes in case of policy lapse or cancellation.
2. Specify the policy term and coverage limits.

The Association shall not be held liable for any damage, injury, or loss arising from the acts or negligence of tenant(s). Any claims made against the Association's insurance policy that are determined to result from tenant negligence shall be the responsibility of the Owner-Landlord to reimburse or rectify, to the extent permitted by law and these covenants.

Failure by an Owner-Landlord to ensure compliance with this provision may result in:

1. Fines or penalties imposed by the Association as outlined in the governing documents.
2. Additional assessments levied against the Owner for costs incurred by the Association due to tenant negligence, including deductible amounts for Association

insurance claims.

The Association is authorized to amend the minimum liability coverage requirements and enforcement procedures as deemed necessary to protect the interests of the Association and the community.

The Association is responsible for ensuring that the Association's insurance policy complies with these minimum requirements. The Association shall review the policy annually and adjust coverage limits as necessary to meet current building costs, code requirements, and ordinances.

ARTICLE V EXTERIOR MAINTENANCE

B. Maintenance of Common Elements. Maintenance of, repairs to and replacements to the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of repairs to and replacements to the Common Elements shall be part of the Common Expenses, subject to the By-Laws, rules and regulations of the Association. If, due to the act or neglect of a Lot Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements, or to a Lot owned by others, or maintenance, repair or replacement are required which would otherwise be a Common Expense, then such Lot Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier or to the extent any such claim raises insurance premiums.

In addition to the utility and maintenance easements as may appear on the Plat, the authorized representatives of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of any individual lot in the event of an emergency, or in connection with maintenance of, repairs or replacements of the Common Elements or any equipment, facilities or fixtures affecting or serving other lots and the Common Elements or to make any alteration required by any governmental authority.

C. Duties of the Association - Maintenance of the Common Areas and Sidewalks. The Association shall be responsible for maintaining all the areas designated as the Common Area. Maintenance shall include landscaping the Common Area, keeping the Common Area mowed and all shrubbery trimmed, keeping the Common Area clean of debris, maintaining all fixtures and equipment of the Common Area in good working order. The Association shall be responsible for ensuring that each Lot Owner maintains his or her property in conformity with the requirements of paragraph C of this Article, including, but not limited to, the maintenance and repair of vinyl siding on any building.

D. Additional Requirements. Each Lot Owner is responsible for all exterior maintenance on his own lot. Each Owner shall repair, maintain, or replace all exteriors on any building in a good and husband like manner. Additionally, all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc. shall be maintained in a neat, orderly condition and in a good state of repair and maintenance.

ARTICLE VI USE AND BUILDING RESTRICTIONS

The following restrictions are in addition to the restrictions and conditions on lot usages aforementioned:

1. Residential Structures Only. No lot may be used for any purpose except for the construction and maintenance of a residential building, including detached garages and storage structures, and no such residential structure on any such lot shall be designed, constructed, or used for more than one family. Provided, however, lots adjacent to a homeowner's lot may be purchased by the homeowner for the purpose of increasing the size of such homeowner's yard. No lot or any portion thereof shall be used for a roadway to adjoin lands unless specifically allowed by Developer. Provided further, a single detached garage may be constructed on each lot.

2. No Re-subdivision. No lot shall be re-subdivided but shall remain as shown on the recorded plat. A slight variance in the property lines may be made by adjacent Owners, but not for the purpose of subdividing into more lots.

3. Noxious or Offensive Conduct. No noxious or offensive operations shall be conducted or maintained on any lot and nothing shall be constructed, reconstructed, or kept on any lot which may constitute an annoyance or nuisance to the neighborhood. The Association is empowered to determine what does or does not constitute "noxious or offensive operations".

4. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Residence, with the exception of dogs, cats, or other usual and common household pets. Further, no pets are permitted to roam free. In the sole discretion of the Board, any pet that is endangering health, make objectionable noise, (including, but not limited to barking dogs) or constitute a nuisance or inconvenience to the Association members or Occupants or the owner of any properly located adjacent to the Community may be ordered to be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall be on a leash or otherwise confined in a manner acceptable to the Board at all times whenever they are outside a Residence. Owners shall be responsible for waste clean-up of their pets on any other lot or common area. If a violation occurs, the violator will be warned once and then fined \$100 per occurrence for all future offences. Without prejudice to the Board's right to remove any such household pets, no household pet that has caused damage or injury may be walked in the Community. Animal control authorities shall be permitted to enter the Community to patrol and remove pets. Pets shall be registered, licensed, and inoculated as required by law.

5. Temporary Structures. No trailer, basement house, tent, garage, barn, or other outbuilding shall be erected or used as either a temporary or permanent residence.

6. Signage. Any signage placed on the lot shall be non-illuminated and of not more than four (4) square feet; provided, however, that for-sale signs may be not more than six (6) square feet. For-rent signs shall be strictly prohibited.

7. Clotheslines, Garbage Cans, Woodpiles, etc. All garbage cans, woodpiles, swimming pool pumps, filters and related equipment, air conditioning compressors and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. Developer or builders, however, hereby expressly reserves the right to dump and bury rocks (hard fill) on property within the Community as needed for efficient construction and to allow developers and builders within the Community to bury rocks (hard fill) removed from a building site on such building site. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community, except when done during the normal construction of a residence or by Developer. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All such containers for the storage of such material shall be kept in a neat, clean, and sanitary condition and stored in the garage or in the rear of the home so as not to be visible from the street.

8. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the Common Area or lots nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

9. Commercial Businesses. No commercial business may be maintained on the Common Area or on the lots.

10. Alterations. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association. No landscaping shall be altered or disturbed on the Common Area without prior written approval of the Board.

11. Rules of the Common Area. The Board is authorized to adopt rules for the use of the Common Areas and such rules shall be furnished in writing to the Owners. All such use of the Common Areas shall be subject to said rules as adopted.

12. Driveway. All driveways shall be surfaced with brushed concrete, or asphalt, with a minimum width of 16 feet. Turn-around areas must be located on the side or in the rear of the lot. There shall be no circular or semi-circular driveways in the front of any residence unless approved by the Board.

13. Minimum Square Feet. All houses shall have a minimum of 2,500 square feet of heated and finished living space. Living space is measured on the exterior of the foundation walls and such space will NOT include any garages, patios, porches, or storage space to meet these requirements.

14. Facade Material. The Front facade, sides, and rear elevation of any dwelling on any lot shall have an exterior construction of 100% brick, cement fiber board, or stone (or a combination thereof), with the exception of eaves, dormers, trim, gables, and soffits, which may be constructed of vinyl or aluminum.

15. Garages. All attached garages shall enter from the side, and all garage doors shall remain closed, except for actual ingress or egress therein.

16. Prefabricated Homes. Preassembled structures for residential purposes shall not be permitted even though said structure may meet all minimum square footage and other requirements.

17. Building Encroachments; Clean Construction Site. No building shall be constructed or maintained on any lot (i) in any reserved drainage utility or landscape easement area; or (ii) closer to the street than the setback line as shown on the recorded plat ,PROVIDED, HOWEVER, unclosed porches, either covered or uncovered, bay windows, steps, or terraces shall be permitted to extend across the setback lines if allowed by the Bedford county codes and zoning department; PROVIDED, FURTHER, HOWEVER, that the main structure does not violate the setback line. Once construction has commenced, it shall proceed diligently. Owner and/or its builder shall be responsible for maintaining a neat and orderly construction site; otherwise, the Board may determine in its discretion to hire third parties to clean the site and charge the expense of same to the Owner.

18. Detached Garages and other Structures. Any outbuilding or detached garage will use the same façade material as the residential home.

19. Repair of Vehicles. No vehicles of any type shall be parked upon the properties or in the vicinity of any residence or in the common area for purposes of accomplishing repairs thereto. Inoperable vehicles must be parked in a garage or otherwise removed from the vicinity of any residence or the common area within five (5) days. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired.

20. Prolonged Parking. There shall be no prolonged outside parking of any vehicle, including commercial and recreational vehicles, camping trailers, utility trailers, boats, and motor homes on the street, or common area. For purposes of this section only, prolonged parking shall be defined as parking of a vehicle in excess of 24 hours at a time; provided, however, that non-commercial operable vehicles may be parked in driveways. Prolonged outside parking of any type of vehicle as well as utility trailers is prohibited on any street or common area when such interferes with the esthetic quality of the subdivision. The Association shall have absolute discretion, power and authority to determine if this restriction is being violated, to allow variances and to require conditions on such permitted use.

21. Fencing. All fences shall be constructed so they begin at the rear of the house and extend into the rear of the yard. No fences shall be constructed in the front yard or constructed of chain link material.

22. Landscaping. All yards shall be sodded or seeded and strawed on the fronts and seeded and strawed on the sides and rear at a minimum. Landscaping is required in the front yard of every lot. Initial landscaping shall be the responsibility of the Builder/Owner of each lot.

23. Lighting. All exterior lighting shall be consistent with the character established in the subdivision and shall be limited to the minimum necessary for safety, identification and decoration. Exterior lighting of buildings for security and/or decoration shall be limited to up lighting or downlighting and the style and type of lighting shall be compatible

with the building design and materials. No color lens or lamps are allowed. No lighting shall interfere with any other neighbor. After the initial construction, all additional lighting must be approved by the ARC in writing before it can be installed.

24. Alterations to the Land. No drainage ditches, cuts, swales, streams, impoundments, ponds, mounds, knolls, dams, hills, and other physical improvements or elements of the landscape or terrain of the lot are allowed to be done without the prior written consent of the Association.

25. Lawn Accessories and Flags. No frog ponds, flag poles, decorative banners, flags, artificial plants, statues, or similar types of accessories are permitted in the front of any lot. A Lot Owner shall be permitted to fly the American Flag or Tennessee State flag, or any flag of a US military branch provided that it is properly displayed via a flag holder attached to the residence and the flag is maintained in good repair. Holiday decorations during the holiday seasons shall be permitted 30 days before the holiday and 30 days after the holiday..

26. Drainage/Stormwater Management. Lot specific drainage/storm water management plans will be required for each Lot. The contractor building an Improvement on a Lot shall provide a site plan for review and approval by the Bedford County Engineering Department prior to issuance of a certificate of occupancy. The site plan shall include low impact design measures for managing and treating stormwater on each individual Lot. For purposes of this Paragraph 32, "Improvement" shall include the residence to be constructed on a Lot and all structures, including but not limited to detached garages, pools, patios, and similar improvements that add impervious area. Each Lot Owner shall be responsible for maintaining all required stormwater management features.

27. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any property. Exterior sculpture, fountains, flag poles, and similar items must be approved by the Association or its designee.

28. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless they are an integral and harmonious part of the architectural design of a structure.

29. Air-Conditioning Units. No window air conditioning units may be installed.

ARTICLE VII EASEMENTS, ENCROACHMENTS, COMMON AREA

A. General Utility, Drainage, and Stormwater Easements. An easement on all lots is hereby reserved for installation and maintenance of utilities and for drainage within the areas as shown on the Plat. Furthermore, an easement on all Lots is hereby reserved for the protection, preservation, and maintenance of all stormwater management facilities constructed on each lot pursuant to the site plan approved for each lot by Bedford County, unless and until such time as an alternative stormwater management facility is approved by Bedford County.

B. Entrance Sign. The Common Areas or easement areas at the entrance to the subdivision shall be restricted for the purpose of constructing and maintaining any necessary subdivision entrance signs and for the construction of a fence and landscaping. The Sky Ridge Property Owners Association, Inc. shall be responsible for the cost of maintaining and/or replacing said sign or signs, fencing, and landscaping located at the entrance to the subdivision.

C. Easements for Utilities. Easements for installation of utilities and drainage facilities are reserved as shown on the recorded plat and as set forth herein or as required by later amendments. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels and easements.

D. Common Areas. The Common Areas, if any, as shown on the Plat shall be conveyed to the Association in fee simple for the use, enjoyment, and convenience of all Owners. Each lot and residence are hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or residence, the Owners of such lot and each of them, and for their respective families, guests, invitees and contract purchasers, for appropriate intended purposes and uses, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual grant deeds and mortgages to each lot may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot.

E. Association Functions. There is hereby reserved to Developer, any successor to Developer, and the Association, or the duly authorized agents, representatives and directors of the Association, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration.

F. Ingress and Egress. In addition, there is reserved to Developer, its successors and assigns for the use and benefit of any adjoining property of Developer a right of ingress and egress over the streets, a right to attach to and use sewer and utility easements and such other easements as may be necessary to develop said property.

G. Covenants Running with Land. Each of the easements provided for in this Declaration shall be deemed to have been established upon the recordation of this Declaration and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the lots and Common Areas as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Properties which is the subject of this Declaration.

H. Subject to Prior Utility Easements. Notwithstanding anything herein expressed or implied to the contrary, this Declaration shall be subject to all easement heretofore or hereafter granted by Developer for ingress or egress and for the installation and maintenance of utilities, sewers, television cables, drainage, and similar facilities that are necessary or appropriate for the development of the Properties.

I. Utility Easements, Duties and Rights. The rights and duties of the Owners of lots with respect to sanitary sewers and water, electricity, television cables, gas and telephone, shall be governed by the following:

1. Whenever sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the Properties, which connections or any portion thereof lie in or upon lots owned by others, then the Owners of the lot served by said connections, shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon said lots or to have the utility company enter upon the lots within the Properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

2. When sanitary sewer house connections and /or water house connections or electricity, television cables, gas or telephone lines are installed within the Properties, which connections serve more than one (1) lot, the Owner of each lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his lot.

J. USPS Mailbox Location Plan. The Board shall work diligently with the United States Postal Service to develop a mailbox location plan before any construction begins on any lot.

ARTICLE VIII GENERAL PROVISIONS

A. Enforcement. The Association, Developer, or any Owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The Association may impose sanctions for violating the Governing Documents, including but not limited to, exercising self-help or taking action to abate any violation of the Governing Documents in any non-emergency situation and/or imposing reasonable monetary fines which shall constitute a lien upon the violating Owner's lot.

The Association shall have the power to levy specific assessments against a particular Owner as follows: (i) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which the Association may offer. The Association may levy specific assessments for special services in advance of the provision of the requested service; and (ii) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests. Such costs shall include reasonable attorney's fees incurred by the Association.

The expense of enforcement, including but not limited to damages, attorney fees, and costs, shall be chargeable to the Owner of the lot violating the provisions hereof and shall constitute a lien on the lot collectable in the same manner as an assessment. Failure by the Association, the Developer, or any Owner to enforce any covenant or restriction herein contained shall in no event constitute a waiver of the right to do so thereafter.

B. Annual Meeting. Annual meetings shall be set by the Association so as to occur at least sixty (60) days, but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board.

Written Notice shall be delivered not less than fifteen (15) nor more than sixty (60) days prior to the date of the Annual Meeting either personally, by email or by United States Mail.

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

D. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. The Declaration may be amended by an instrument signed by not less than fifty-one percent (51%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided or effect any lien for the payment thereof established herein. Any amendment must be properly recorded to be valid. Notwithstanding the preceding amendment requirements, the Developer shall have the sole authority to amend the covenants and restrictions of this Declaration during the ten (10) years following recordation of this Declaration or until all of the lots in the subdivision have been deeded from Developer, whichever first occurs.

Upon the recording of any supplementary Declaration, those lots owners contained therein shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the supplemental Declaration.

All common areas in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, we have hereunto executed this instrument on this the _____ day of _____, 2025.

Sky Ridge Property Owners' Association, Inc.

By: _____
Its: _____

Curl Properties, LLC – Developer

By: _____
Its: _____

State of Tennessee)
)
County of Bedford)

Personally, appeared before me, a notary public in and for the state and county
aforementioned, _____, with whom I am personally acquainted or proved to me
on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be
_____ of Sky Ridge Property Owners Association, Inc., and that he/she as
such _____ executed the foregoing instrument for the purposes therein contained,
by signing the name of the company by himself/herself as _____.

WITNESS MY HAND and official seal at office in Shelbyville, Tennessee, this the
_____ day of _____, 2026.

Notary Public

My commission expires: _____

State of Tennessee)
)
County of Bedford)

Personally, appeared before me, a notary public in and for the state and county
aforementioned, _____, with whom I am personally acquainted or proved to me
on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be
_____ of Curl Properties, LLC, and that he/she as such _____
executed the foregoing instrument for the purposes therein contained, by signing the name of the
company by himself/herself as _____.

WITNESS MY HAND and official seal at office in Shelbyville, Tennessee, this the
_____ day of _____, 2026.

Notary Public

My commission expires: _____