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Knox County, TN Page: 1 of 117
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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**

WHITE LILY CONDOMINIUMS

MAY 1, 2024

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
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TABLE OF CONTENTS

1.	Creation of Condominium and Submission of the Real Estate to the Act.....	1
2.	Definitions.....	2
3.	Reservation of Development Rights and Special Declarant Rights; Annexation of Additional Land	6
4.	Plat and Plans.....	7
5.	Units	7
	(a) Description of Ownership	7
	(b) Unit Boundaries	7
	(c) Mortgages and Deeds of Trust	8
	(d) Separate Real Estate Taxes	8
	(e) Encroachments	8
6.	Use and Occupancy Restrictions of Units	9
	(a) Residential Units	9
	(1) Residential Use	9
	(2) Occupants	9
	(3) Subdivision.....	9
	(4) Nuisance	9
	(5) Pets	9
	(6) Antennas and Satellite Dishes	9
	(7) Signs.....	10
	(8) Personal Property	10
	(9) Garbage	10
	(10) Clotheslines	10
	(11) Unlawful Use.....	10
	(12) Adoption of Rules	10
	(b) Commercial Units.....	10
	(1) Units.....	10
	(2) Signage.....	11

7.	Utilities.....	11
8.	Cleaning, Maintenance and Repairs of Units.....	12
9.	Alterations, Additions or Improvements to Units	12
	(a) Exterior.....	12
	(b) Interior	13
	(c) General.....	13
10.	Transfers of Units.....	13
	(a) Unrestricted Transfers	13
	(b) Leases.....	13
	(c) Association's Right to Purchase Units.....	14
	(d) Financing of Purchase by Association	15
	(e) Rights of Ownership.....	15
	(f) Miscellaneous	15
11.	Common Elements.....	15
	(a) Ownership.....	15
	(b) Use	16
	(c) Limitations on Use	16
12.	Maintenance of Common Elements	17
13.	Alterations, Additions or Improvements to Common Elements	17
14.	Association of Unit Owners and Administration and Operation of the Real Estate	18
	(a) The Association	18
	(b) Bylaws	18
	(c) Membership.....	18
	(d) Voting Rights.....	18
	(e) No Liability of the Declarant, Board, Directors and Officers	18
	(f) Availability of Records.....	19
15.	Remedies.....	19

(a)	Generally	19
(b)	Additional Rights Upon Breach	19
(c)	Sale of Unit	20
(d)	Excessive Noise	20
(e)	Expenses	21
16.	Board's Determination Binding	21
17.	Insurance	21
(a)	Property and Casualty Insurance	21
(b)	Procedure to be Followed in the Event of Damage or Destruction	22
(c)	Commercial General Liability Insurance	24
(d)	Director and Officer Insurance; Fidelity Bonds	24
(e)	Flood Insurance	25
(f)	Unit Owners' Insurance	25
18.	Condemnation	26
19.	Assessments	27
(a)	Obligations to Pay Assessments	27
(b)	Purposes of Assessments	27
(c)	Annual Assessment	27
(d)	Special Assessments	27
(e)	Specific Assessments	28
(f)	Notice and Time for Payment of Assessments	28
(g)	Commencement of Assessments	28
(h)	Interest and Late Charges	28
(i)	Assessment Lien	28
(j)	Association's Right of Acceleration Upon Default	29
(k)	Suspension for Non-Payment of Assessment	29
(l)	Subordination of Assessment Liens	29
20.	Amendment of Declaration	29
21.	Termination of Condominium	31
22.	Notices	32
23.	Limitation of Liability for Maintenance and Repairs	32

24. No Class Representation 33

25. Disclosures and Acknowledgements 33

26. Power of Attorney..... 34

27. Severability..... 34

28. Conflict with Act..... 34

29. Entire Agreement..... 34

Signature Page 35

List of Exhibits 35

Exhibit A – Description of the Parcel

Exhibit B – Plat

Exhibit C – Plans

Exhibit D – Bylaws

Exhibit E – Ownership Percentages

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

WHITE LILY CONDOMINIUMS

THIS DECLARATION is made, declared and imposed as of May 1, 2024 by **TW WHITE LILY LLC**, a Tennessee limited liability company ("Declarant").

The Declarant is the owner of certain real estate located in Knoxville, Knox County, Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Parcel"). The Parcel is improved with a historic building with a street address of 222 N. Central Street, Knoxville, Tennessee 37917 (the "Building"), which the Declarant intends to convert into forty-six (46) residential condominium units and one (1) commercial unit. The Parcel, the Building and the improvements presently located or to be constructed thereon by the Declarant are referred to collectively as the "Real Estate".

The Declarant intends to create a condominium by submitting the Real Estate to the provisions of the Tennessee Condominium Act of 2008, Tennessee Code Annotated §§ 66-27-201 et seq., as amended from time to time (the "Act"), and to sell, lease, mortgage, transfer and otherwise convey individual condominium units to individual purchasers, subject to the terms of this Declaration and the Act.

NOW, THEREFORE, the Declarant as the owner of the Parcel and the Real Estate, and for the purposes set forth above, hereby declares as follows:

1. Creation of Condominium and Submission of Real Estate to the Act.

(a) The Declarant hereby creates the Condominium and hereby submits and subjects the Real Estate to the provisions of the Act. The Declarant hereby declares that the Real Estate is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved in accordance with the Act and the covenants, conditions, restrictions, uses, limitations and obligations of this Declaration which shall run with the land and be a burden and a benefit to any Unit Owner and their grantees, heirs, executors, administrators, devisees, successors and assigns. The Declarant intends that all future owners, occupants, mortgagees, and any other persons hereafter acquiring any interest in the Real Estate shall hold the interest subject to such rights, easements, privileges, restrictions and obligations set forth herein.

(b) Each Unit Owner, by the acceptance of a deed for a Unit, accepts the same subject to all restrictions, conditions, covenants, reservations, liens, charges, rights and

powers created or reserved by this Declaration, the Bylaws and the Rules and assumes all duties, obligations and limitations hereunder which are applicable to a Unit Owner. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration.

2. Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means the Tennessee Condominium Act of 2008, Tennessee Code Annotated §§ 66-27-201 et seq., as amended from time to time.

(b) "Assessments" means any assessment imposed on all Unit Owners or any specific Unit Owner pursuant to Section 19 of this Declaration, including without limitation:

(1) "Annual Assessments" which are levied against each Unit and Unit Owner for that portion of the Common Expenses attributable to such Unit and Unit Owner for the fiscal year of the Association as provided for in this Declaration, as more particularly described in Section 19(c).

(2) "Special Assessments" which are levied in accordance with Section 19(d).

(3) "Specific Assessments" which are levied in accordance with Section 19(e).

(c) "Association" means the White Lily Condominium Association, Inc., a Tennessee non-for-profit corporation, which shall serve as the Unit Owners' Association pursuant to § 66-27-401 of the Act.

(d) "Board" means the Board of Directors of the Association.

(e) "Building" means the building located on the Parcel, forming part of the Real Estate and containing the Units. The Building is delineated on the Plat.

(f) "Bylaws" means the Bylaws of the Association, attached hereto as Exhibit D and made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the Real Estate shall be deemed to be a part of the Bylaws.

(g) "Charter" means the Charter of the Association as amended from time to time.

(h) "Commercial Unit" means Unit No. T101 as shown on the Plans and any future, additional units which may be used for commercial or retail purposes.

(i) "Commercial Unit Owner" means the Owner of a Commercial Unit.

(j) "Common Elements" means all of the Real Estate except the Units. The Common Elements shall remain undivided and shall not be subject to an action for partition.

(j) "Common Expenses" means all expenses for maintenance, repair, replacement, management and operation of the Common Elements, including reasonable reserves for replacement thereof and any other actual or anticipated expenditures made by or financial liabilities of the Association, together with any allocations or reserves.

(k) "Condominium" means White Lily Condominiums located on the Real Estate, portions of which are designated for separate ownership by Unit Owners and the remainder of which is designated for common ownership solely by those Unit Owners pursuant to this Declaration and the Act.

(l) "Declarant" means TW White Lily LLC, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein.

(m) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for White Lily Condominiums and all Exhibits hereto, as the same may now or hereafter be amended or supplemented.

(n) "Development Period" means and refers to that period of time beginning on the date of this Declaration and ending on the earlier of (i) one hundred twenty (120) days after the date by which seventy-five (75%) percent of the Units have been conveyed to Persons other than the Declarant or (ii) five (5) years after the first conveyance of a Unit to a purchaser.

(o) "Governing Documents" means and refers to this Declaration, the Charter and the Bylaws of the Association, as any of the foregoing may be amended from time to time, as well as the Rules and such other documents lawfully adopted by the Board or the Unit Owners which further define and/or limit the operations of the Condominium.

(p) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Unit Owners or Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include all conduits, ducts, plumbing, wiring, HVAC systems and components, including rooftop or ground level condensing units, and other facilities for the furnishing of utility services which are contained within or adjacent to the Unit and exclusively service the Unit or, such as in the case of rooftop or ground level condensing units, exclusively service the Unit even though

they may not be contained within or adjacent to the Unit; the exterior surface, trim and framing of the doors of a Unit that provide ingress and egress to and from the Unit and the exterior trim and frame (but not including the glass) of the windows of a Unit. No Commercial Unit shall be served by or have the right to use any Limited Common Elements designated for the exclusive use of one or more Residential Unit Owners. No Residential Unit shall be served by or have the right to use any Limited Common Element designated for the exclusive use of a Commercial Unit Owner.

(q) "Majority" or "Majority of the Unit Owners" or "Majority of the Members" means Unit Owners holding more than fifty percent (50%) of the votes.

(r) "Member" means every Person who holds a membership in the Association, as described in Section 14(c) of this Declaration.

(s) "Mortgagee" means the beneficiary of a deed of trust and the holder of the indebtedness secured thereby.

(t) "Net Insurance Proceeds" shall have the meaning ascribed to such term in Section 17(b)(vi) of this Agreement.

(u) "Occupant" means a person or persons in possession of a Unit regardless of whether the person is a Unit Owner.

(v) "Ownership Percentage" shall mean the percentage of undivided interest in the Common Elements and the Common Expenses and the portion of votes in the Association allocated to each Unit and owned by each Unit Owner. Initial Ownership Percentages are set forth on Exhibit E of this Declaration, subject to adjustment pursuant to Section 3(e) or Section 20 of this Declaration.

(w) "Parcel" means the parcel or tract of real estate described above and on Exhibit A, all easements, rights and appurtenances thereto and any additional parcels or tracts of real estate which may be added to the Condominium and subjected to this Declaration.

(x) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(y) "Plan" or "Plans" means the plans prepared by Design Innovation Architects attached hereto as Exhibit C and incorporated herein by reference, which show the location of the Units and the identifying numbers of the Units. Dimensions and area measurements shown on the Plans are not guaranteed by the Declarant and should be verified by any purchaser of a Unit. The Declarant reserves the right to amend the Plans to correct errors on the Plans without joinder of any Unit Owner.

(z) "Plat" means the survey of the Parcel dated April 23, 2024, prepared by LeMay and Associates Consulting Engineering, attached hereto as Exhibit B and incorporated herein by reference. The Declarant reserves the right to amend the Plat to correct errors on the Plat without joinder of any Unit Owner.

(aa) "Real Estate" means the Parcel and all structures, fixtures, furnishings, equipment and other improvements presently located or to be constructed thereon.

(bb) "Record" or "Recording" refers to the record or recording in the office of the Register of Deeds in Knox County, Tennessee.

(cc) "Residential Unit" means each Unit in the Building other than the Commercial Unit. Each Residential Unit may only be used for residential purposes. The Residential Units and their Unit numbers are listed on Exhibit E attached hereto.

(dd) "Residential Unit Owner" means the Owner of a Residential Unit.

(ee) "Rules" means the rules and regulations adopted by the Board from time to time pursuant to Section 6(a)(12).

(ff) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is designed for separate ownership or occupancy not owned in common with other Unit Owners. Each Unit is designated by an identifying number as shown on the Plans. Unless the context indicates otherwise, the term "Unit" shall include the Commercial Units and Residential Units.

(gg) "Unit Owner" means the Declarant or any other person or persons who own 100% of the fee simple ownership of a Unit and the undivided interest in the Common Elements, including Limited Common Elements appurtenant to the Unit. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit and shall be entitled to the same rights and have the same duties as all other Unit Owners. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner hereunder. Each Unit Owner's interest in his or her Unit shall be fee simple ownership. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

Other definitions are set forth in § 66-27-203 of the Act.

3. Reservation of Development Rights and Special Declarant Rights; Annexation of Additional Land.

(a) Construction and Sales. During the period of construction and sale by the Declarant of any Units, the Declarant, and the Declarant's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to such access and ingress and egress from the Building and the Real Estate as may be required for purposes of the construction and sale of Units. If the Declarant determines to annex additional land to the Parcel as permitted in Section 3(e) hereof, the Declarant, its agents, licensees, invitees, subcontractors and employees shall also be entitled to an easement over the Real Estate for access and ingress to and egress from the annexed property during the construction and sale of Units constructed on the annexed property. While the Declarant owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Declarant and its employees and agents may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith, including without limitation signs in street level Common Elements. The Declarant shall be responsible for any additional maintenance required by the Declarant's use of such access, ingress and egress as permitted herein and shall repair any and all damages resulting from such use.

(b) Interior Design of Unit. The Declarant reserves the right to change the interior design and arrangement of any Unit prior to the formal conveyance of such Unit to any Unit Owner.

(c) Management Company. The Declarant shall have the right to select a management company or other agent for the initial management of the Condominium from the date of the issuance of a certificate of occupancy up to and including a period of one (1) year from the date that the last Unit owned by the Declarant is sold, the cost of which shall be a Common Expense.

(d) Rights Generally. To the extent not expressly reserved as provided hereinafter in this Declaration, the Declarant hereby reserves for itself and its successors and assigns all of the Development Rights and Special Declarant Rights, as such terms are defined and set forth in Sections 66-27-203(12) and (23) of the Act. Declarant shall exercise such Development Rights and Special Declarant Rights in the manner set forth in the Act.

(e) Annexation of Additional Land. The Declarant reserves the right to amend this Declaration without the joinder of Unit Owners, Mortgagees or holders of liens, encumbrances or deeds of trust to add and annex additional land and improvements to the Parcel, to subject such additional land and improvements to the terms of this Declaration and to add such additional land and improvements to the Condominium. Said amendment may be made by Declarant even if it holds no ownership interest in the Real Estate described herein at the time of the amendment. Any future improvements on the added property shall be of

substantially the same quality of construction as the improvements on the Parcel and shall be substantially completed before the property is added to the existing Condominium. Said improvements may obstruct the views, sight lines and/or light benefitting the Real Estate, the Building or certain Units. At the time of the addition there must not be liens on the property to be added that would adversely affect the rights of existing Unit Owners or the priorities of first deeds of trust on Units in the existing Condominium. The Declarant must pay or provide for payment of all taxes and assessments on the property to be added covering any period prior to the addition of the property. If additional Units are added, the allocation of each Unit Owner's Ownership Percentage shall be recalculated based on the approximate square footage of each Unit over the approximate square footage of all Units in all phases of the Condominium. The annexation document shall be in the form of an amendment to this Declaration, signed by the Declarant and Recorded. The Declarant shall have the right to assign the rights reserved in this Section 3(e) to an affiliate of the Declarant at any time.

(f) Amendments. The Declarant reserves the right to execute and Record amendments to this Declaration consistent with the Development Rights and Special Declarant Rights.

4. Plat and Plans. The Plat and Plans set the survey or general schematic map of the Condominium and the identifying number, area and location of each Unit and other data as required by the Act.

5. Units.

(a) Description of Ownership. The Condominium consists of one (1) Commercial Unit and forty-six (46) Residential Units, all of which are designated for separate ownership or occupancy in the locations and occupying the physical portions of the Condominium shown on the Plans. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plans. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat, the name of the Condominium, the recording data for this Declaration, and the county in which the Condominium is located.

(b) Unit Boundaries. The boundaries of each Unit with respect to the floor, ceilings, walls, doors and windows thereof are as follows:

(i) Floors: The horizontal plane of the upper surface of the floor of the Unit.

(ii) Ceilings: The horizontal plane of the underside of the floor located directly above the floor of the Unit.

(iii) Walls: The vertical planes corresponding with (A) the center lines

between partition walls where such Unit shares a common wall with another Unit; (B) the center line of any corridor demising walls; and (C) the exterior face of the exterior walls of the Building.

(iv) **Doors:** The exterior finished surface of the doors that provide ingress and egress to and from the Unit.

(v) **Windows:** The exterior surface of the glass and the exterior frame of the windows.

Notwithstanding the boundaries for Units set forth above, if any exterior wall or interior bearing wall (shown or not shown on the Plans) is wholly or partially located within the boundaries of a Unit established by the walls, floors and ceilings of such Unit as described above, the structural components of such exterior wall or interior bearing wall, as applicable, shall be a Common Element of the Condominium and shall not be a part of the Unit, but the plaster, wallboard, paneling or any other finished treatment or utilities exclusively serving the Unit of such exterior wall or interior bearing wall shall be part of the Unit.

Each Unit includes the windows (including all glass planes) and those doors which open from a Unit (but not including the exterior surface of any doors which open into a Common Element or into a Limited Common Element or any portions of the exterior trim and frame of such windows and doors).

(c) **Mortgages and Deeds of Trust.** Each Unit Owner shall have the right, subject to the provisions herein, to grant or convey mortgages and deeds of trust on such Unit Owner's respective Unit together with such Unit Owner's respective Ownership Percentage in the Common Elements and any Limited Common Elements. No Unit Owner shall have the right or authority to grant, convey or create any mortgage, deed of trust or other lien on or affecting any other portion of the Real Estate.

(d) **Separate Real Estate Taxes.** Real estate taxes shall be separately taxed and assessed to each Unit Owner for each Unit and each Unit Owner's corresponding Ownership Percentage in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Real Estate as a whole, then such taxes shall be a Common Expense, and each Unit Owner shall pay such Unit Owner's proportionate share thereof in accordance with such Unit Owner's respective Ownership Percentage in the Common Elements.

(e) **Encroachments.** If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved, to the

extent of such encroachments, so long as the same shall exist.

6. Use and Occupancy Restrictions of Units.

(a) Residential Units. The following restrictions and limitations on use and occupancy shall apply to all Residential Units, subject to the Special Declarant Rights:

(1) Residential Use. No Residential Unit or other part of the Real Estate except for the Commercial Unit may be used for any purpose other than long term single family residential use. Notwithstanding the foregoing, (i) a Residential Unit Owner may have a home office in a Residential Unit where the Residential Unit Owner conducts business, clerical or professional activities, provided that such business, clerical or professional activities do not involve or include the physical presence on the Real Estate of any other Persons, including any co-employee, servant, contractor, agent, client or customer of the Residential Unit Owner and (ii) the Declarant may use any Residential Unit or Units for sales offices, management offices, models and storage during the period of construction and sale of Residential Units by the Declarant.

(2) Occupants. No Residential Unit can be occupied by more than three Occupants; provided, this limitation shall not apply to occupancy of a Residential Unit by the Residential Unit Owner or approved tenant and members of their immediate family.

(3) Subdivision. A Residential Unit or Units may be subdivided or combined, as the case may be, with the prior written approval of the Board and any Mortgagee of such Residential Units. Any approved subdivision shall be effective upon the Recording of an amendment to this Declaration which describes the subdivided Residential Units in detail and reallocates the Ownership Percentages of such Residential Units.

(4) Nuisance. No noxious, loud or offensive activity shall be conducted in any Residential Unit or Common Elements nor shall anything be done thereon which may be or become an annoyance or nuisance to the remaining Residential Unit Owners or Occupants of the Residential Units. Without limitation of the foregoing, no Residential Unit or Common Elements shall be used in a manner which produces excessive light, sound, odor or vibration.

(5) Pets. No animals, livestock or poultry of any kind shall be kept or maintained in any Residential Unit except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and provided further that the Association may regulate the keeping and maintaining of household pets, including the number and size of pets which may be kept in a Residential Unit. All pets must be carried or kept on a leash when outside a Residential Unit.

(6) Antennas and Satellite Dishes. No outside radio or television

antennas or satellite dishes shall be erected on any Residential Unit or on any balconies or porches of any Residential Unit without the prior written approval of the Board.

(7) Signs. No sign of any kind, including but not limited to "for rent" and "for sale" signs, shall be placed on or in front of any Residential Unit or on any balconies or porches of any Residential Unit, in a window of a Residential Unit, in the Common Elements or generally be displayed to the public view, except signs used by Declarant or its sales agents to advertise the Real Estate during the construction and sales period and signs placed in accordance with any Rules adopted by the Board.

(8) Personal Property. All personal property of any Residential Unit Owner or Occupant of a Residential Unit shall be kept inside the resident's Residential Unit.

(9) Garbage. Garbage service for normal residential waste shall be provided by the Association on such reasonable terms as the Board determines. The cost of garbage service provided by the Association shall be treated as Common Expenses. Any Residential Unit that receives garbage service in excess of the garbage service provided by the Association shall be billed and assessed for the cost of such additional service. Garbage and other residential waste shall be disposed of only in designated receptacles.

(10) Clotheslines. No clothesline, clothes pole or similar device shall be erected outside any Residential Unit and no outside clothes drying shall be permitted unless the Board approves such use for environmental or conservation purposes, in which event such use must be in accordance with any related Rules approved by the Board.

(11) Unlawful Use. No immoral, improper, offensive, or unlawful use shall be made of the Common Elements or any Residential Unit, or any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed by the Residential Unit Owners and all occupants, tenants, licensees and invitees.

(12) Adoption of Rules. The Board is authorized to adopt rules and regulations governing the use and enjoyment of the Real Estate and the Common Elements (the "Rules"), including without limitation Rules related to short-term leasing. Copies of the Rules shall be furnished in writing to each Residential Unit Owner. Each Residential Unit Owner and his agents, servants, tenants, family members, invitees and licensees shall comply with such Rules. If there is any conflict between this Declaration and the Bylaws and/or the Rules, this Declaration shall control. If there is any conflict between the Bylaws and the Rules, the Bylaws shall control.

(b) Commercial Units.

(1) Use. Commercial Units may be used to engage in any lawful

business; provided, however, at no time shall any Commercial Unit be used for any one or more of the following:

(i) "Sexually oriented" business or commercial activity, including but not limited to the sale, display, or distribution of pornographic or sexually explicit magazines, books, videos, dvds, photographs or other visual media, the sale, display or distribution of sexual devices or sexual aids, an adult arcade or cabaret, adult motion picture theater or any similar use required to be licensed by the City of Knoxville as a sexually oriented business; provided, however, the City of Knoxville's repeal or amendment of any ordinance providing for such licensing shall not affect or diminish any restriction set forth in this Declaration.

(ii) Any pawn shop, pawn broker, "title" lender, or "payday" lender.

(iii) Any provider of bail bonds or similar services.

(iv) A so called "head shop" or business that sells or displays marijuana, cannabidiol (CBD) or drug related paraphernalia.

(v) Funeral parlor or mortuary.

(vi) Flea market.

(vii) Pool hall or billiard parlor.

(viii) Any establishment primarily engaged in the collection, storage or sale of human blood or plasma.

Any use must be lawful under any applicable zoning ordinance; provided, however, the repeal, amendment or abolition of any current or future zoning ordinance shall not affect or diminish the applicability of the restrictions herein.

(2) Signage. The Owners of Commercial Units shall be allowed to affix identification and/or advertising signage to windows on the Commercial Unit(s), and to such areas of the exterior of the Building as the Declarant and the Association shall reasonably permit; provided, however, the Association shall not restrict any signage or signage area permitted by the Declarant during the Development Period without the prior written consent of the Declarant.

7. Utilities. With the exception of water service, all utilities will be separately metered to each Unit, and it is each Unit Owner's responsibility to pay the utility costs for their Unit. Water is not separately metered and will be provided by the Association until such time

as the Association may elect to cause the water service for the Building to be separately metered for each Unit. Until water is separately metered, the cost of water usage shall be treated as a Common Expense.

8. Cleaning, Maintenance and Repairs of Units.

(a) Each Unit Owner shall, at such Unit Owner's expense, provide all necessary cleaning, maintenance and repairs necessary to keep such Unit in first class condition. Each Unit Owner shall also be responsible for repair or replacement of any HVAC system or component including rooftop or ground level condensers that exclusively serves the Unit. Each Unit Owner shall also clean at its expense all Limited Common Elements appurtenant to the Unit, including without limitation such Unit's exterior windows and doors in a first class condition. Any work undertaken within a Limited Common Element or a Unit shall be done expeditiously and in a good and workman like manner during normal working hours, without undue disturbance to other Unit Owners, pursuant to a building permit duly issued therefor (if required by law) and otherwise in accordance with all applicable laws, statutes, ordinances, codes, rules and regulations. Exterior windows which cannot be safely cleaned and maintained by a Unit Owner from within the Unit Owner's Unit shall be cleaned and maintained by the Association, and the cost of such cleaning and maintenance shall be assessed against the Unit Owner as a Specific Assessment.

(b) If the Unit Owner fails to make any required maintenance, repairs and replacements for a period of thirty (30) days after written notice from the Board or within such shorter period as the Board may reasonably specify in its notice if the failure is affecting other Units, the Board may cause the same to be done at the expense of the Unit Owner. In the event the Board makes repairs and assesses a Unit Owner for the same, the Unit Owner shall pay the assessment within thirty (30) days of demand by the Board.

(c) Any Unit Owner having any work performed within such Unit Owner's Unit or Limited Common Element shall be fully and personally liable to the Association and the other Unit Owners for any damage to the Common Elements or facilities of the Building or to any other Unit(s) for any injury to any Unit Owner or other person arising in any way out of such work.

(d) A Unit Owner shall promptly report to the Association any defects or needs for repairs for which the Association or any other Unit Owner(s) are responsible.

9. Alterations, Additions or Improvements to Units.

(a) Exterior. No Unit Owner shall make, install, place or remove any building, fence, wall, door, window (other than replacement of glass), window treatment, exterior trim, patio area, balcony, porch, spa, landscaping or any other alteration, addition, improvement or change of any kind or nature to the exterior of any Unit Owner's Unit, unless the Unit Owner first

obtains the written approval of the Board.

(b) Interior. No Unit Owner shall make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board; provided, Unit Owners may make interior changes of a decorative nature without Board approval as long as such changes do not adversely affect the structural integrity of the Unit, the operation of the Building systems or any other Units.

(c) General. Each Unit Owner shall be responsible for any damage to other Units, the Common Elements, Limited Common Elements, the Real Estate, or any part thereof, resulting from alterations, additions or improvements by such Unit Owner.

10. Transfers of Units.

(a) Unrestricted Transfers. A Unit Owner may sell, give, demise, convey, bequeath, lease or otherwise transfer a Unit, or any interest therein, to any Person, without restriction under this Declaration, except as provided in this Section 10. Any transfers will be subject to the terms of this Declaration.

(b) Leases.

(i) Terms of Lease. Notwithstanding the terms of Section 10(a), no Residential Unit, or interest therein, shall be leased or rented by a Residential Unit Owner for less than a minimum term to be set by the Board, which minimum term shall not be of less than one hundred eighty (180) days. Each lease shall be in writing, and an executed copy of each such lease shall be furnished to the Board before the lessee occupies the Unit. No Residential Unit shall be leased for occupancy by more than one family unit, provided that a two-bedroom Residential Unit may be leased to two, but not more than two, unrelated individuals who will occupy the Residential Unit and a three-bedroom Residential Unit may be leased to three, but not more than three, unrelated individuals who will occupy the Residential Unit. The lessee(s) under any such lease shall be bound by and subject to the Declaration, Bylaws and Rules relating to the use and occupation of such Residential Unit and use of the Common Elements and Limited Common Elements, and the lease shall expressly so provide. The Residential Unit Owner making such lease shall not be relieved thereby from any obligations under the Declaration or the Bylaws. The Board shall be a third party beneficiary of any such lease and shall have the power to enforce its terms and conditions for the Association's benefit. The Board may establish a standard lease form, the use of which shall be a prerequisite to the leasing of any Residential Unit, in which event the standard lease form shall be used exclusively by all Residential Unit Owners.

(ii) Notice to Association of Proposed Leases. Whenever a Residential Unit Owner shall propose to lease a Residential Unit, or any interest therein, to any person or entity, the Residential Unit Owner shall give the Association not less than thirty (30) days' prior

written notice of the proposed transaction, which notice shall briefly describe the terms of the proposed lease and shall state the name and address of the proposed tenant(s). The notice shall also include a copy of the proposed lease or other documents, if any, effecting the transaction. During such thirty (30) day period, the Board, or, during the Development Period, the Declarant may require the prospective tenant(s) to meet with the Board, the Declarant and/or their representatives. Any prospective tenant(s) shall be subject to the reasonable approval of the Board and/or the Declarant. The Board shall be furnished a photocopy of the final executed lease.

(iii) Failure to Comply. If any lease of a Residential Unit is made or attempted without complying with the provisions of this Section 10, the Association shall have the right to evict the tenant(s) and to pursue any other remedies available at law or in equity.

(iv) Commercial Units. Commercial Units and any portion thereof may be leased to one or more tenants at any time without a minimum term and without having to obtain the prior written approval of the Board or the Association or provide notice of such lease to the Board or the Association.

(v) Short Term Rentals. Notwithstanding anything to the contrary in this Section 10(b), the Association shall have the authority, upon application of a Residential Unit Owner of a Residential Unit located in the basement or in the first or second floors of the Building, to permit the short-term use or leasing (i.e. the use or leasing of the Unit for a term less than one hundred eighty (180) days including the use or leasing of the Units through online platforms such as Airbnb and VRBO)) of such Residential Unit Owner's Residential Unit on such terms and conditions as determined by the Association from time to time or set forth in the Rules. Short-term leasing shall not be permitted in any Residential Units other than Residential Units located in the basement or on the first or second floors of the Building. The lessee(s) under any such short-term lease shall be bound by and subject to the Declaration, Bylaws and Rules relating to short-term leasing and the use and occupation of such Residential Unit and use of the Common Elements and Limited Common Elements, and the lease or use agreement shall expressly so provide. A Residential Unit Owner using their Residential Unit for short-term leasing shall not be relieved thereby from any obligations under the Declaration or the Bylaws. The Association shall have the right to revoke its permission to use a Residential Unit for short-term leasing at any time in the event the Owner or any short-term users of the Residential Unit violates the Declaration, Bylaws and/or Rules relating to short-term leasing and the use and occupation of such Residential Unit and use of the Common Elements and Limited Common Elements.

(c) Association's Right to Purchase Units. The Association shall have the right, power and authority to bid for and purchase any Unit, or interest therein, at any sale pursuant to a deed of trust or mortgage foreclosure, a foreclosure of the lien for unpaid Assessments, or an order or direction of a court, or at any other involuntary sale upon the consent or approval of a Majority of the Unit Owners, provided, however, the consent of the Unit Owners shall not

be required for the Association to bid for and purchase a Unit at a foreclosure of the lien for unpaid Assessments for a purchase price equal to the amount of such Assessment.

(d) Financing of Purchase by Association. The Board shall have authority to make special Assessments proportionately among the Unit Owners and/or such other financing arrangements as the Board may deem appropriate in order to close the purchase of a Unit by the Association; provided, however, no such financing arrangement may be secured by an encumbrance on any interest in the Real Estate other than the Unit or interest therein and any related Limited Common Elements to be purchased and the percentage interest in the Common Elements appurtenant thereto.

(e) Rights of Ownership. The Association shall hold title to any Unit acquired by the Association pursuant to the terms hereof, in the name of the Association or a nominee thereof designated by the Board, for the benefit of all remaining Unit Owners. The Board shall have the authority at any time to sell, lease or sublease any Unit owned by the Association on behalf of the Association upon such terms as the Board shall deem desirable.

(f) Miscellaneous.

(i) The provisions of this Section 10 shall not limit, impair or restrict the rights of a Mortgagee to take any of the following actions:

- (1) Foreclose on or take title to a Unit pursuant to the remedies provided in the deed of trust; or
- (2) Accept a deed (or assignment) in lieu of foreclosure in the event of default by the Unit Owner; or
- (3) Sell or lease for the required minimum term a Unit acquired by the Mortgagee.

11. Common Elements.

(a) Ownership. Each Unit Owner shall be entitled to the Ownership Percentage of the Common Elements set forth on Exhibit E, which is based upon the approximate square footage of the Unit over the approximate square footage of all Units in the Condominium.

The Ownership Percentages shall remain constant unless hereafter changed by a recorded amendment to this Declaration approved in writing by the Unit Owners in accordance with Section 20 below or unless reallocated by the Declarant in connection with the addition of Units to the Condominium, which reallocation shall be reflected in an amendment to this Declaration signed and recorded by Declarant and shall be based upon approximate square footage of each

Unit over the approximate total square footage of all original and additional Units. The Ownership Percentage corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

(b) Use. Except as hereinafter set forth, each Unit Owner shall have the non-exclusive right to use the Common Elements (other than Limited Common Elements appurtenant to other Units and any portions of the Common Elements which may be subject to allocation or lease by the Board) in common with all other Unit Owners, including a perpetual, non-exclusive easement for the use of the Common Elements and for ingress and egress over the Common Elements to each Unit. Such right to use the Common Elements shall extend to each Unit Owner and the Unit Owner's agents, servants, tenants, family members, invitees and licensees. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and/or serving and/or designated on the Plans for the use of such Unit alone, subject to a joint right of use and possession with any other Units also served by such Limited Common Elements. Common Elements may be used only for their intended purpose, and no Unit Owners shall obstruct or interfere with the use of any Common Element by any other Person entitled to use thereof. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, Bylaws and the Rules.

(c) Limitations on Use. The Unit Owner's right of use and enjoyment of the Common Elements shall be subject to:

(i) The right of the Association, as provided in its Bylaws, to suspend the enjoyment rights of any Member for any period during which any Assessment remains unpaid and for such period as it considers appropriate for any infraction of the Rules;

(ii) The right of the Association to charge reasonable fees for the use of parts of the Common Elements;

(iii) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Members entitled to vote thereon, provided that no such diminution or dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless the Declarant (its successors or assigns) and Members of the Association entitled to cast sixty-seven (67%) percent of the total votes of all Members entitled to vote has been recorded, agreeing to such dedication, transfer, purpose or condition;

(iv) The right of the Association to grant such easements and rights of ways to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the individual Units; and

(v) The right of the Association to adopt Rules governing the use of the Common Elements.

12. Maintenance of Common Elements.

(a) Maintenance of, repairs to and replacements within the Common Elements, including the Limited Common Elements (but excluding repair and replacement of any HVAC system or component including rooftop or ground level condensers that exclusively serves a Unit and excluding repair and replacement of glass in any windows in a Unit, the maintenance, repair and replacement of which shall be the responsibility of the applicable Unit Owner), shall be the responsibility of the Association. The cost of maintenance, repairs and replacements of the Common Elements shall be part of the Common Expenses. Such maintenance shall include all exterior caulking, water-proofing, exterior painting, painting of exterior doors and windows (but not glass replacement) and all repair, maintenance and replacement of all structural systems, balconies, decks and railings. In performing such maintenance, the Association shall follow the Maintenance Guidelines attached hereto as Exhibit E.

(b) The Board may direct Unit Owners who are directly benefited by maintenance, repairs and replacement of specific Limited Common Elements to arrange for such maintenance, repairs and replacement of such Limited Common Elements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such indemnities, lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Real Estate from all furnishers', mechanics' or materialmen's lien claims that may arise therefrom.

(c) 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 Units and Limited Common Elements as may be required in connection with (i) the preservation of any individual Unit or Limited Common Elements in the event of an emergency, (ii) the maintenance, repairs or replacements of the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements or (iii) any alteration required by any governmental authority or applicable laws or regulations.

13. Alterations, Additions or Improvements to Common Elements.

Any alterations, additions or improvements to the Common Elements, including any furniture, furnishings or equipment within the Common Elements, shall be the responsibility of the Association and shall require the approval of the Board. No Unit Owner may make any alterations, additions or improvements to any Common Elements or the furniture, furnishings or equipment therein without the prior written approval of the Board.

14. Association of Unit Owners and Administration and Operation of the Real Estate.

(a) The Association. The Association is a Tennessee not-for-profit corporation and is the governing body for all of the Unit Owners, with responsibility for the maintenance, repair, replacement, administration, management and operation of the Real Estate, as provided in the Act, this Declaration, the Bylaws and the Rules. The Association shall have all rights and powers granted in § 66-27-402 or other sections of the Act subject to the terms of this Declaration. The initial operation and control of the Association shall be vested in the Declarant until the Declarant assigns and transfers control and responsibility for the operation of the Association to the Members of the Association, such transfer to occur on or before the expiration of the Development Period. In the event of the termination of the existence of the Declarant without subsequent reinstatement and without assignment of Declarant's rights and powers hereunder, the Association shall be deemed to have succeeded to the Declarant's rights and powers (but not the Declarant's ownership interests) under this Declaration.

(b) Bylaws. The initial Bylaws for the Association are attached hereto as Exhibit D and incorporated herein by reference.

(c) Membership. Every Unit Owner shall be a Member of the Association. The membership of the Association consists exclusively of Unit Owners and, following termination of the Condominium, all former Unit Owners entitled to distribution of proceeds under § 66-27-318 of the Act or their heirs, successors or assigns. Any Person having an interest in a Unit merely as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association and the right to vote shall be appurtenant to, and may not be separated from, the fee interest ownership of any Unit that is subject to Assessment by the Association. Ownership of a Unit shall be the sole qualification for membership in the Association.

(d) Voting Rights. All Members, including the Declarant, shall be entitled to voting rights equal to each Member's Ownership Percentage as set forth in Section 11(a) of this Declaration. For Members, including the Declarant, owning more than one Unit, the Member's voting rights shall be the Member's cumulative Ownership Percentage for all Units owned by the Member. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as such persons determine among themselves, but in no event shall more than one vote be cast with respect to any Unit. If such persons are unable to agree on how to cast their vote, no vote shall be cast for that Unit. Any provision in this Declaration or Bylaws that requires a vote of the Members before action may be taken by the Association shall be authorized by the affirmative vote of a Majority of the Members unless otherwise indicated.

(e) No Liability of the Declarant, Board, Directors and Officers. The

Declarant, Board and individual directors, officers and committee members of the Association shall not be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever when acting as such Board, directors, officers, committee members or the Declarant, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The Unit Owners and the Association shall indemnify and hold harmless each of the directors, Board members, officers, committee members and the Declarant, and their respective heirs, executors, administrators, successors and assigns, in accordance with the Charter and Bylaws to the maximum extent permitted by law.

(f) Availability of Records. The Association shall keep financial records and other records sufficiently detailed to enable the Association to comply with Sections 66-27-502 and 66-27-503 of the Act. All financial records and other records shall be made reasonably available for examination by any Unit Owner, any Mortgagee, any purchaser and their respective authorized agents. "Available" shall mean available for inspection upon reasonable advance written request, during normal business hours or under other reasonable circumstances.

15. Remedies.

(a) Generally. In the event of any violation of the provisions of the Act, the Declaration, Bylaws or Rules by any Unit Owner, Occupant or by any invitee of any Unit Owner or Occupant, the Declarant (during the Development Period), the Association or its successors or assigns, the Board or its agents, or any Unit Owner shall have any and all rights and remedies which may be provided for in the Act, this Declaration, the Bylaws or the Rules, or which may be available at law or in equity, and may prosecute an action or other proceeding against such defaulting Unit Owner and/or others for enforcement of this Declaration, the Bylaws or the Rules, or for damages, injunctive relief or for specific performance; provided, only the Association shall have the right, upon approval by the Board, to prosecute an action for (i) the enforcement of any lien for unpaid Assessments, (ii) the appointment of a receiver for a Unit or Unit Owner or (iii) the collection of a judgment for money owed to the Association. Prior to exercising any remedies hereunder, including any remedies under Section 15(d), the Association shall provide such notice to the Unit Owner as may be required by this Declaration, the Bylaws or the Rules.

(b) Additional Rights Upon Breach. Upon the violation of any covenant, condition, restriction, rule or regulation, the Board or its employees or agents shall have the right, in addition to any other rights provided for in this Declaration, (i) to enter (either peaceably or forcibly without liability to such Unit Owner for such entry) the Unit, or any portion of the Real Estate where such violation or breach exists, to summarily abate, remove, repair or remediate such violation at the expense of the defaulting Unit Owner and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; (ii) to join, abate or remedy by appropriate legal proceedings the continuance of any breach,

without the necessity of posting bond; and/or (iii) to take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the Unit and maintain an action for possession of such Unit in the manner provided by law.

(c) Sale of Unit.

(1) Notice. If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit or any invitee) shall violate the Act, or any of the covenants, conditions or restrictions or provisions of this Declaration or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or if such violation shall occur repeatedly during any period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to the defaulting Unit Owner a notice in writing terminating the rights of the said defaulting Unit Owner to continue as a Unit Owner or to occupy, use or control his Unit, and thereupon an action in equity may be filed by the Board against the defaulting Unit Owner for a decree or mandatory injunction against such defaulting Unit Owner for occupancy, or in the alternative, for a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of the violation, and ordering that all the right, title and interest of the defaulting Unit Owner in the Unit shall be sold (subject to the lien of any Mortgagee) at a judicial sale upon such notice and terms as the court shall determine, provided, the court shall enjoin and restrain the said defaulting Unit Owner from reacquiring his interest at such judicial sale.

(2) Proceeds. The proceeds of any such judicial sale shall first be paid to discharge court costs, reasonable attorney's fees and expenses and all other expenses of the Association relating to the proceeding and sale, and all such items shall be taxed against the defaulting Unit Owner in the judgment. The proceeds of such sale shall also be used to pay any unpaid Assessments against the Unit. Any balance of proceeds, after satisfaction of such charges and any unpaid Assessments hereunder or any liens, shall be paid to the defaulting Unit Owner or its Mortgagee, as their interests may appear.

(3) Rights of Purchaser. Upon the confirmation of such sale by the court, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may file eviction proceedings for the purpose of acquiring such possession. The judgment may divest title to such Unit out of the Unit Owner and into the purchaser.

(d) Excessive Noise. As one of its remedies in the event the Board finds that there is excessive noise in one Unit which it characterizes as a nuisance, the Board may require that walls and/or floors between the Unit wherein the excessive noise originates and adjacent Units be insulated or that special wall, floor and ceiling coverings be added at the sole cost of the Unit Owner of the Unit wherein the excessive noise originates, and the cost thereof shall be

deemed to be a Specific Assessment allocable solely to said Unit. The Board may cause such insulation to be installed without the consent of the said Unit Owner and shall be entitled to access to such Unit to perform such work.

(e) **Expenses.** All expenses of the Association and/or Board in connection with any such actions or proceedings commenced pursuant to this Declaration, including court costs and reasonable attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of ten percent (10%) per annum, or at the then-highest contract rate of interest then legally collectible in Tennessee, shall be charged to and assessed against the defaulting Unit Owner, and shall be added to and deemed part of the Unit Owner's respective share of the Common Expenses, and the Board shall have a lien upon the Unit and the ownership interest in the Common Elements of such defaulting Unit Owner for all such costs, damages and expenses; provided, however, that such lien shall be subordinate to the lien of a Mortgagee on the interest of such Unit Owner, except for the amount of the proportionate share of the Common Expenses which become due and payable from and after the date on which said Mortgagee accepts a conveyance of any interest therein (other than as a security) or forecloses the lien of its mortgage or deed of trust. In the event of any such default by any Unit Owner, the Board and the manager or managing agent, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This Section shall not be amended, changed, modified or rescinded without the prior consent of all Mortgagees of Record.

16. **Board's Determination Binding.** In the event of any dispute or disagreement between any Unit Owners relating to the Real Estate, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, the Unit Owners shall obtain the determination thereof by the Board and such determination shall be final and binding on each and all such Unit Owners.

17. **Insurance.**

(a) **Property and Casualty Insurance.**

(i) To the extent reasonably available, the Association shall obtain property and casualty insurance covering the Real Estate, including all Units, Common Elements and Limited Common Elements, in an amount equal to one hundred (100%) percent of the current reasonable replacement cost, exclusive of land. Such coverage shall afford protection against loss or damage by fire, vandalism, malicious mischief and such other hazards as are normally covered by a special coverage endorsement.

(ii) Such insurance coverage shall be written in the name of the

Association for the use and benefit of the Unit Owners and shall benefit the Unit Owners pro rata in accordance with their Ownership Percentage.

(iii) All proceeds of such insurance shall be payable to the Association, which shall hold such funds in trust for affected Unit Owners and Mortgagees as their interests may appear. The Association will have the exclusive right to adjust any claims with the insurance carriers and with the affected Unit Owners and their Mortgagees.

(iv) Certificates of insurance shall be issued to each Unit Owner and any Unit Owner's Mortgagee upon request.

(v) Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Real Estate is located and which appropriately names any federal or state agency or corporation holding a first mortgage on Units within the Real Estate. Such policies must also provide that they may not be cancelled or substantially modified, without at least ten (10) days prior written notice to the Association and to each Mortgagee listed as such in the policies.

(vi) The premiums and deductibles for such insurance shall be a Common Expense. However, at the option of the Association, and upon written notice to all Unit Owners from the Board, premiums for such insurance may be separately billed to each Unit Owner for his Unit and his corresponding ownership in the Common Elements.

(vii) In accordance with the Act, the casualty insurance coverage required herein shall also provide that:

(1) each Unit Owner is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association;

(2) the insurer waives its right of subrogation under the policy against any Unit Owner, lessee, or member of the Unit Owner's or lessee's household unless it can be shown that such person acted with intent to cause the loss of the Unit Owner, lessee or member of the Unit Owner's or lessee's household and such action was the cause of the loss;

(3) no act or omission by any Unit Owner, unless acting in the capacity of a governing board member of the Association, will void the policy or be a condition to recovery under the policy; and

(4) if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides and shall be deemed to be the secondary insurance.

(b) Procedure to be Followed in the Event of Damage or Destruction.

(i) Each Unit Owner hereby appoints the Association as his attorney-in-fact to represent the Unit Owner in any related proceedings, negotiations, settlements, or agreements in the event of damage or destruction to any portion of the Real Estate. Immediately after the damage or destruction to all or any part of the Real Estate covered by insurance written in the name of the Association, the Board or its duly authorized agent, shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this Section 17(b), means replacement of the Real Estate to like new condition including allowance for changes or improvements necessitated by changes in applicable building codes.

(ii) If the damage or destruction occurs prior to the termination of the Development Period, the Declarant shall have the right to decide if the Real Estate will undergo repair or reconstruction. After the Development Period, any damage to or destruction of the Common Elements shall be repaired or reconstructed unless (1) the Condominium is terminated pursuant to Section 21, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance or (3) the Unit Owners representing more than eighty (80%) percent of the total votes of all Unit Owners entitled to vote, together with eighty (80%) percent of Unit Owners that are assigned Limited Common Elements that will not be rebuilt, decide within sixty (60) days after the loss not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

(iii) If either the Net Insurance Proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) day period, then such period will be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days.

(iv) Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

(v) If the Net Insurance Proceeds are insufficient to cover the costs of repair or reconstruction, the Board shall levy Special Assessments against the Unit Owners in an amount equal to the shortfall.

(vi) The term "Net Insurance Proceeds," as used herein means the proceeds of any insurance less any cost, including attorney fees and expenses, incurred in collecting such proceeds and less payment of any expenses of stabilizing the Real Estate and performing such demolition and clean-up as may be reasonably required for safety reasons or by applicable laws or regulations.

(vii) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, any Mortgagee who has provided written notice of such first deed of trust or mortgage to the Association will be entitled to timely written notice of any such damage or destruction, and no provision of any document establishing this Condominium will entitle the Unit Owner or other party to priority over such Mortgagee with respect to the distribution of any Net Insurance Proceeds related to such Unit.

(viii) The Board shall not be responsible for the repair, replacement or restoration of any improvements, betterments, wall, ceiling or floor decorations or furniture, furnishings, fixtures, appliances or equipment installed in the Unit by a Unit Owner or Occupant unless insurance therefor is specifically provided for in the insurance policy obtained by the Board.

(ix) If the entire Building is not repaired or replaced, the insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Unit Owners of those Units and the Unit Owners of the Units to which those Limited Commons Elements were allocated, or to Mortgagees as their interests may appear, and the remainder of the proceeds must be distributed to all the Unit Owners or lienholders, as their interest may appear, in proportion to the Common Element interests of all the Units. If the Unit Owners vote not to rebuild any Unit, that Unit's Ownership Percentage of the Common Elements and Common Expenses shall automatically be reallocated upon such vote as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

(c) Commercial General Liability Insurance. To the extent reasonably available, the Board shall obtain comprehensive public liability insurance covering all the Common Elements, commercial space leased by the Association and public ways of the Real Estate in such amounts as it deems desirable, but for at least One Million Dollars (\$1,000,000) for bodily injury or deaths, property damage and personal injury arising out of a single occurrence. The Board shall also purchase workmen's compensation insurance required by law and such other liability insurance as it deems desirable, insuring each Unit Owner, each Mortgagee, the Association, its officers, directors and employees, the Declarant, and the managing agent, if any, from liability in connection with the Common Elements. The premiums and deductibles for such insurance shall be a Common Expense. However, at the option of the Board and upon written notice to all Unit Owners, premiums for such insurance may be separately billed to each Unit Owner for his corresponding percentage of ownership in the Common Elements and shall be paid by the Unit Owners by the due date set forth in the billing.

(d) Director and Officer Insurance; Fidelity Bonds. The Board shall also have authority to obtain such insurance, in such amounts, from such sources and in such forms as it deems desirable, insuring each member of the Board and officer of the Association, and member of any committee appointed pursuant to the Bylaws of the Association from liability

arising from the fact that the person is or was director or officer of the Association, or a member of such committee. The Board shall also have authority to obtain a fidelity bond or blanket fidelity coverage on all officers, directors, employees or agents of the Association who handle or are responsible for funds administered by the Association.

(e) Flood Insurance. If the Real Estate is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program or any similar program (the "NFIP"), the Association shall obtain and pay the premiums upon, as a Common Expense, a "master" or "blanket" policy of flood insurance on the buildings and any other insurable property on the Real Estate covered by the required form of policy in an amount deemed appropriate by the Association, but not less than the lesser of (i) the maximum coverage available under the NFIP for all buildings and other insurable property within the Real Estate to the extent that such buildings and other insurance property are within an area having special flood hazards; or (ii) 100% of the current replacement cost of all such buildings and other insurable property within such area. Such policy shall be in a form which meets the criteria set forth in the most current guidelines issued by the Federal Insurance Administrator.

(f) Unit Owners' Insurance.

(i) Each Residential Unit Owner shall maintain comprehensive personal liability insurance coverage which policy must insure the Unit Owner and Association against any and all losses, claims, demands or actions arising from the Residential Unit Owner's use, enjoyment and occupancy of the Residential Unit, the Common Elements or the Parcel, or any portion thereof, with a minimum single limit of not less than Three Hundred Thousand (\$300,000.00) Dollars for personal injury, bodily injury, death or for damage or injury to or destruction of property, (including the loss of use thereof) for any one accident or occurrence.

(ii) Each Commercial Unit Owner and/or each tenant of a Commercial Unit Owner must purchase and maintain at their sole expense separate commercial general liability insurance with limits of not less than One Million (\$1,000,000.00) Dollars per accident, Two Million (\$2,000,000.00) Dollars in the aggregate, and workers compensation insurance as required by law. All such policies shall name the Association as an additional insured. To the extent the liability insurance of the Association covers the same risk covered by the liability insurance of the Commercial Unit Owner, the Commercial Unit Owner's policy shall provide primary insurance.

(iii) Every Unit Owner shall obtain and maintain insurance coverage upon his furniture, furnishings, household goods, appliances, fixtures, decorations and all other personal property of the Unit Owner used, maintained, kept or stored in the Unit or on the Real Estate against loss or damage by fire, windstorm or other casualties or causes for such amount as the Unit Owner may desire in accordance with standard fire and extended coverage

insurance policies in effect for multi-family dwelling homeowners.

(iv) Each insurance policy required to be maintained by the Unit Owner hereunder shall contain the provision that they may not be cancelled or have a material change in coverage without first giving the Association not less than thirty (30) days' prior written notice. Each Unit Owner shall furnish the Association with a certificate of insurance for each policy within thirty (30) days of the Unit Owner's occupancy of his Unit.

(v) The minimum limits set forth in this section, or the types of coverages that each Unit Owner shall be required to maintain, may be changed from time to time at the discretion of the Board.

18. Condemnation.

(a) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant that may not practically or lawfully be used for residential purposes, the eminent domain award must compensate the Unit Owner for the Unit and its Ownership Percentage in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's allocated interests in the Common Elements are automatically reallocated to the remaining Units in proportion to the respective allocated interests in those Units before the taking, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this Subsection (a) is thereafter a Common Element.

(b) Except as provided in Section 18(a), if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and its Ownership Percentage in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, that Unit's allocated interests in the Common Elements shall be reduced in proportion to the reduction in the size of the Unit, and the proportion of the allocated interest divested from the partially acquired Unit shall automatically be reallocated to that Unit and the remaining Units in proportion to the respective allocated interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interest.

(c) If part of the Common Elements is acquired by eminent domain, the portion of the award attributable to the Common Elements taken must be paid to the Association. Any portion of an award attributable to the acquisition of Limited Common Elements or allocated Common Elements must be equally divided among the Unit Owners of the Units to which that Limited Common Element or allocated Common Elements was allocated at the time of acquisition.

19. Assessments.

(a) Obligation to Pay Assessments. Every Unit Owner by acceptance of a deed to a Unit is deemed to covenant and agree to pay to the Association its proportionate share of the Common Expenses in the form of (1) Annual Assessments or other charges for Common Expenses, (2) Special Assessments for capital improvements and replacements and (3) Specific Assessments, such Assessments to be established and collected as hereinafter provided. The proportionate share of the Common Expenses for each Unit Owner shall be its Ownership Percentage as set forth in Section 11(a). No Unit Owner shall be exempt from payment of the Unit Owner's proportionate share of the Common Expenses by waiver or non-use or enjoyment of the Common or Limited Common Elements or by abandonment of the Unit. The Assessments, together with interest, costs, and reasonable attorney's fees incurred in the collection thereof, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Unit Owner of such Unit at the time when the Assessment fell due. The lien shall run with the land but personal liability for the delinquent Assessments shall not pass to a Unit Owner's successors in title unless expressly assumed by them.

(b) Purposes of Assessments. The Assessments levied by the Association shall be used exclusively to pay the Common Expenses and other costs, expenses and financial needs of the Association, including reasonable reserves.

(c) Annual Assessment. Prior to the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses to be incurred by the Association during such year in performing its functions under this Declaration, the Charter and the Bylaws, including reasonable reserves for contingencies and for other periodic maintenance, repair and replacement of improvements to Common Elements and those Limited Common Elements that the Association is obligated to maintain. An Annual Assessment sufficient to pay such estimated net Common Expenses shall then be levied against all Units as provided in Section 19(a) above.

(d) Special Assessments. In addition to the Annual Assessment authorized above, the Board may establish, levy and collect Special Assessments against the Units as follows:

(i) For the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement for the Common Elements, including the necessary fixtures and personal property related thereto;

(ii) To cover unbudgeted Common Expenses or Common Expenses in excess of those budgeted as part of the Annual Assessments under Section 19(c) above or to cover shortfalls in income or revenue; or

(iii) To enable the Board to carry out the functions of the Association under this Declaration, the Charter and the Bylaws.

(e) Specific Assessments. The Board shall have the power to levy Specific Assessments against a particular Unit or Units constituting less than all Units within the Real Estate as provided in this Section.

(i) The Board shall have the power to authorize special services for Unit Owners (such as pest control, window cleaning or similar services) and levy Specific Assessments against a Unit and Unit Owner to cover the cost of requested services.

(ii) The Board shall have the power to levy Specific Assessments to cover costs incurred in bringing a Unit into compliance with the terms of this Declaration, the Bylaws or the Rules or to recover costs incurred by the Association as a consequence of the conduct of the Unit Owner or Occupants, their licensees, invitees or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing before levying a Specific Assessment under this Subsection 19(e)(ii).

(f) Notice and Time for Payment of Assessments. The Board shall fix the date by which any Annual, Special or Specific Assessment or any installment thereof shall be paid by Unit Owners to the Association. The Board may require that any such Assessments be paid in monthly, quarterly or semi-annual installments, or in such other manner as the Board may deem appropriate in its sole and absolute discretion. Written notice shall be given to each Member, at such Member's last known address as indicated by the Association's records, of the amount of any Annual, Special or Specific Assessment and when it is due; provided, however, that the failure of any Unit Owner to be sent or receive such notice shall not, in any manner, excuse or postpone such Unit Owner's obligation to pay any such Assessment when due.

(g) Commencement of Assessments. Liability of a Unit Owner for Assessments shall commence on the earlier of the date upon which any transfer to such Unit Owner becomes effective (such as the date of a deed, the date of death in the case of a transfer by Will or intestate succession, etc.).

(h) Interest and Late Charges. If any Assessment, whether Annual, Special or Specific, is not paid within thirty (30) days after it is due, such Assessment shall bear interest at the rate of ten (10%) percent per annum, or at such lower or higher rate as the Board may designate from time to time, and in no event higher than the maximum rate allowed by applicable law, compounded annually, from the date it became due; and the Unit Owner owing such Assessment may be required to pay a late charge at such uniform rate as the Board may designate from time to time.

(i) Assessment Lien. The amount of any delinquent Assessments, whether

Annual, Special or Specific and any interest thereon and any late charge attributable thereto, plus the cost of collecting the same, including reasonable attorneys' fees, shall constitute a lien upon the Unit upon which such Assessment was levied. To evidence such lien, the Board may, but shall not be required to, prepare and Record a written notice setting forth the amount of such unpaid indebtedness, the name of the Unit Owner, and a description of the Unit subject to the Assessment. Such Assessment lien shall attach from the due date of the Assessment(s) it secures and may be enforced by the Association by judicial foreclosure. By acquiring ownership of any Unit, each Unit Owner shall be deemed to have waived and released any and all rights and claims said Unit Owner may have in and to said Unit as a homestead exemption or other exemption, said waiver and release to be applicable only in an action to foreclose the Assessment lien.

(j) Association's Right of Acceleration Upon Default. In addition to the other remedies provided to the Association upon the default of a Unit Owner in the payment of any Assessment or any installment thereof, the Association shall have the immediate right to accelerate the total amount of such Assessment as remains outstanding at the time of such default. This right of acceleration in the event of default shall apply whether the Association pursues the obligation personally against the Unit Owner or through foreclosure of the lien on the Unit, as provided herein.

(k) Suspension for Non-Payment of Assessment. If a Unit Owner shall be in arrears in the payment of any Assessment due or shall otherwise be in default of the performance of any terms of the Governing Documents for a period of thirty (30) days, said Unit Owner's voting rights shall, without the necessity of any further action by the Association, be suspended and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied.

(l) Subordination of Assessment Liens. Except as otherwise permitted in the Act, any lien of the Association for Assessments payable by a Unit Owner shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, regardless of whether the first mortgage or deed of trust is recorded before or after this Declaration, except for the amount of the proportionate share of any Assessments 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 first mortgage or deed of trust. While the lien for Assessments may be extinguished, the personal indebtedness therefor shall remain and be a personal obligation of the Unit Owner who owned the Unit when the Assessment became due. Any delinquent Assessments may be reallocated and assessed among all Units as a Common Expense.

20. Amendment of Declaration.

(a) Except in cases of amendments that may be executed by the Declarant under Sections 66-27-309(f) or 66-27-310 of the Act, or by the Association under Sections 66-

27-207, 66-27-306(d), 66-27-308(c), 66-27-312(a), or 66-27-313 of the Act, or by certain Unit Owners under Sections 66-27-308(b), 66-27-312(a), 66-27-313(b), or 66-27-318(b) of the Act, any amendment of this Declaration, including the Plat and Plans, shall require the affirmative vote and consent of Unit Owners to which at least sixty-seven (67%) percent of the votes in the Association are allocated.

(b) Notwithstanding the foregoing, the consent of Unit Owners to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of eligible Mortgagees on Units to which at least fifty-one (51%) of the votes of Units subject to a mortgage appertain, shall be required to materially amend any provisions of this Declaration or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the
Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Elements;
- (6) Responsibility for maintenance and repair of the several portions
of the Real Estate;
- (7) Expansion or contraction of the condominium regime or the
addition, annexation or withdrawal of property to or from the regime, except as described in
Section 3 above;
- (8) Boundaries of any Unit;
- (9) The interests in the Common Elements or Limited Common
Elements;
- (10) Convertibility of Units into Common Elements or of Common
Elements into Units or Limited Common Elements;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on the
right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; or

(13) Restoration or repair of the project for damage or partial condemnation in a manner other than that specified in this Declaration.

(c) The Declarant reserves the right to amend the Declaration without the consent of the other Owners if required by any Mortgagee or prospective Mortgagee as a condition to making a loan secured by an interest in a Unit in order to meet the requirements of the Federal Housing Administration, the Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association; provided that any such changes or amendments requested by the Mortgagee or prospective Mortgagee shall not materially affect the rights of the Unit Owners or the value of the Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, attributable to each Unit Owner.

(d) No amendment may change the boundaries of any Unit, or the allocated interest of a Unit in the Common Elements, or prohibit the leasing of any Unit (other than the short-term leasing of a Unit, which the Board shall have the right to prohibit in its sole and absolute discretion) in the absence of the consent of all affected Unit Owners.

(e) Any amendment to the Declaration shall be prepared, executed, recorded and certified on behalf of the Association by the President or Secretary of the Association or by the Declarant, as applicable, and shall only be effective when it is of Record.

(f) The Declarant is entitled at any time to assign, transfer and convey its rights and obligations under this Declaration or the Bylaws to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the Bylaws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and Recorded. Nothing in this Declaration shall be construed to require the Declarant or any successor to develop any additional land in any manner whatsoever.

21. Termination of Condominium.

(a) Except in the case of a taking of all the Units by eminent domain, the Condominium regime established by this Declaration may only be terminated by the consent of Unit Owners to which at least eighty (80%) percent of the votes in the Association are allocated and eighty (80%) percent of the Mortgagees on any Unit or Units to which eighty (80%) percent of the votes in the Association are allocated. A Mortgagee is deemed to have approved the termination if the notice of termination is sent to the last address of that Mortgagee on file with the Association, or if none, as specified in the Mortgagee's first mortgage lien of record, and no objection is received within thirty (30) days thereafter.

(b) An agreement to terminate the Condominium regime must be evidenced by the execution of a termination agreement, or ratification of a termination agreement, in the

same manner as a deed, by the requisite number of Unit Owners. The termination agreement may specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement and all ratifications of the termination agreement must be Recorded and is effective only upon recordation.

(c) Upon termination of the Condominium regime, the Association, Unit Owners and Mortgagees shall have such rights, remedies and opportunities as afforded in Section 66-27-318 of the Act.

22. Notices. Notices provided for or required in the Act, Declaration or Bylaws shall be in writing and shall be addressed as follows:

To a Unit Owner:	At the street address for the Unit Owner's Unit Knoxville, Tennessee 37917
To the Association or Board:	White Lily Condominium Association, Inc. 129 S. Central Street Knoxville, Tennessee 37902
To the Declarant:	TW White Lily LLC 129 S. Central Street Knoxville, Tennessee 37902

The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices (other than to the Unit) by giving written notice to the Association. The Declarant may designate a different address for notices by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person or by reputable overnight courier service.

23. Limitation of Liability for Maintenance and Repairs.

(a) The Association and the Unit Owners must maintain the Common Elements and Limited Common Elements in the manner set forth in this Declaration. Each Unit Owner must promptly report to the Association any defects or needs for repairs which are the responsibility of the Association. Before pursuing any claim for any alleged, assumed or asserted negligence, liability or damage against the Declarant, or any contractor and/or architect engaged by the Declarant in connection with the construction of any improvements or alterations within the Building, the Unit Owner must present the Unit Owner's claim in detail to the Association, and the Association must formally approve pursuing the Unit Owner's claim. The mandatory procedure for claims against the Declarant, or any contractor and/or architect engaged by the Declarant, shall be initiated by the Association submitting a written notice letter

within the applicable warranty period to the Declarant delineating the specific claim, with all available details and investigations, including date and frequency of occurrence and extent of damage observed. Prior to pursuing any legal claim, the Association shall comply with Tennessee Code Annotated § 66-36-103 or such other applicable statute(s). The Declarant, or any contractor and/or architect engaged by the Declarant, shall have full right to access all parts of the Condominium, including any Unit in which damage is alleged, to investigate any claimed deficiency. If the Declarant, or any contractor and/or architect engaged by the Declarant, accepts responsibility for any deficiencies after notice and investigation, then the Association and the Unit Owners shall give the Declarant a reasonable opportunity to correct such deficiencies.

(b) The Declarant, or any contractor and/or architect engaged by the Declarant, shall not be liable for any loss, cost or damage of any kind or nature suffered by the Association or any Unit Owner, except as set forth in any written warranty and except only to the extent of the negligent exercise of professional skill or judgment by the Declarant, or any contractor and/or architect engaged by the Declarant, when compared to/against other developers, contractors and/or architects in Knoxville, Knox County, Tennessee under like circumstances. The Unit Owners and Association acknowledge and agree that the Declarant has no duty to oversee the work of subcontractors or other third parties on the Condominium, nor does the Declarant possess superior skill or knowledge of the conditions of construction of the Condominium. In any event, the maximum liability of the Declarant, or any contractor and/or architect engaged by the Declarant, for damages, losses, or expenses arising directly from the alleged negligent exercise of its professional skill shall not exceed the aggregate total of \$25,000.00 each for the Declarant, or any contractor and/or architect engaged by the Declarant.

24. No Class Representation. All parties to litigation or alternative dispute resolution against the Declarant, the Association, or any agents of the Declarant or Association, including any management companies employed by the Declarant or Association shall be named individually. There shall be no right or authority for any claims to be arbitrated or litigated on a class-action or consolidated basis or involving claims brought in a purported representative capacity on behalf of the general public (such as a private attorney general) or other persons similarly situated.

25. Disclosures and Acknowledgements.

(a) The Condominium is located in an urban environment and may be from time to time affected by traffic, noise, odors and light.

(b) The Commercial Unit may from time to time be used for the operation of restaurants, bars, nightclubs and other similar types of businesses, which are open to the public and generate certain noises and odors that are audible and/or detectable beyond the interior of the Commercial Unit. Such noises and odors shall not constitute a nuisance or be deemed to

be noxious or offensive, provided they are the type of sounds and odors customary for such businesses and are not excessive.

(c) No representations are made regarding the zoning or use of adjacent properties.

(d) No representations are made that any Unit is soundproof or that sound, noise or vibrations may not be transmitted into a Unit.

(e) The government-approved plans and specifications for the Building may be or may have been modified to satisfy design considerations, constructability, additional code requirements, or any other modifications, changes, or alterations that the Declarant, or any architect or contractor engaged by the Declarant in connection with the construction of the Building, deemed appropriate for the benefit of the Building.

26. Power of Attorney. The Association is hereby irrevocably appointed as agent and attorney-in-fact for the Unit Owners of all of the Units and for each of them, to manage, control and deal with the interests of such Unit Owners in the Common Elements to permit the Association to fulfill all of its powers, rights, functions and duties. The Association is hereby irrevocably appointed as agent and attorney-in fact for each Unit Owner, each Mortgagee, other named insurers and their beneficiaries and any other holder of a lien or other interest in the Building or the Real Estate, to adjust and settle all claims. The Association may grant and accept easements and licenses pursuant to applicable law and this Declaration. The Association shall have full power to assert, defend, compromise, adjust and settle claims or actions related to the Common Elements. All of the appointments in this Section 26 shall be and are coupled with a legal interest.

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

28. Conflict with Act. If any provision of this Declaration conflicts with any provisions of the Act that may not be waived or varied by agreement, the provisions of the Act shall apply and control.

29. Entire Agreement. This Declaration of Covenants, Conditions and Restrictions of White Lily Condominiums, including the Exhibits hereto, constitutes the entire agreement and declarations of the Declarant in regard to the matters set forth herein and cannot be altered or amended except in accordance with the terms of this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its duly authorized officer as of the date set forth above.

TW WHITE LILY LLC

By: _____

Thomas R.H. Boyd, President

STATE OF TENNESSEE
COUNTY OF KNOX

Before me, the undersigned Notary Public of the state and county aforesaid, personally appeared, Thomas R.H. Boyd, whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of TW WHITE LILY LLC, the within named bargainor, a limited liability company, and that he as such President, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by himself as President.

Witness my hand and seal, this 2nd of May, 2024.



Christina L. Jones
Notary Public

My commission expires: January 31, 2027

LIST OF EXHIBITS

- EXHIBIT A: DESCRIPTION OF THE PARCEL
- EXHIBIT B: PLAT
- EXHIBIT C: PLANS
- EXHIBIT D: BYLAWS
- EXHIBIT E: OWNERSHIP PERCENTAGES

Exhibit A

Description of the Parcel

SITUATED in the Second (2nd) Civil District of Knox County, Tennessee, within the 6th Ward of the City Of Knoxville, Tennessee, and being more particularly described as Lot 1 of the Resubdivision of Lots 1 & 2 of the White Lily Food Co. as shown on the plat of record in **Instrument No. 201112120032166** in the Knox County Register of Deeds Office and as shown on the survey of Richard E, LeMay, Tennessee RLS No. 769 dated July 21, 2011 bearing Drawing No, 5156, for a more particular description thereof.

BEING same property conveyed to TW White Lily LLC by deed recorded as **Instrument No. 202403250046314** in the Knox County Register's Office.

Exhibit B

Plat

[attached]

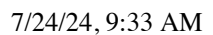


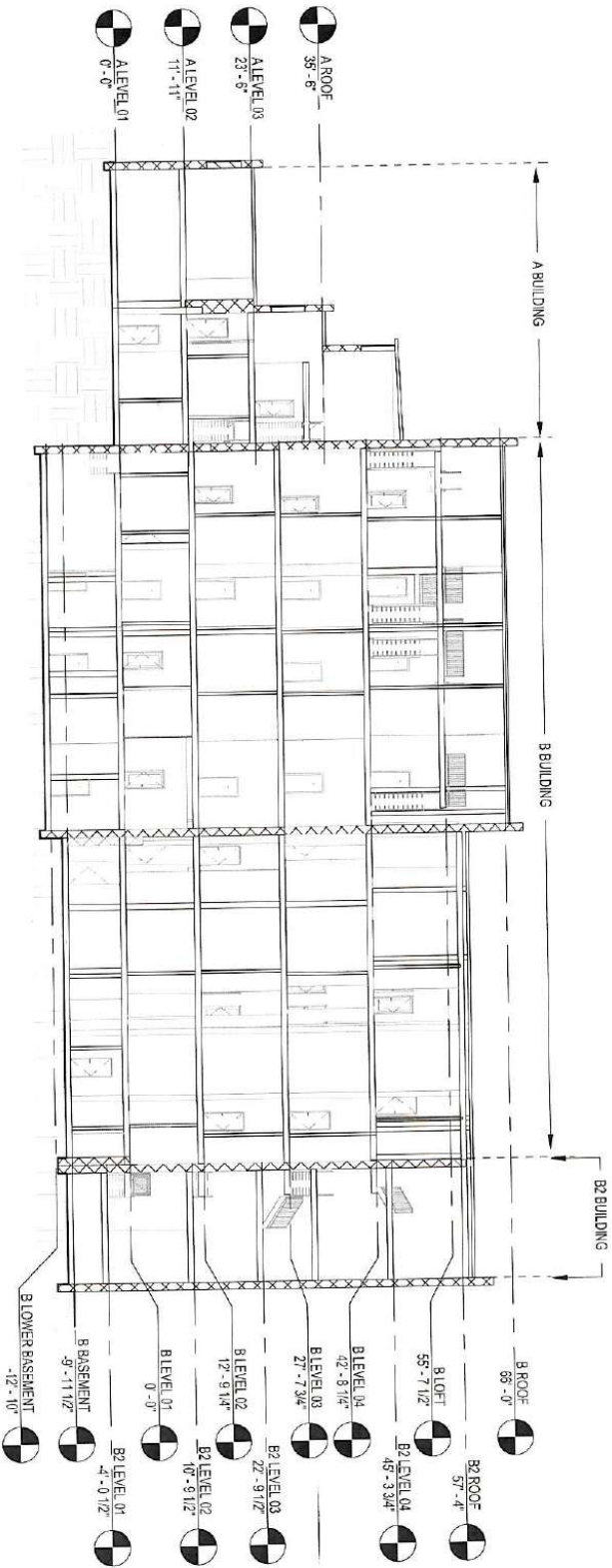
Exhibit C

Plans

[attached]

AD06

BUILDING SECTION 01
WHITE LILY CONDOMINIUMS

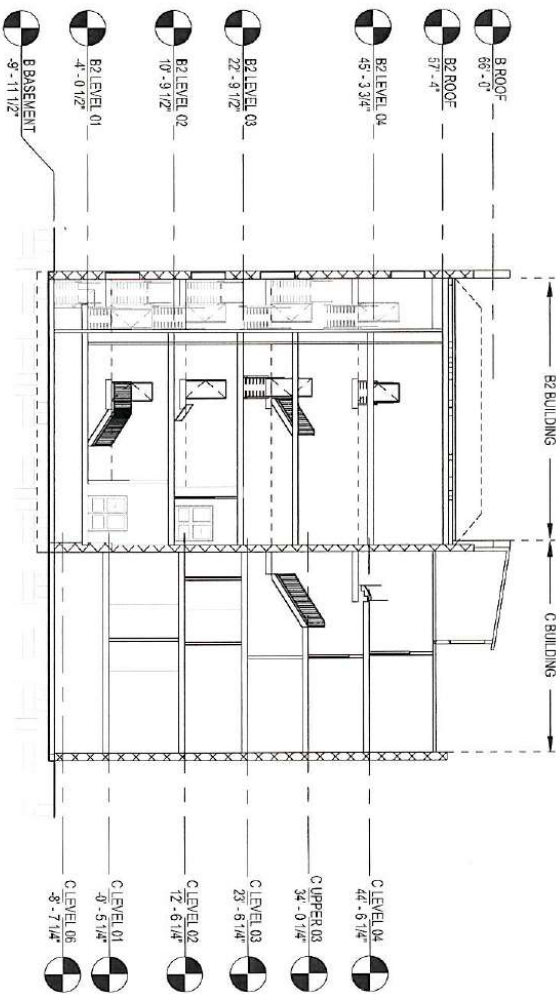


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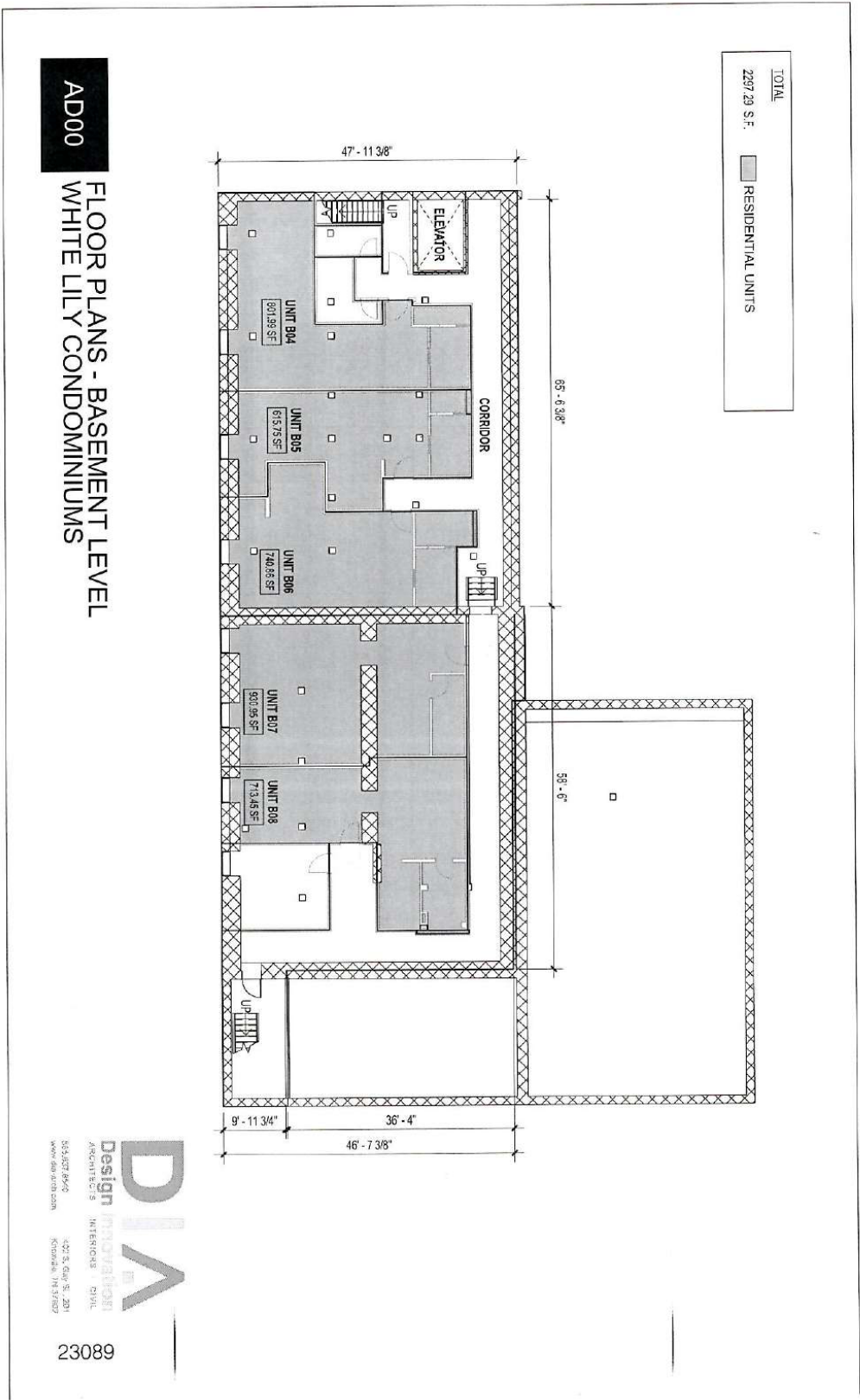
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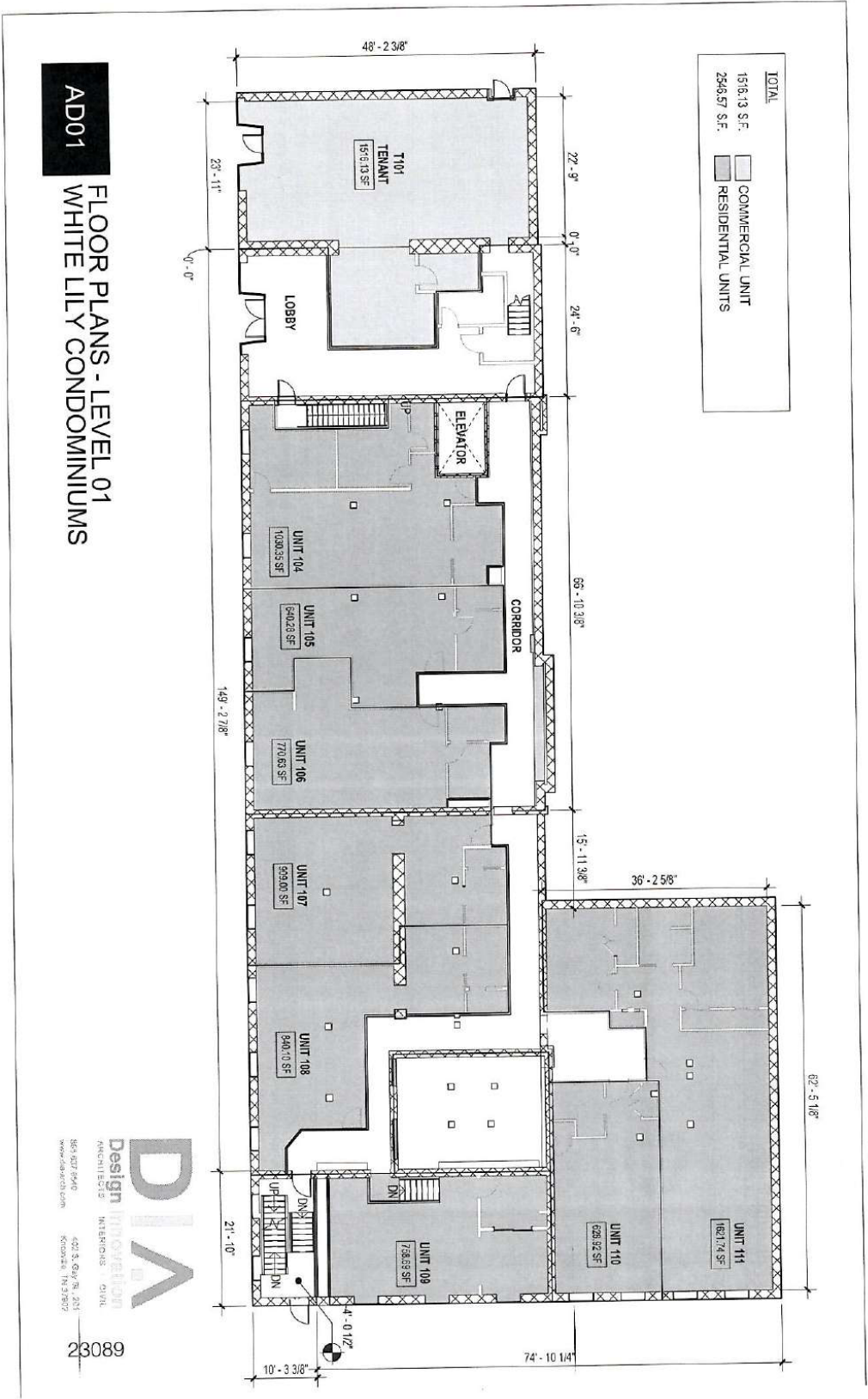
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WHITE LILY CONDOMINIUMS

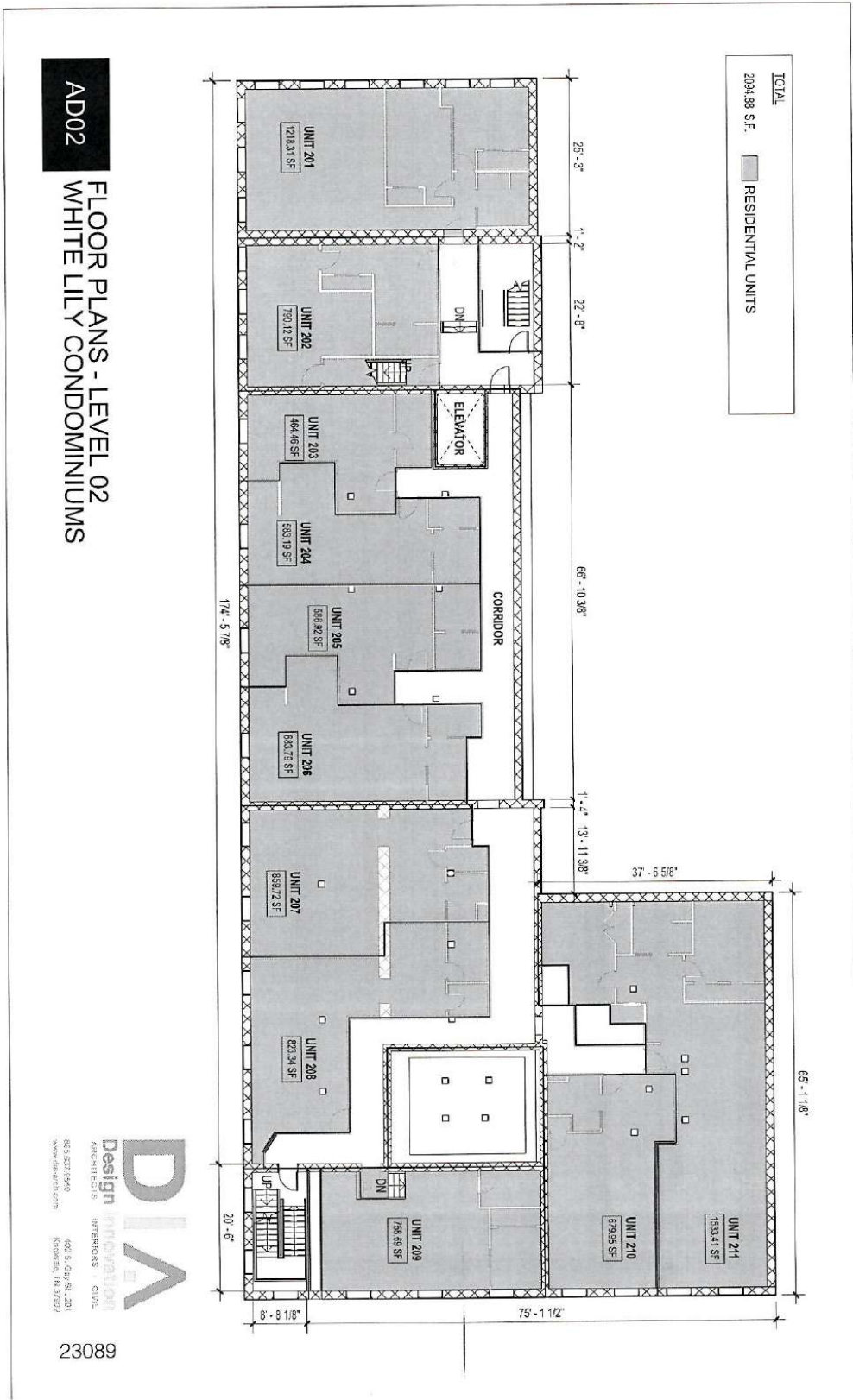


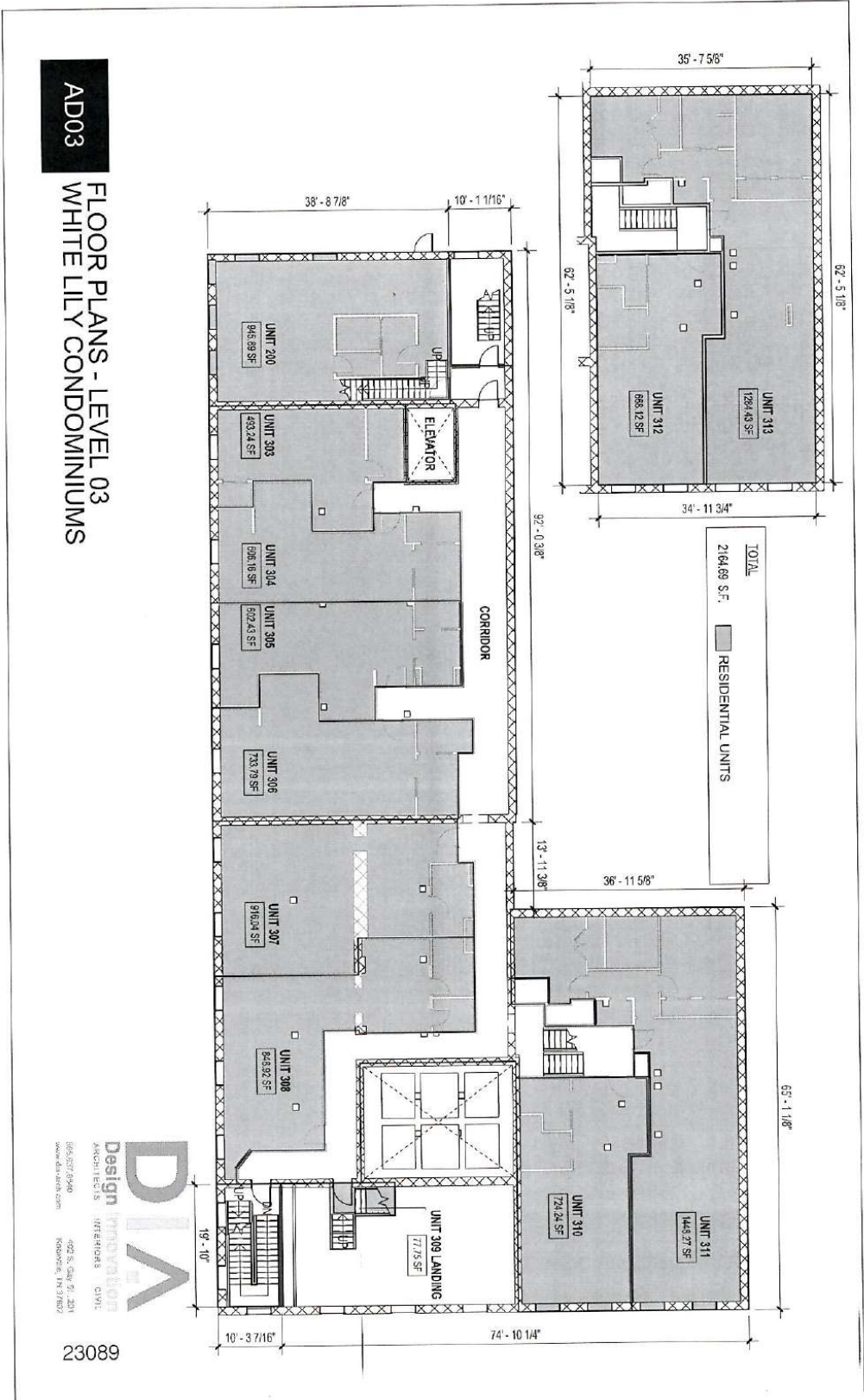
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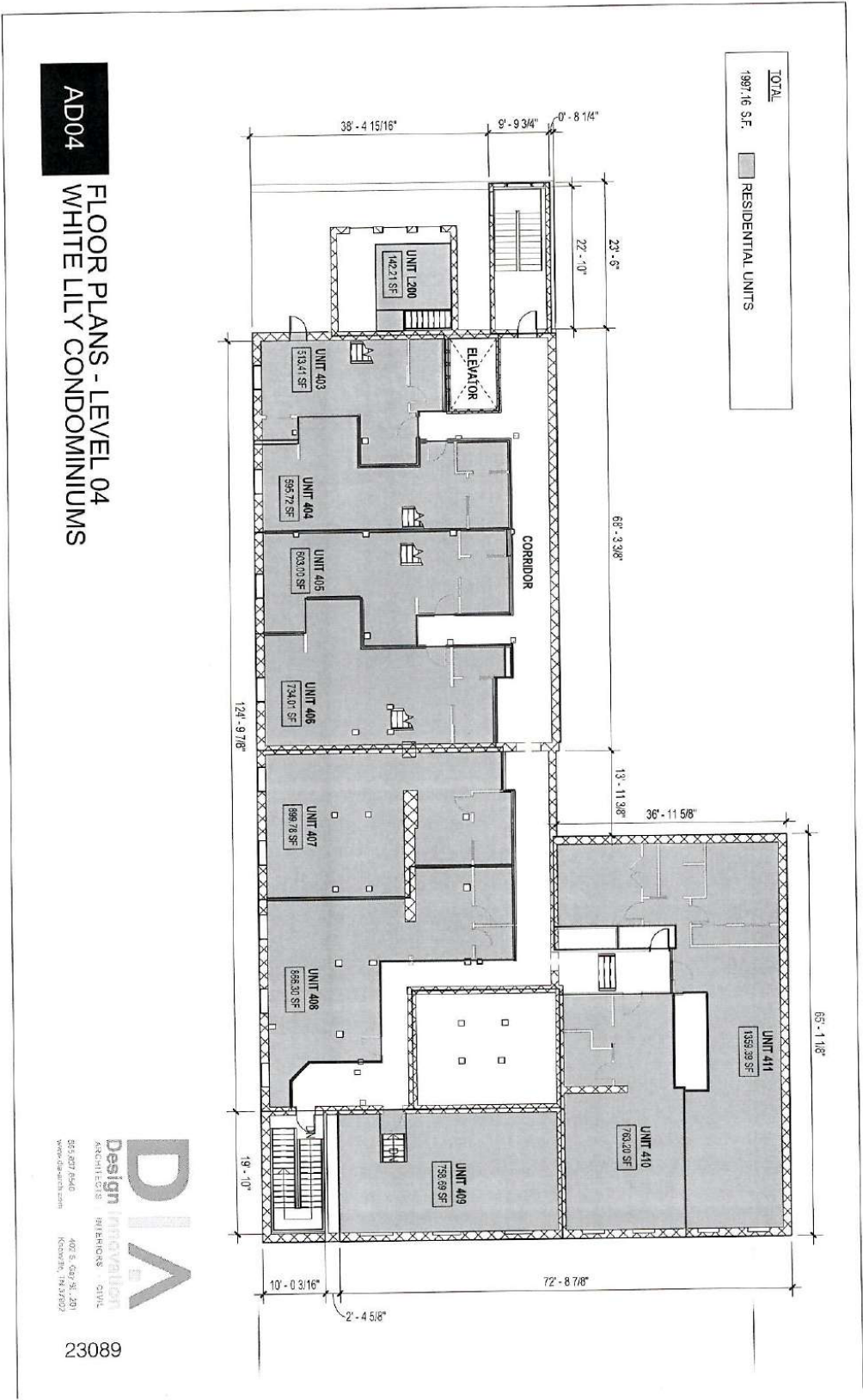
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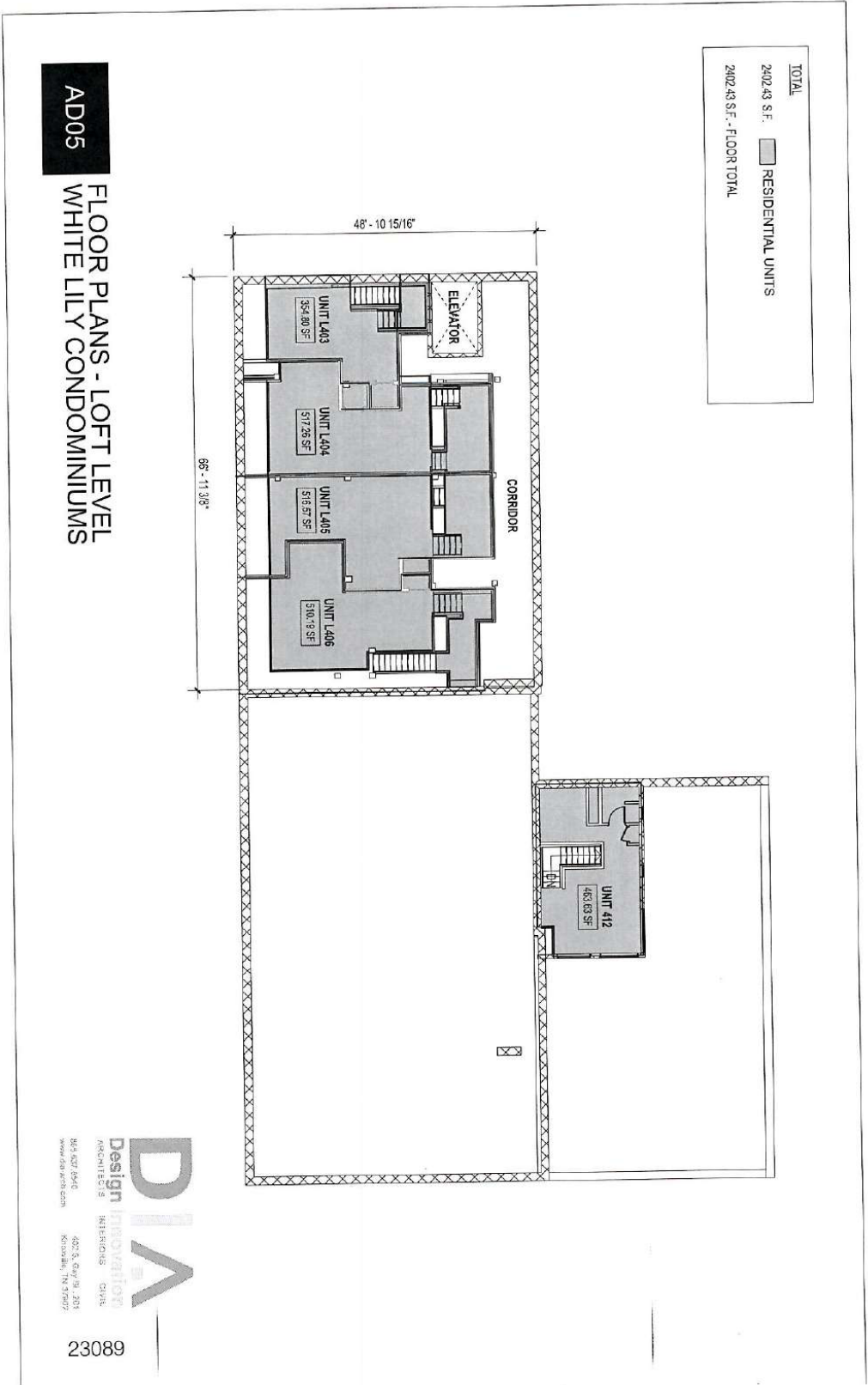








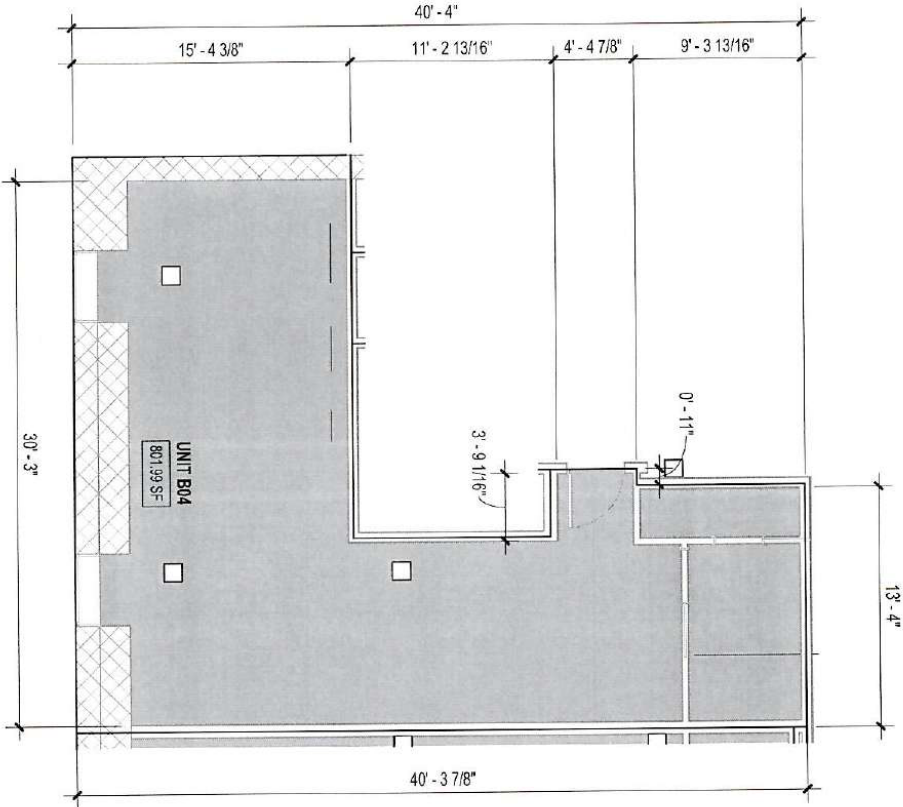




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UNIT B04
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



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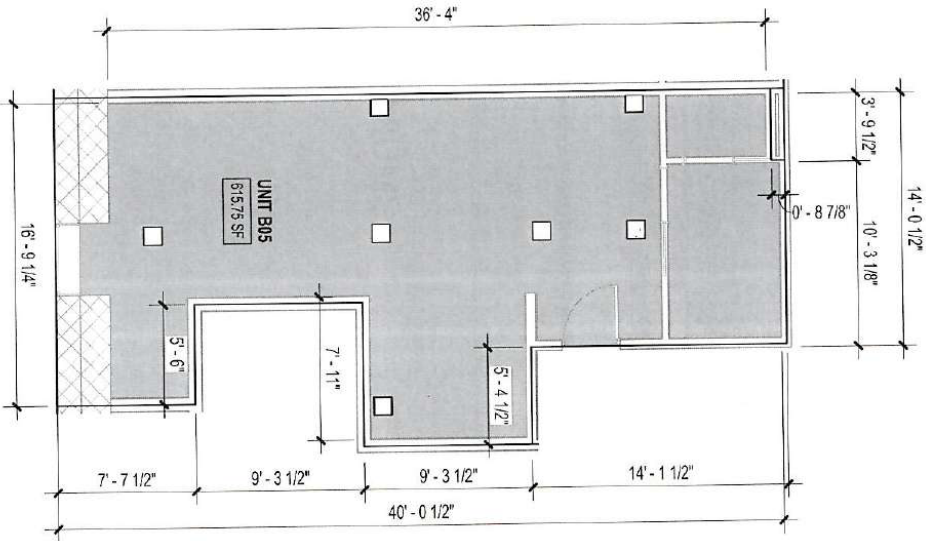
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UNIT B05
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



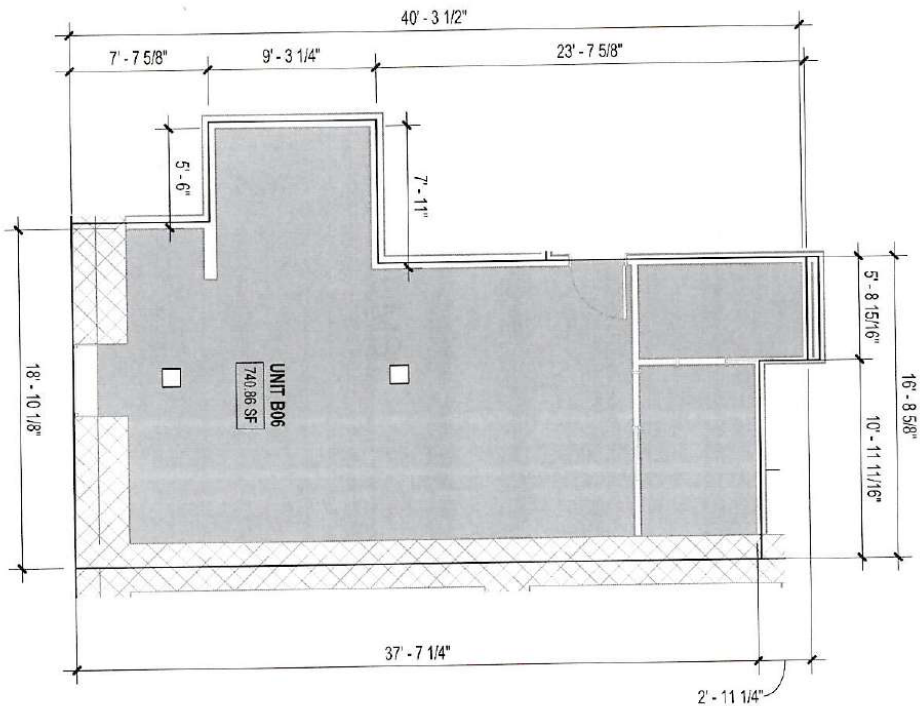
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UNIT B06
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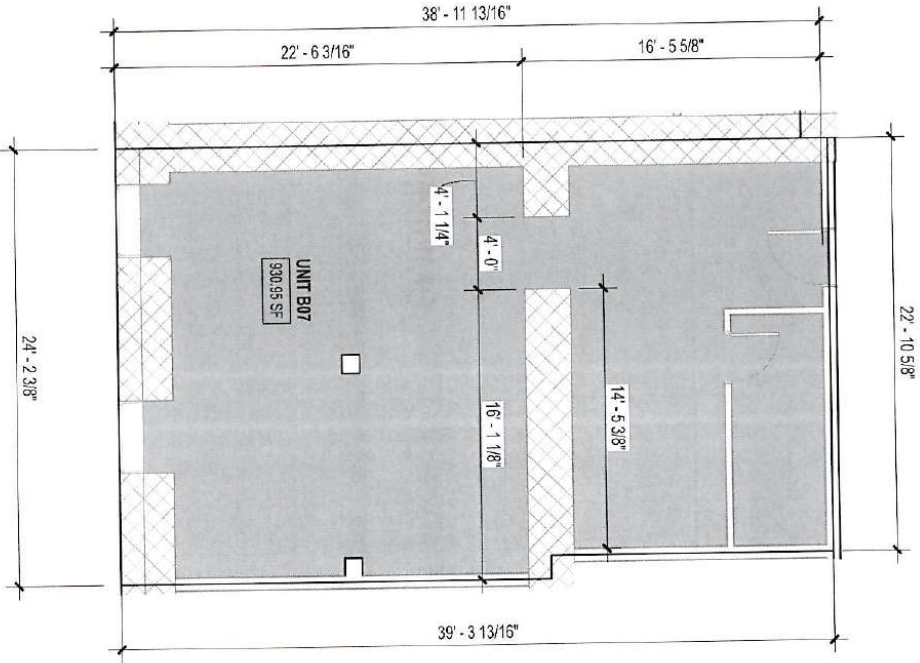
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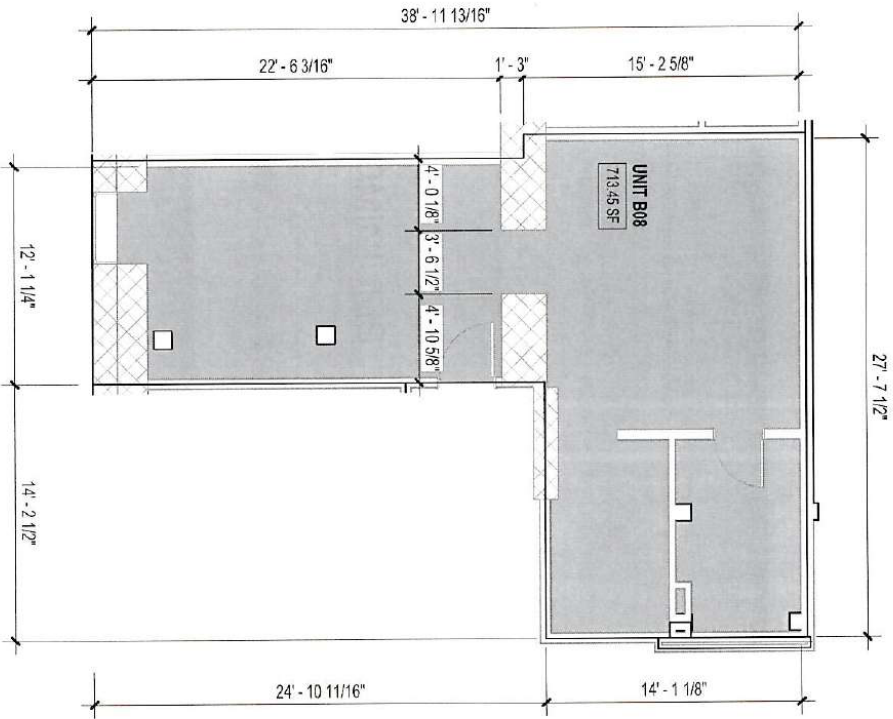
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UNIT B08
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



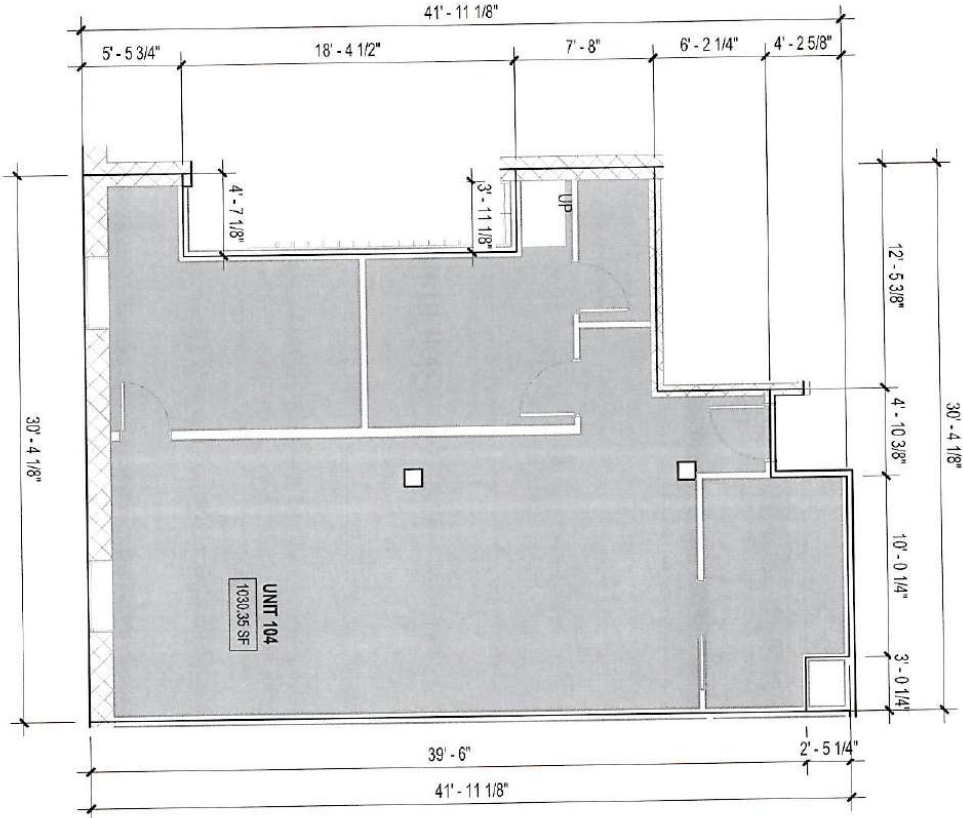
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UNIT 104
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



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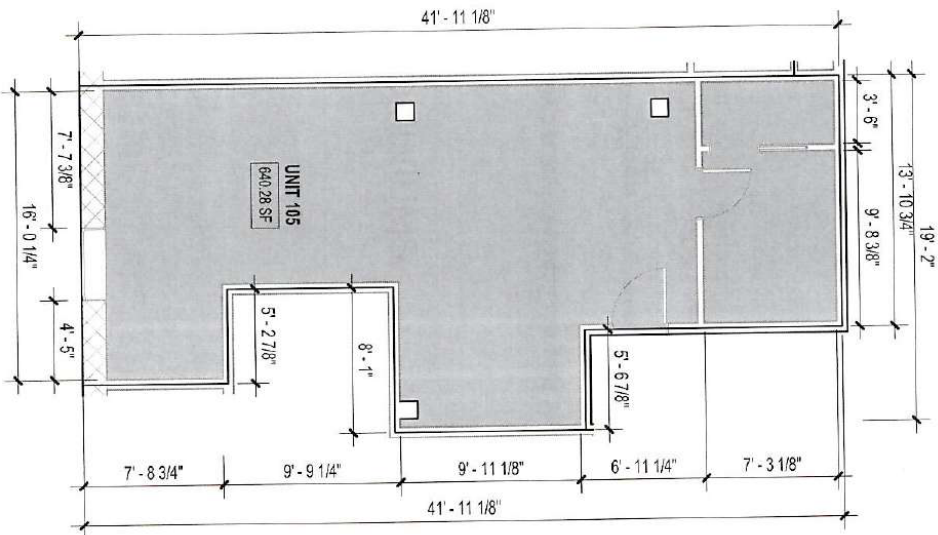
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UNIT 105
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



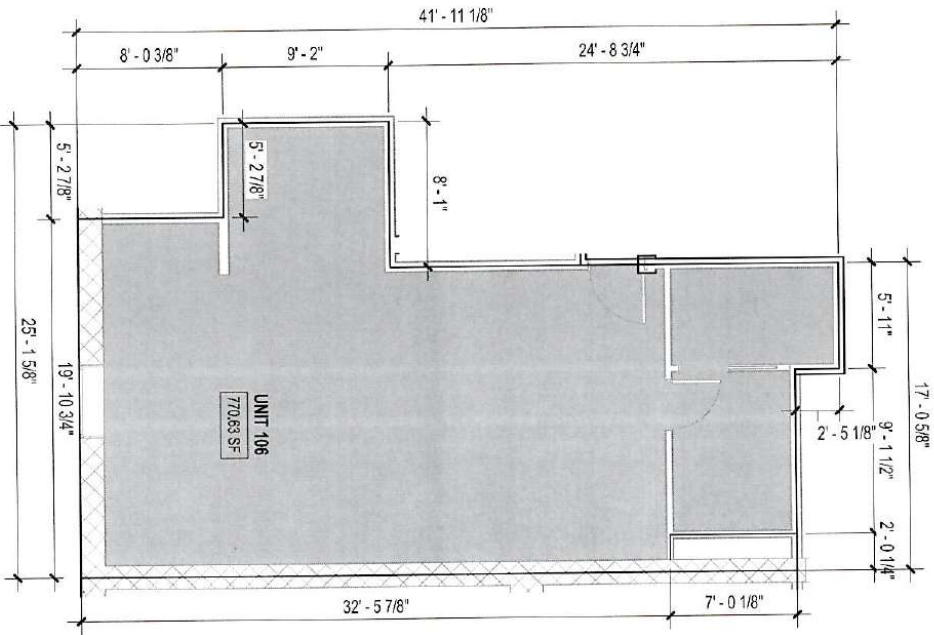
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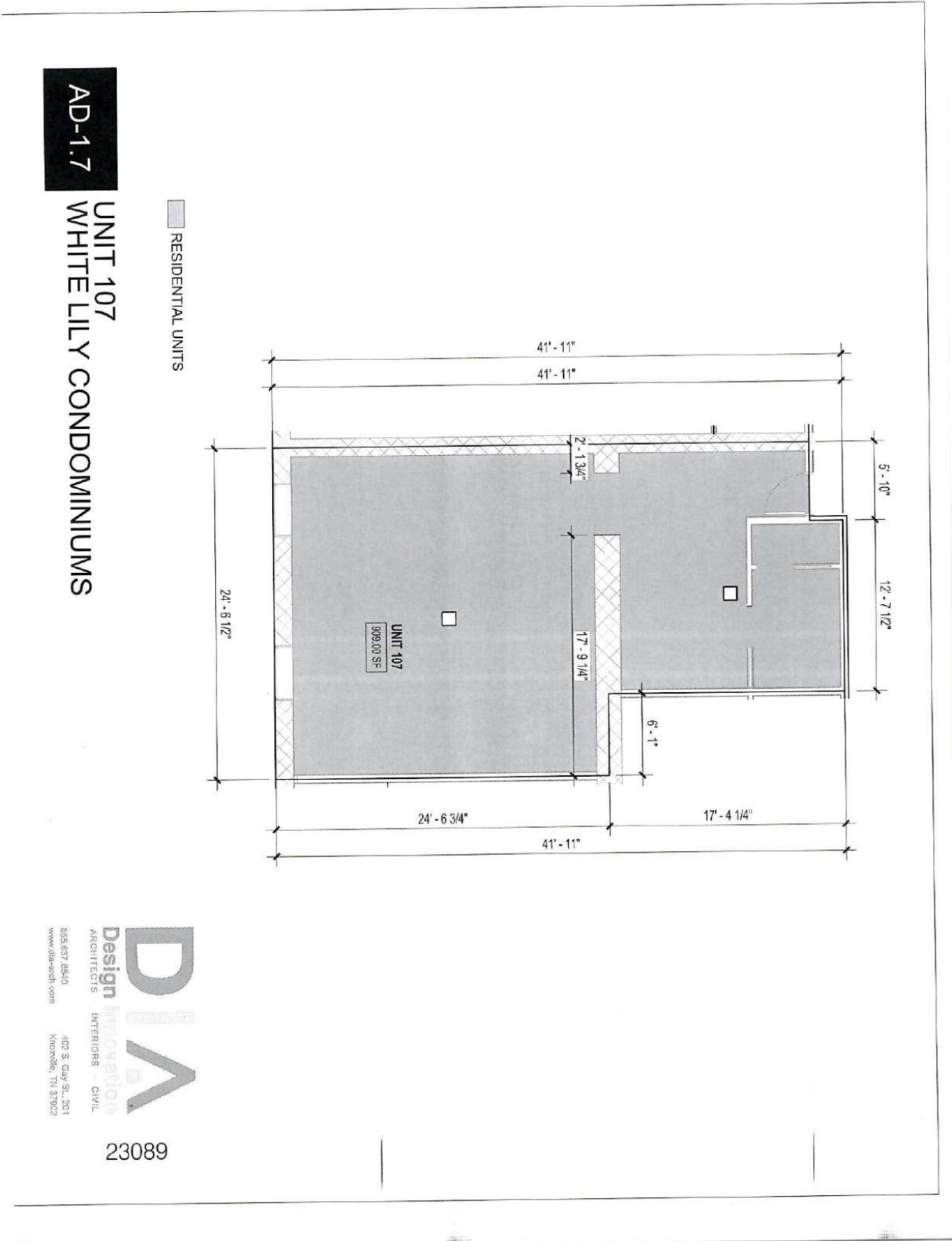
UNIT 106
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



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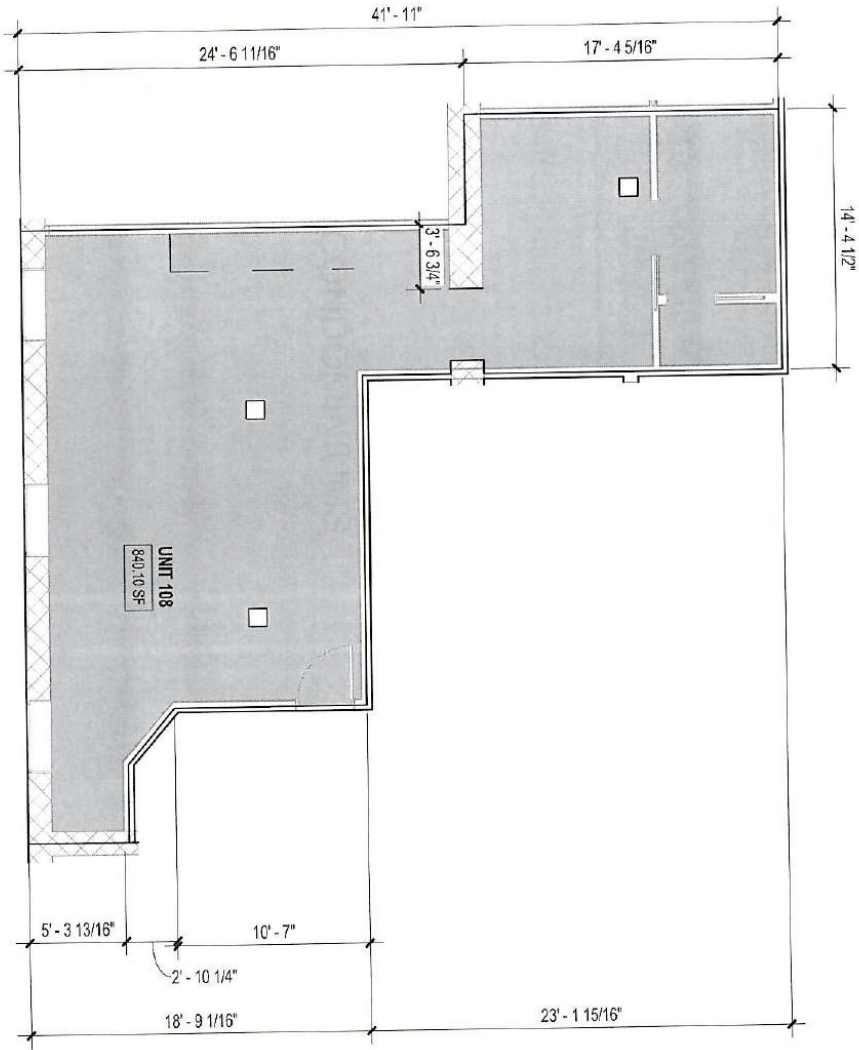
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UNIT 108
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



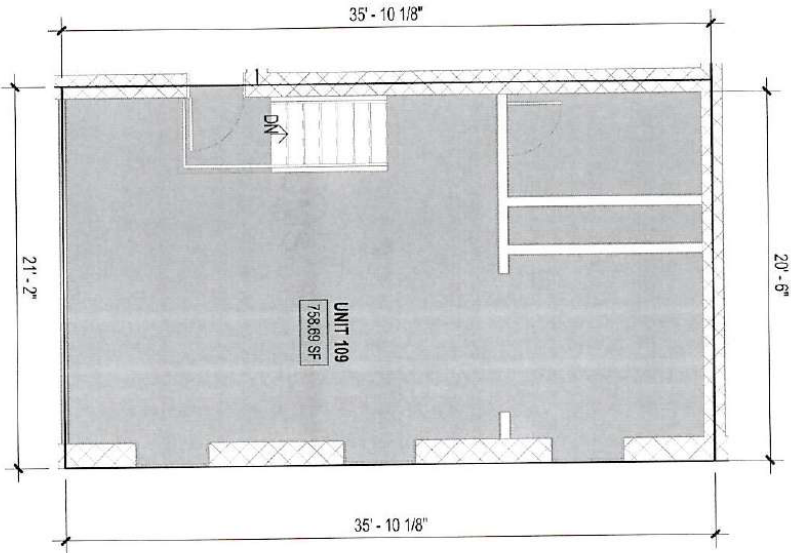
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UNIT 109
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RESIDENTIAL UNITS



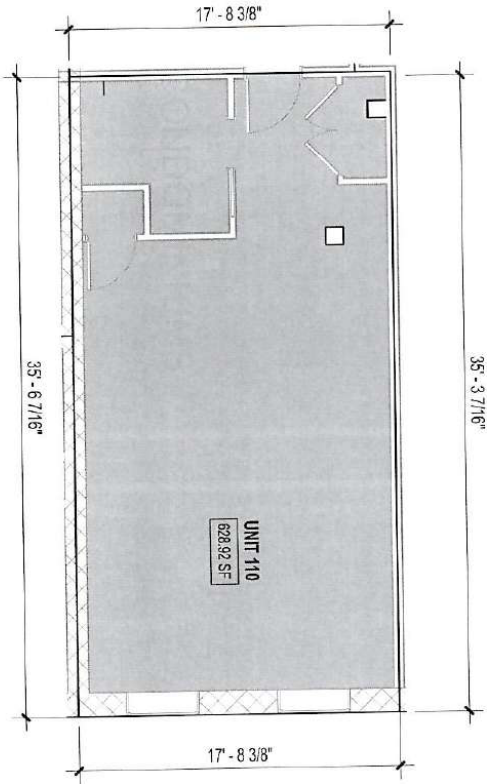
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UNIT 110
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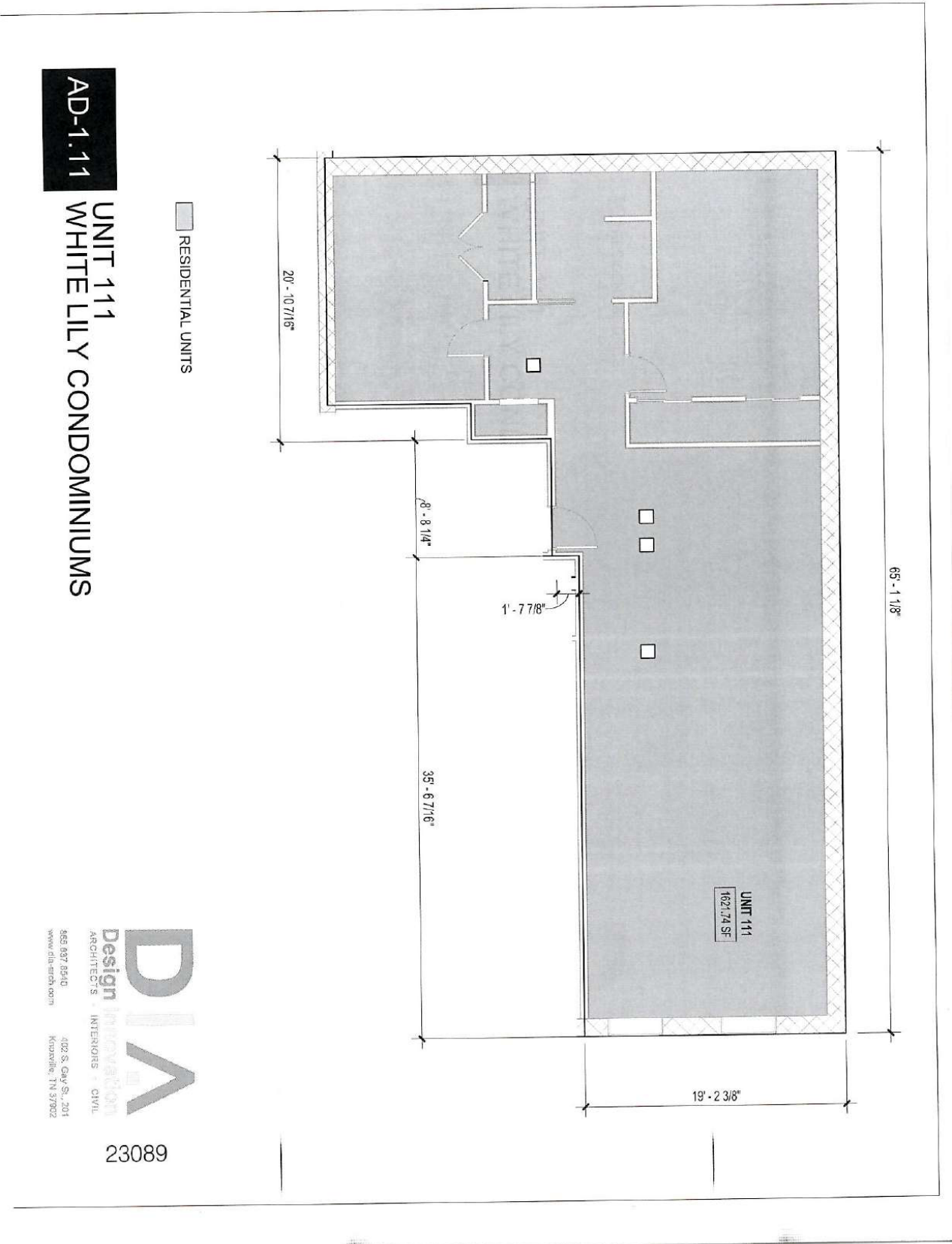


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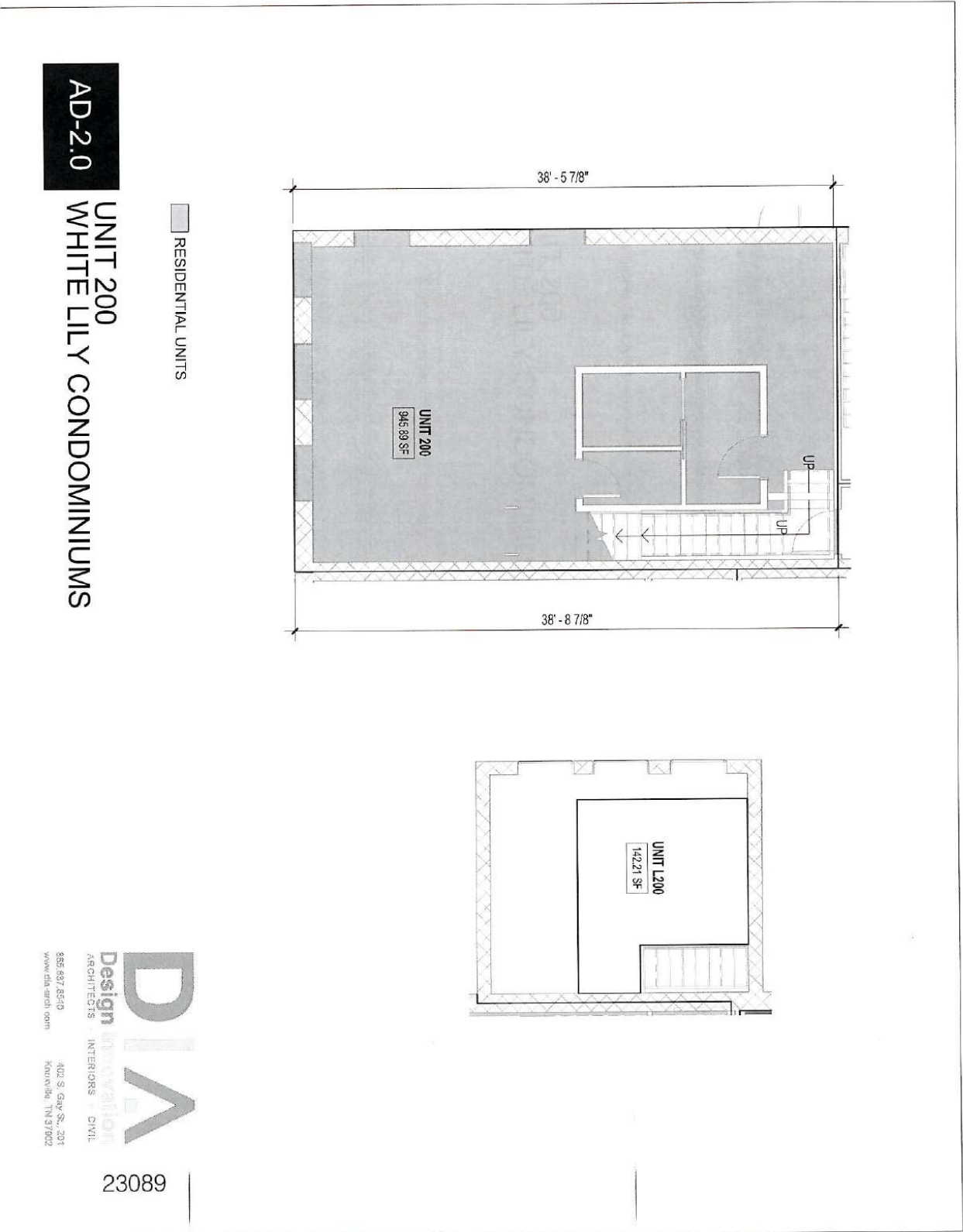


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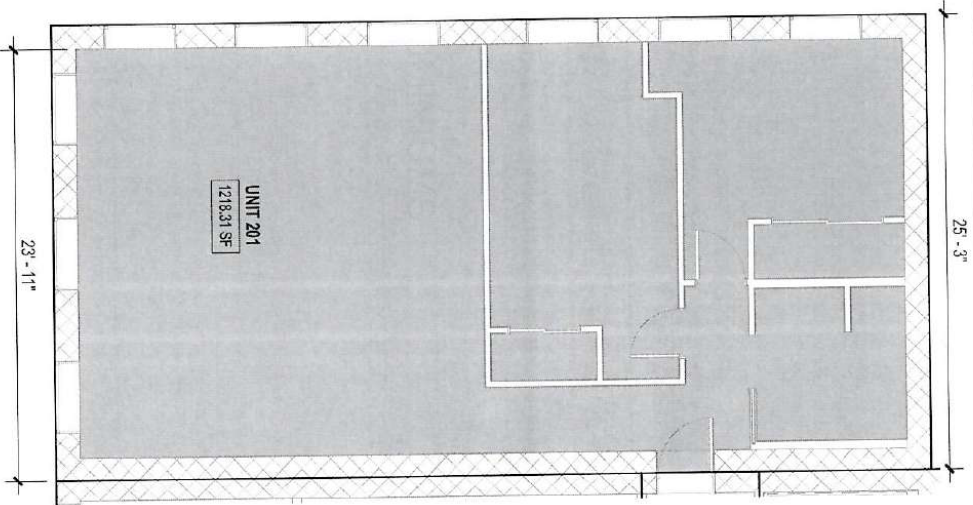
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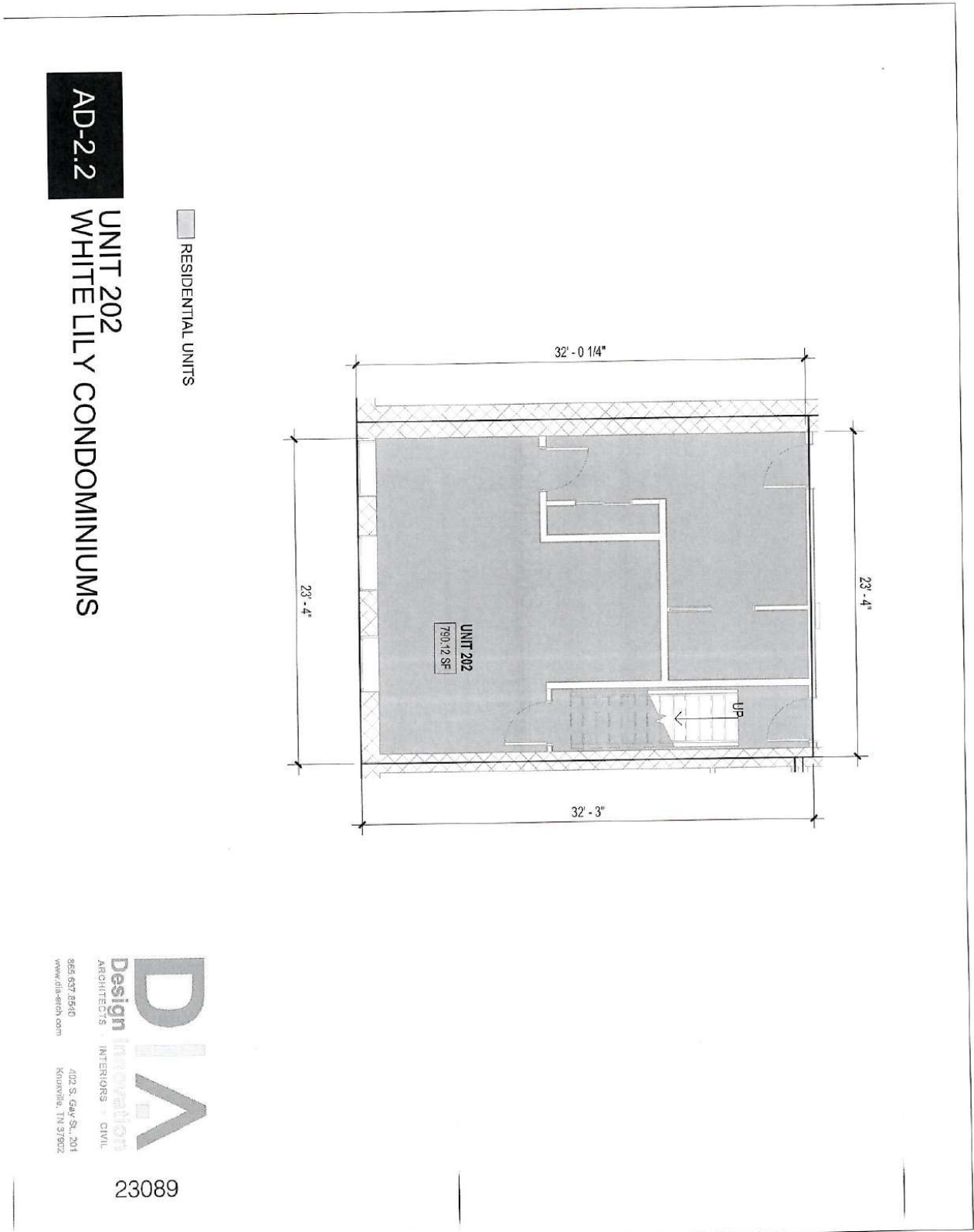
UNIT 201
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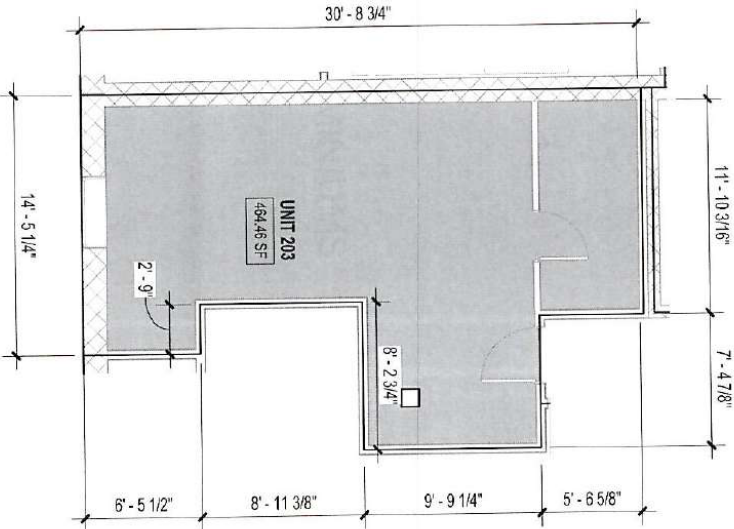
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UNIT 203
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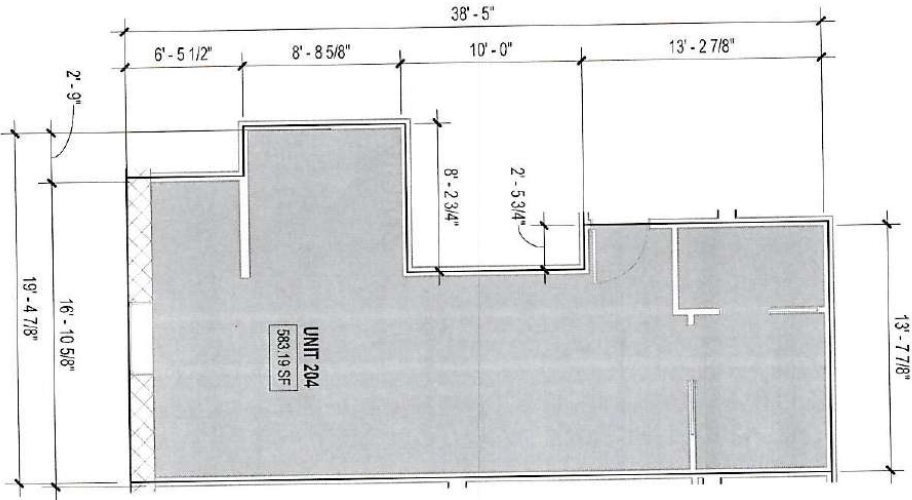
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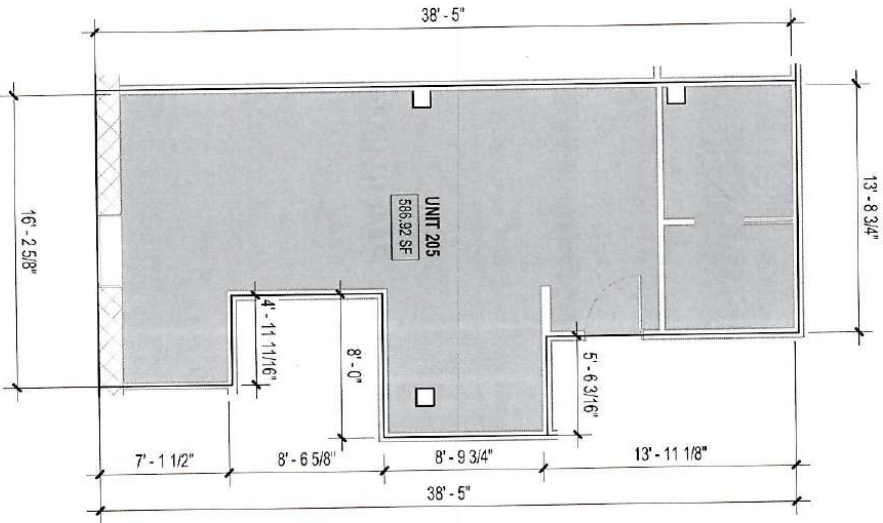
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RESIDENTIAL UNITS

UNIT 205

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WHITE LILY CONDOMINIUMS



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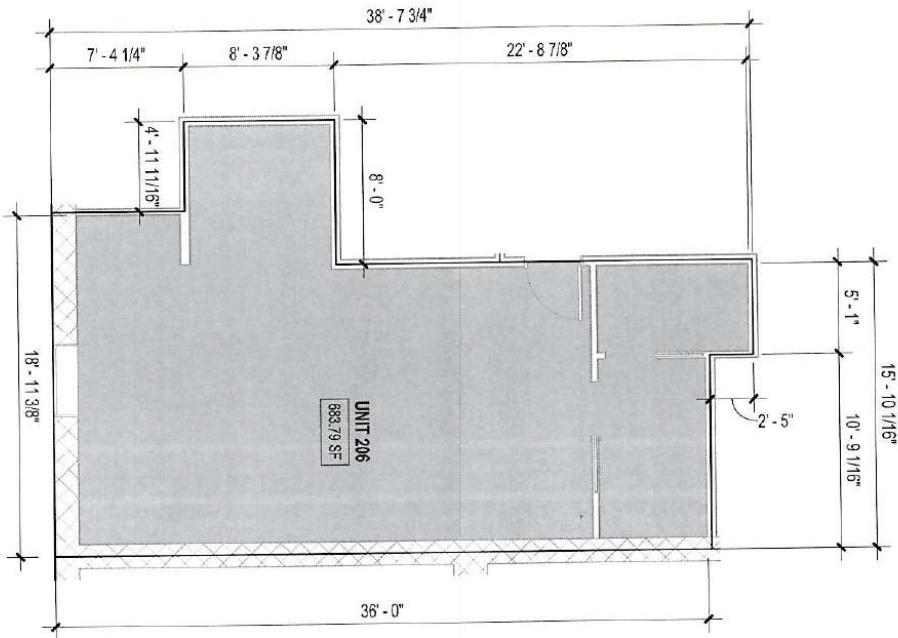
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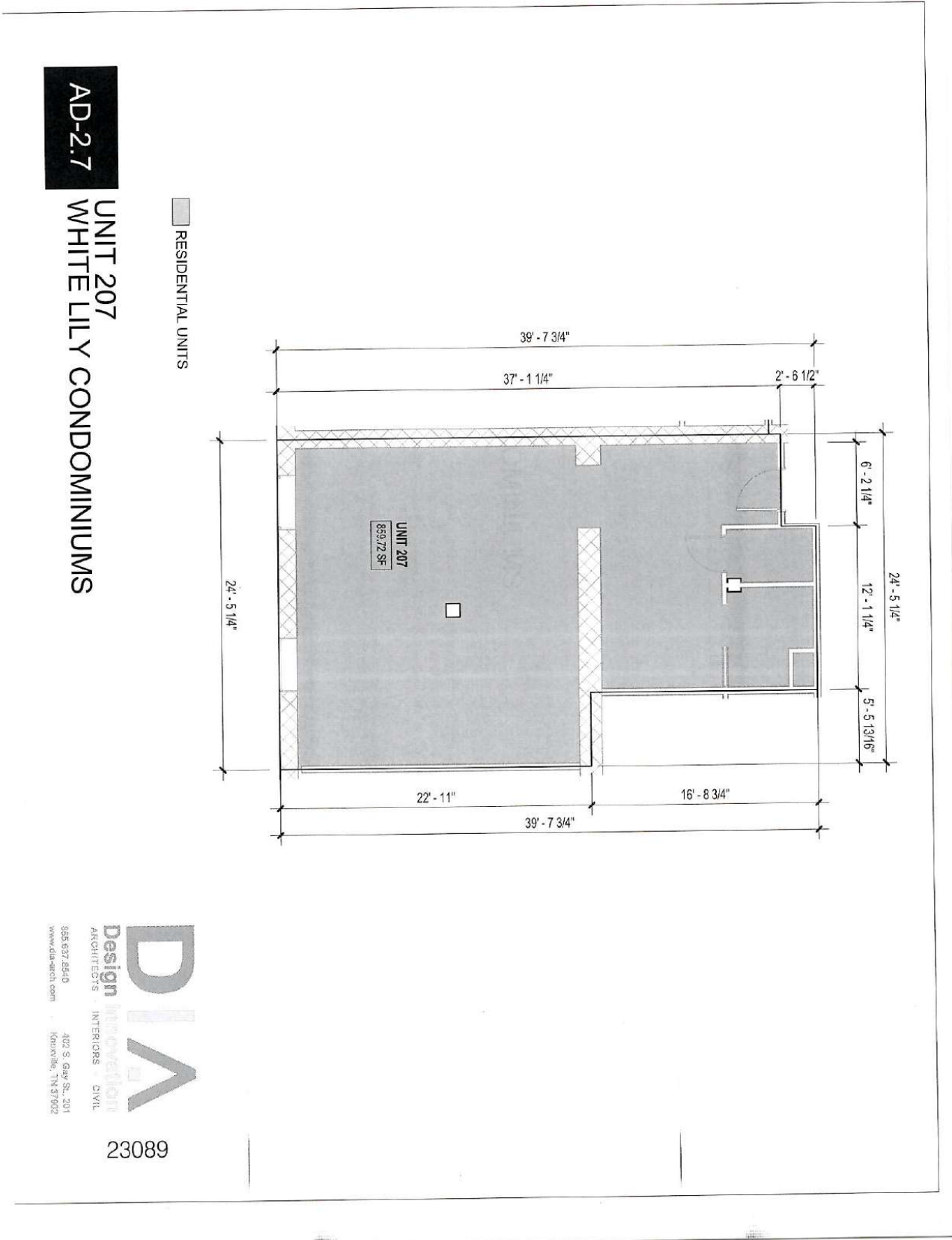
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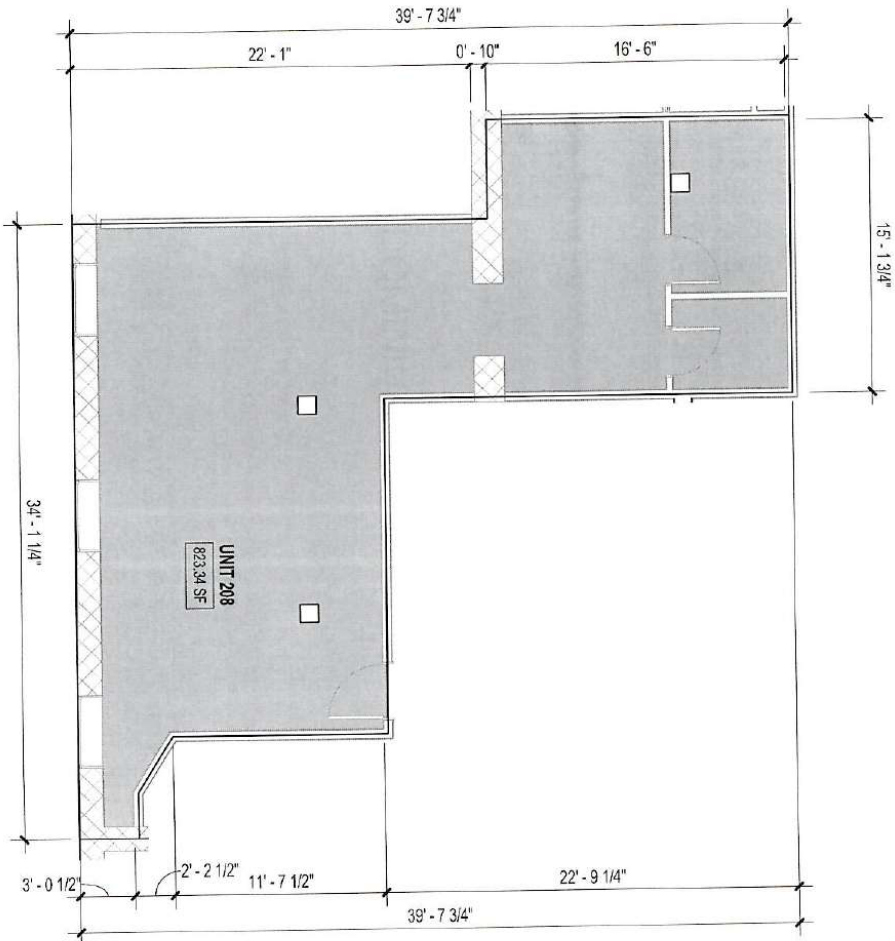
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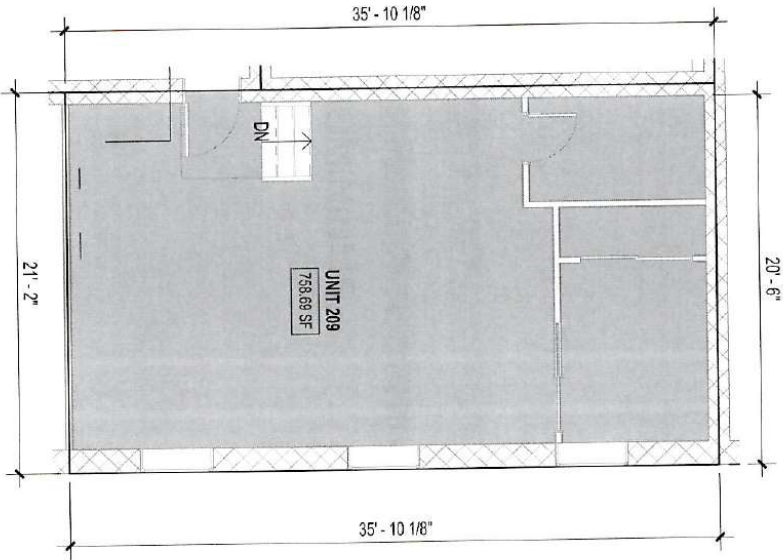
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UNIT 209
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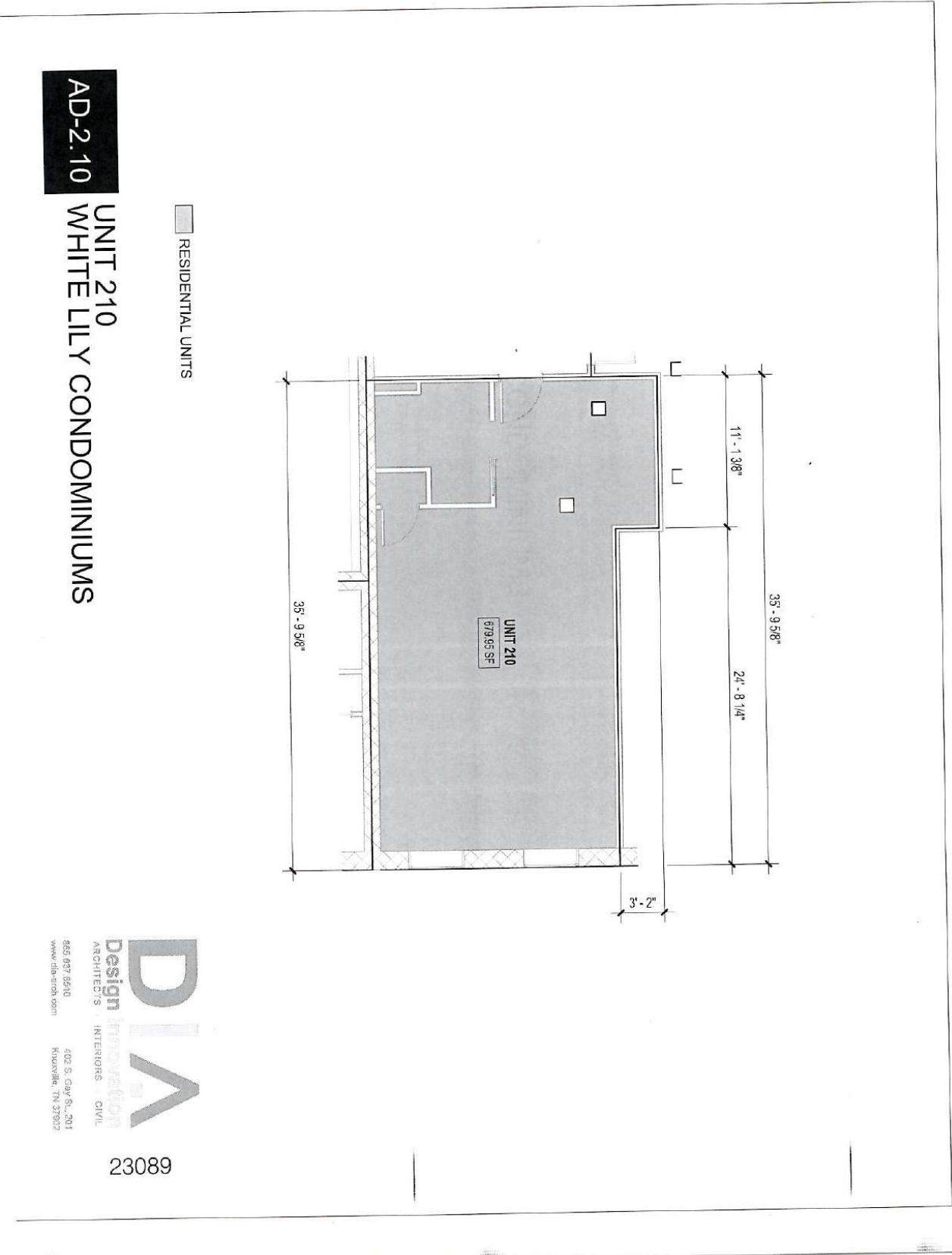


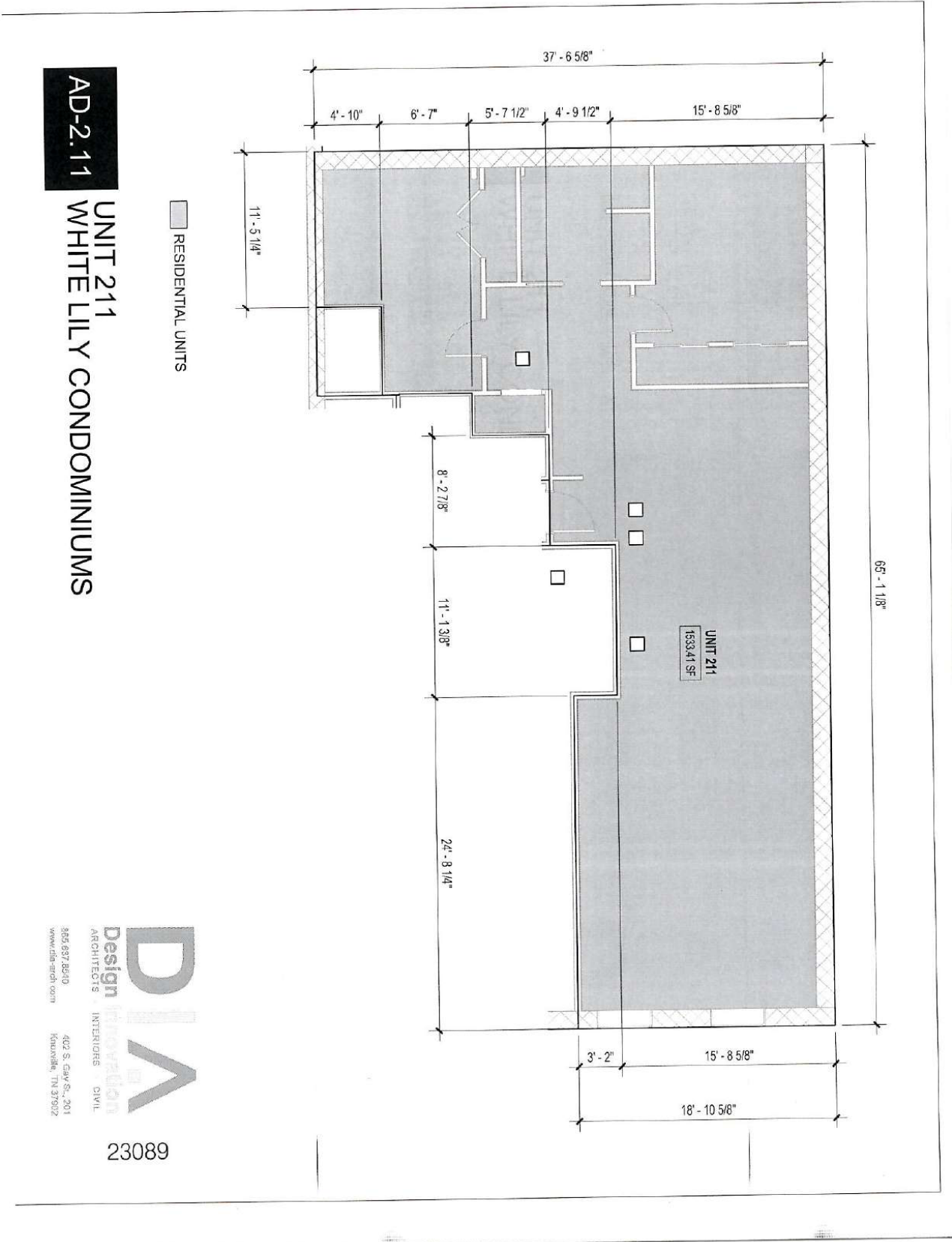
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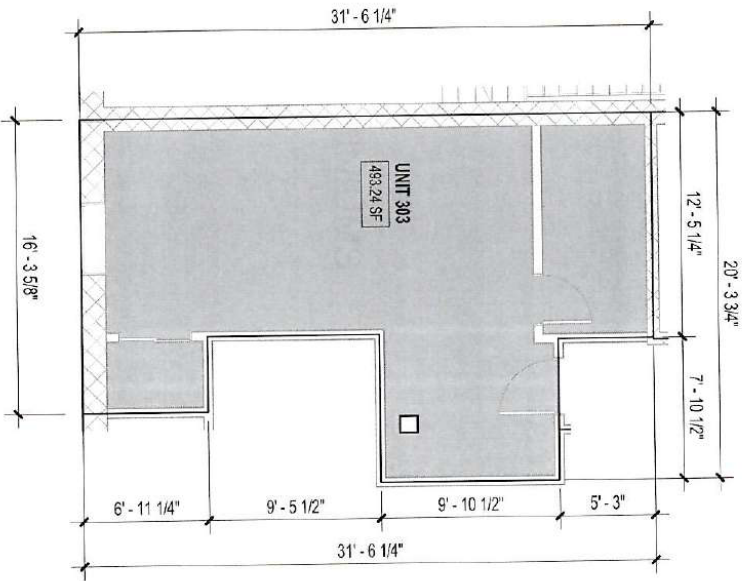
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UNIT 303
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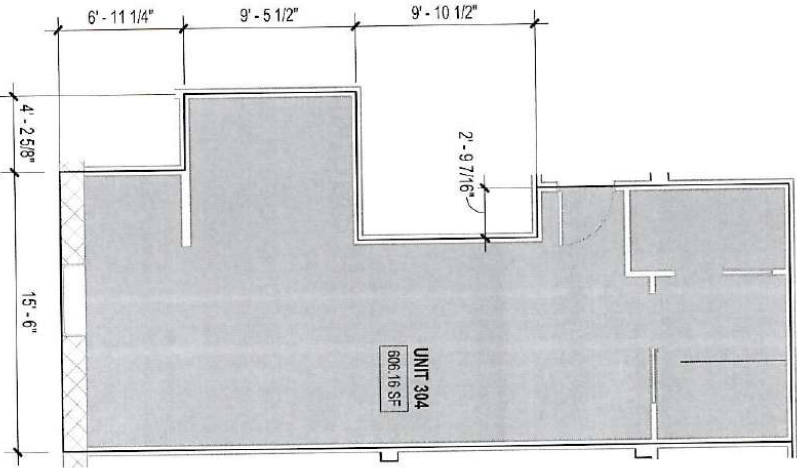
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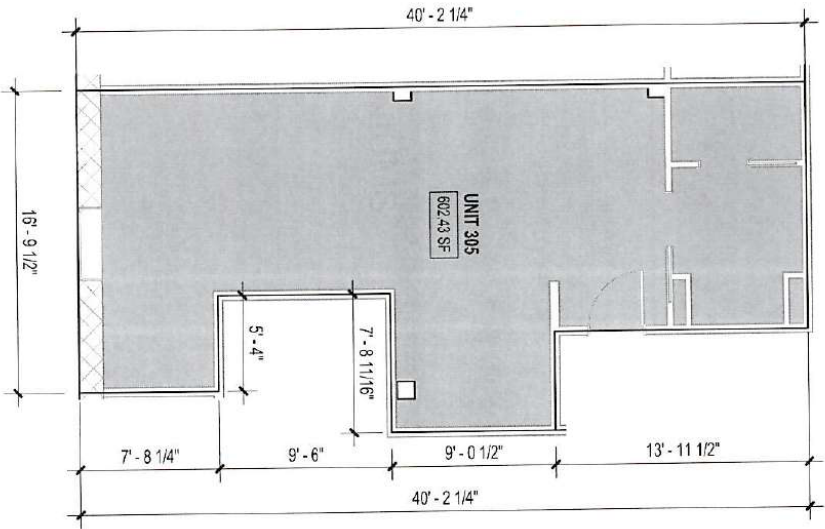
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RESIDENTIAL UNITS

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UNIT 305

WHITE LILY CONDOMINIUMS



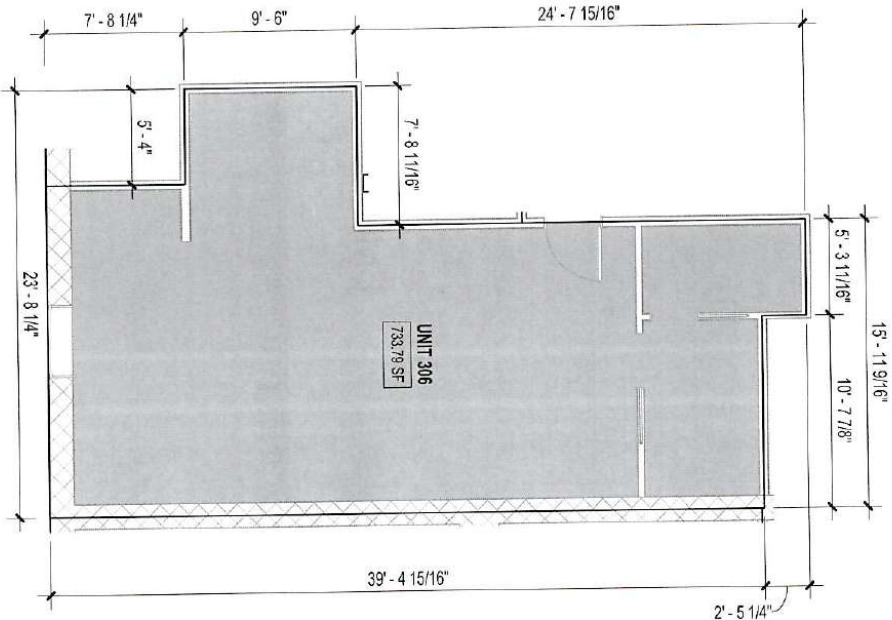
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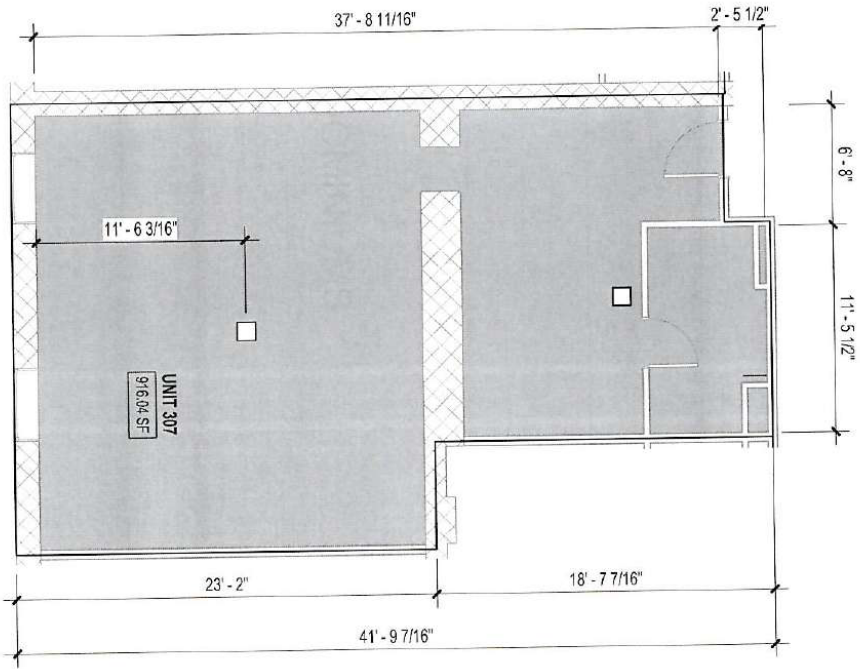
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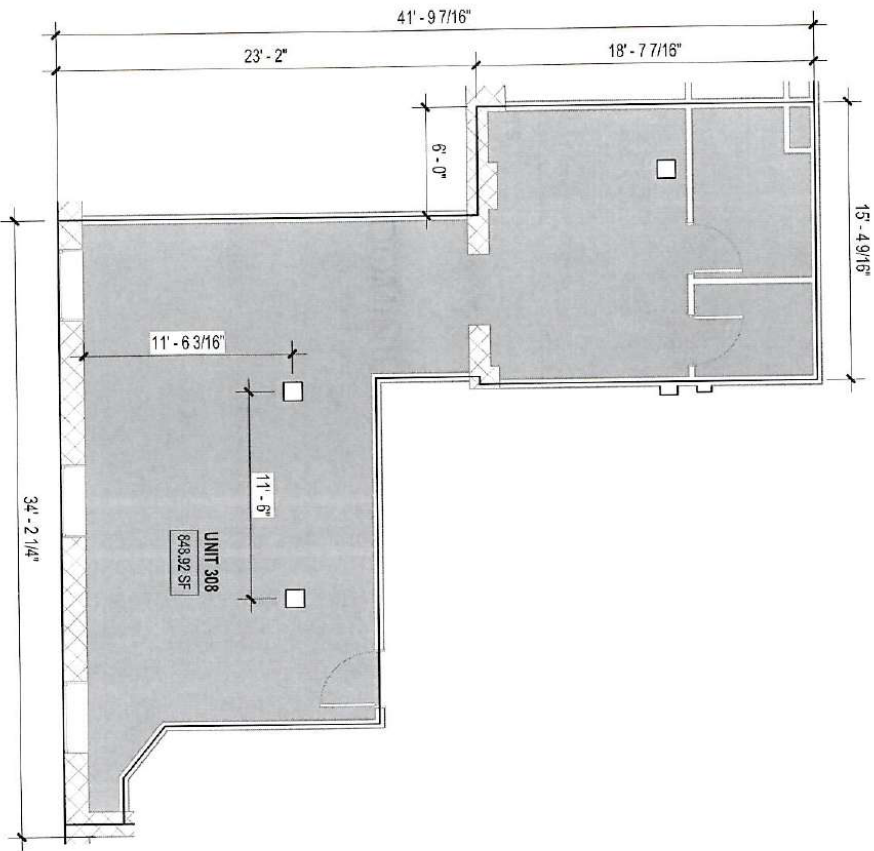
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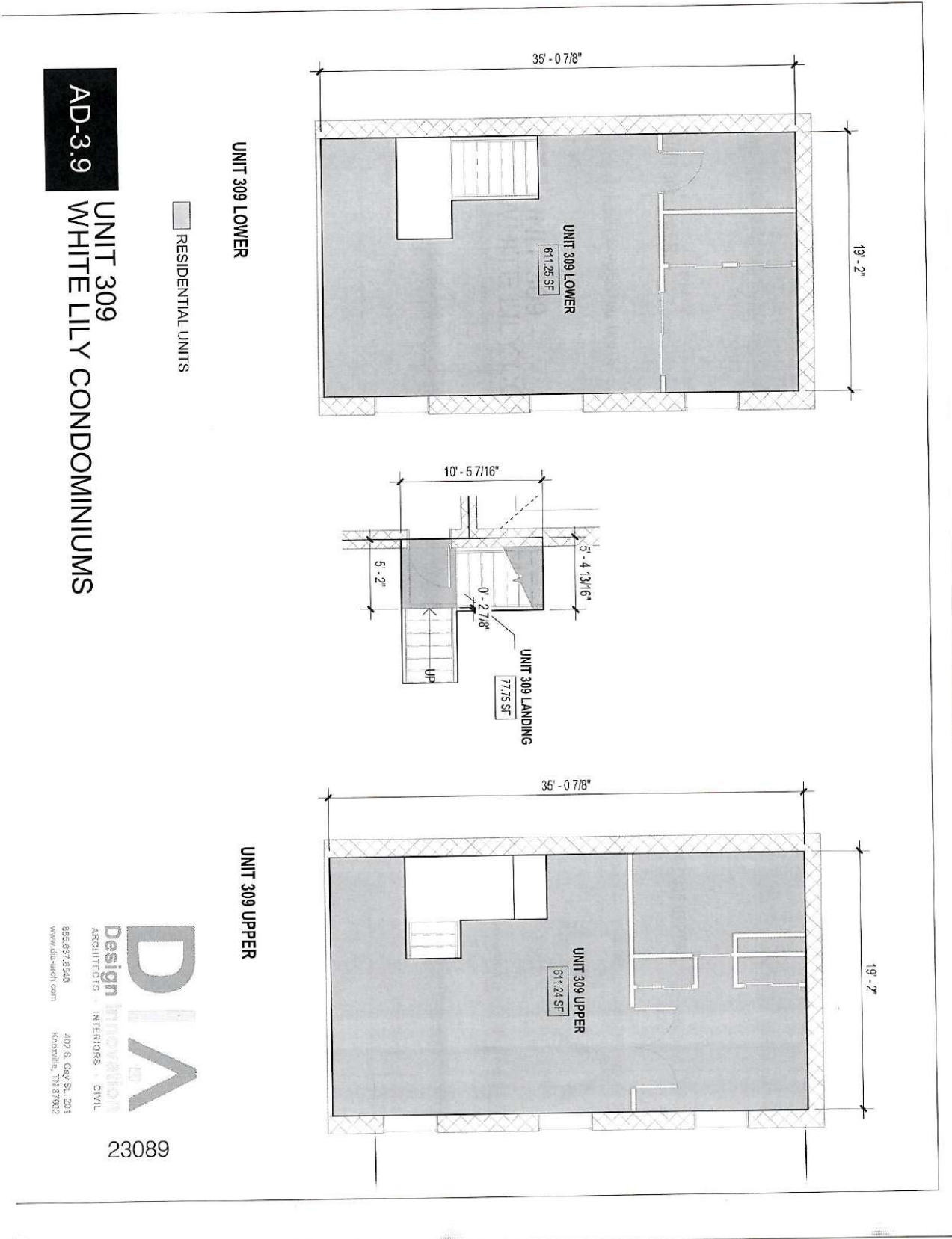
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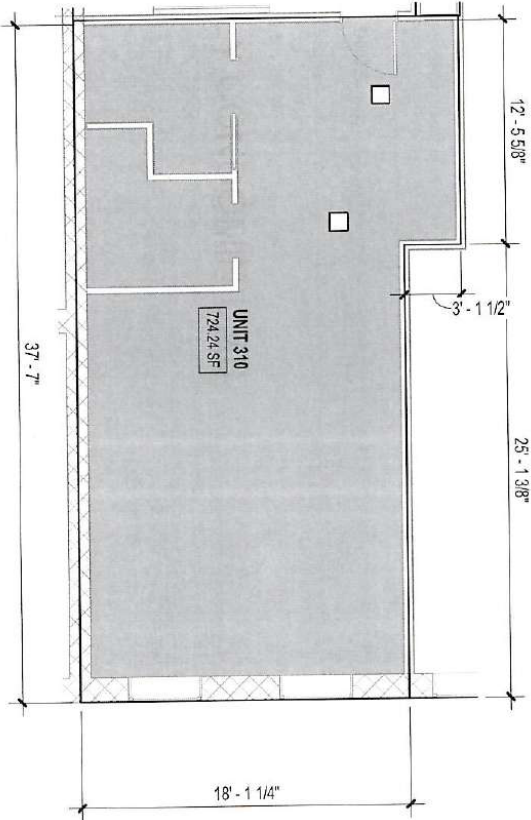
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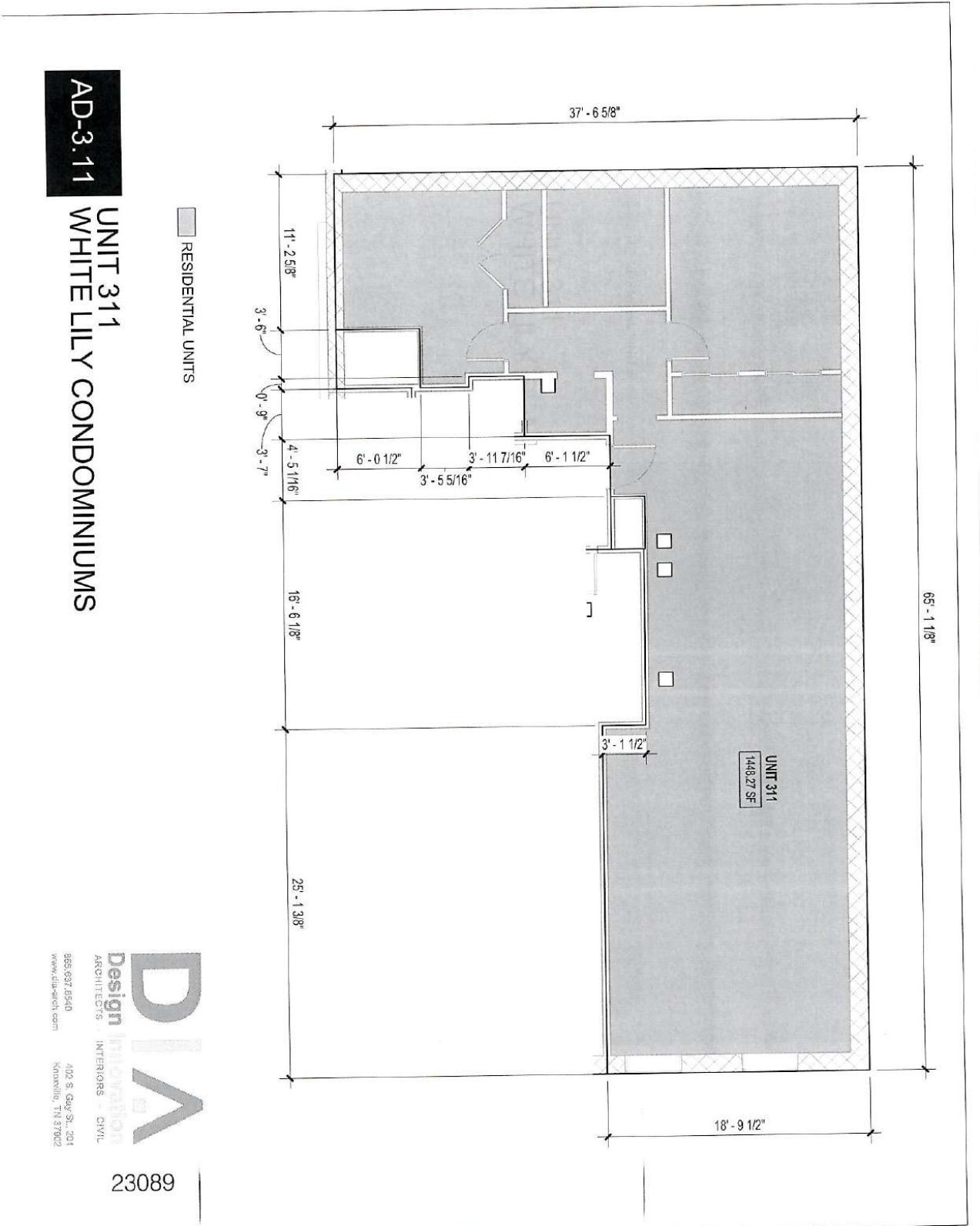
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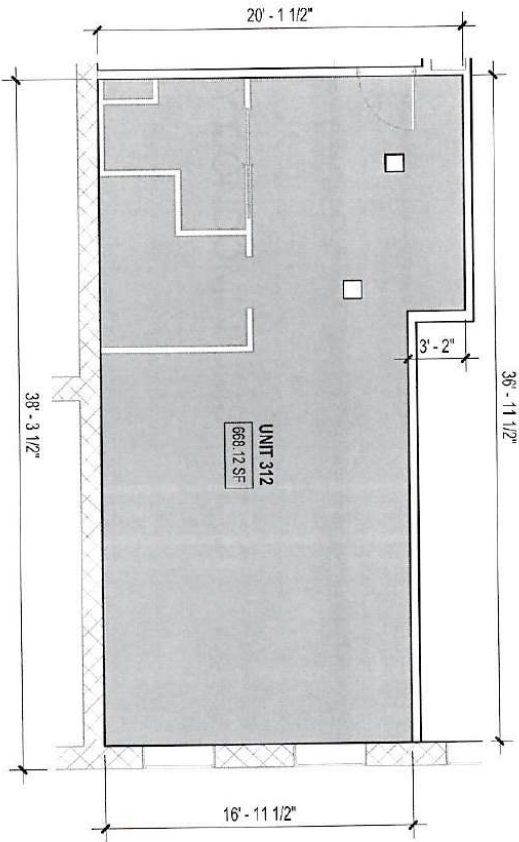
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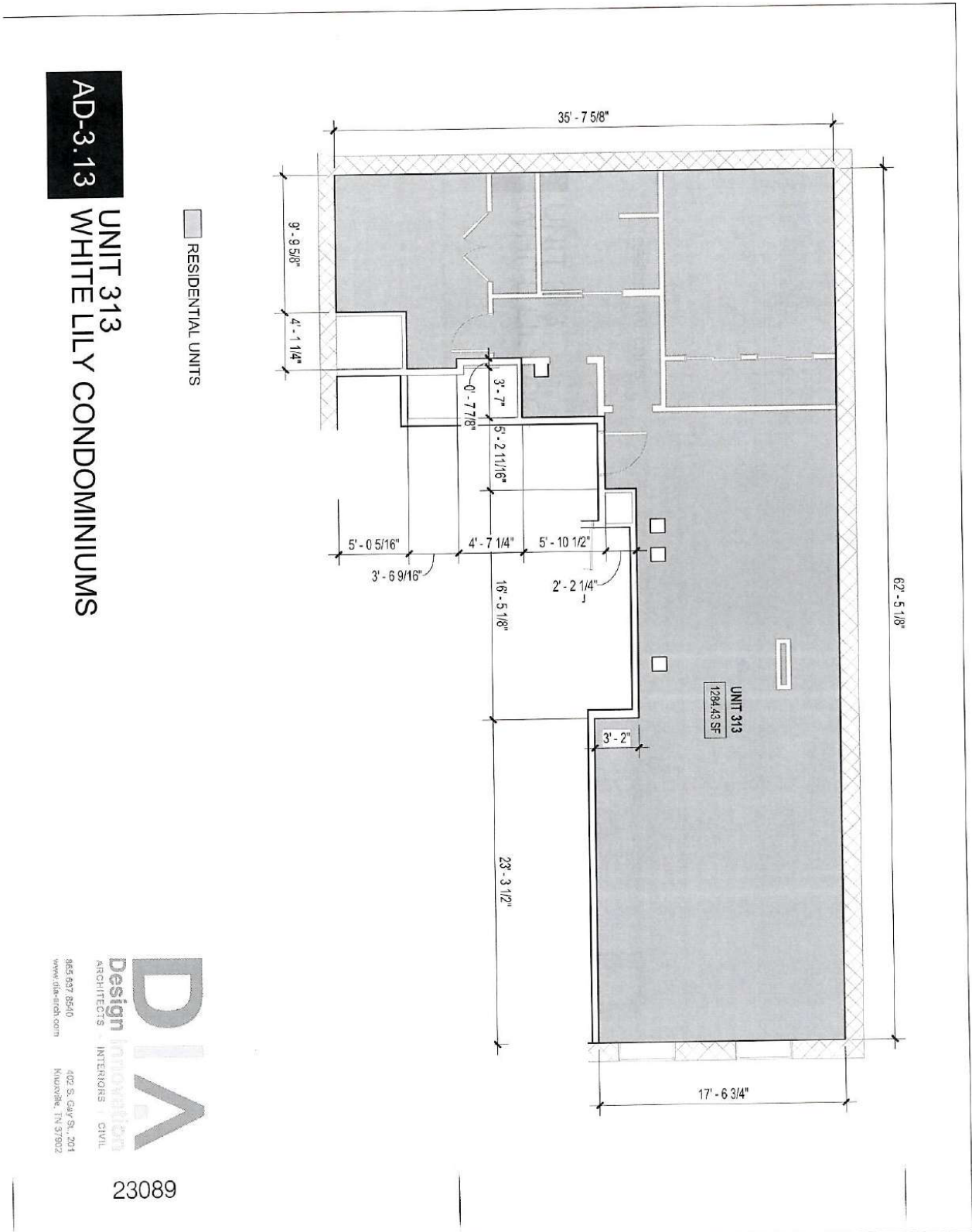
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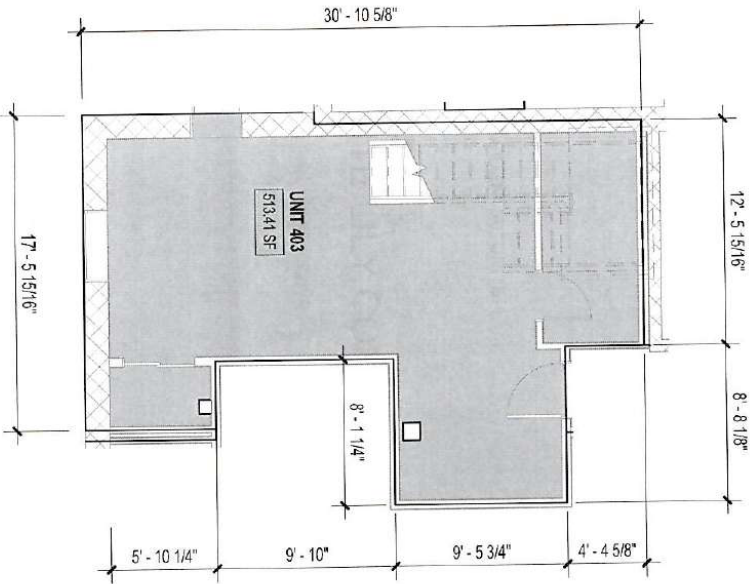
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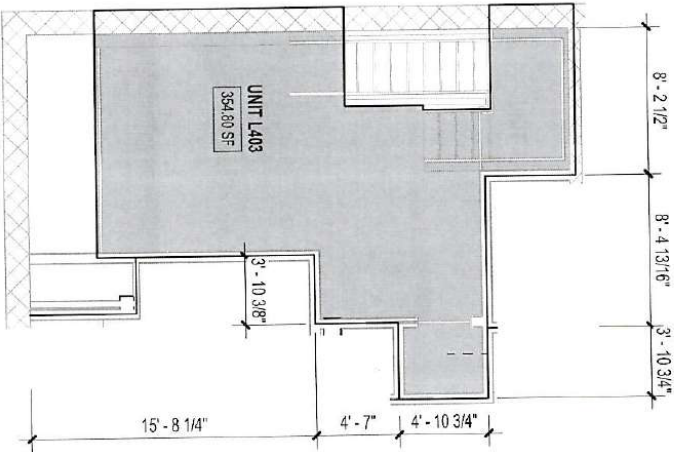
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UNIT 403
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UNIT 403 LOFT



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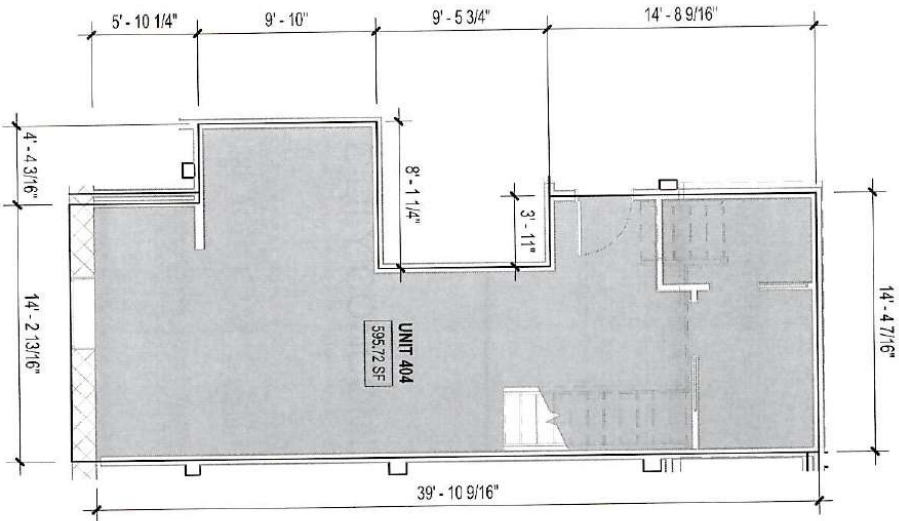
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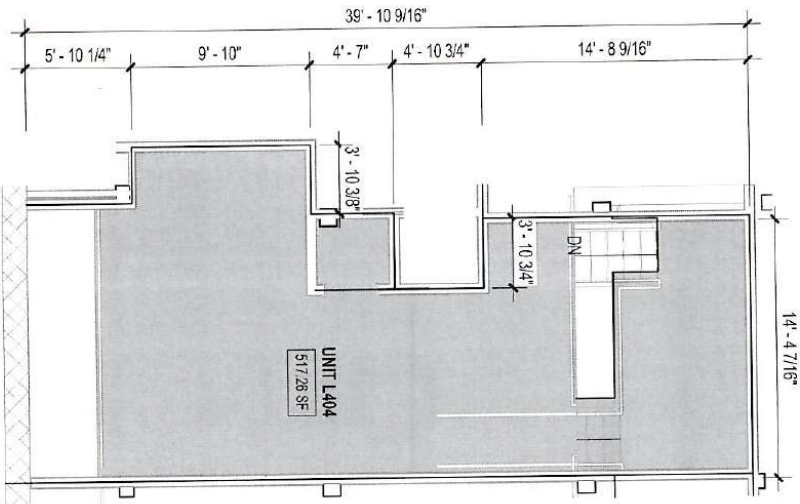
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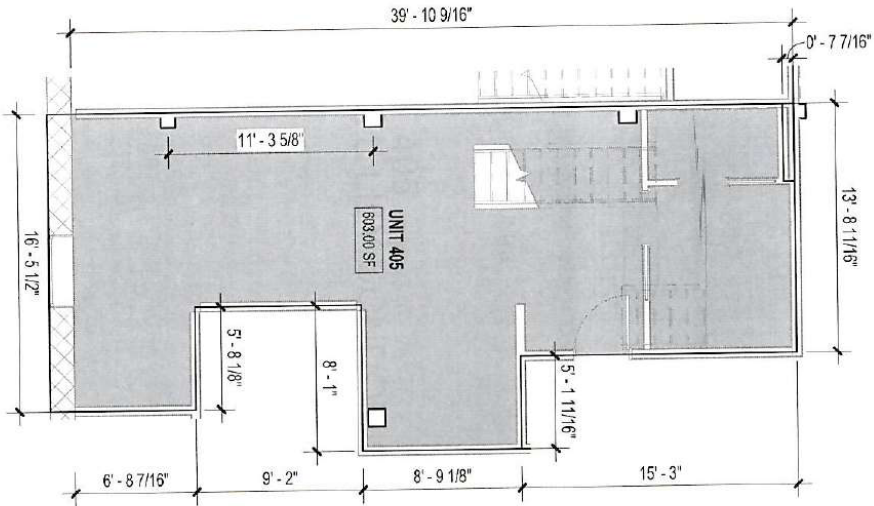
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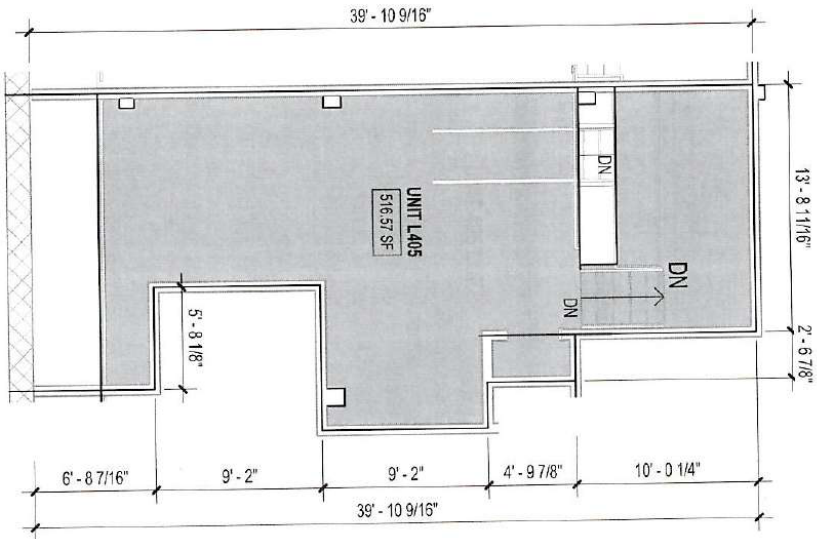
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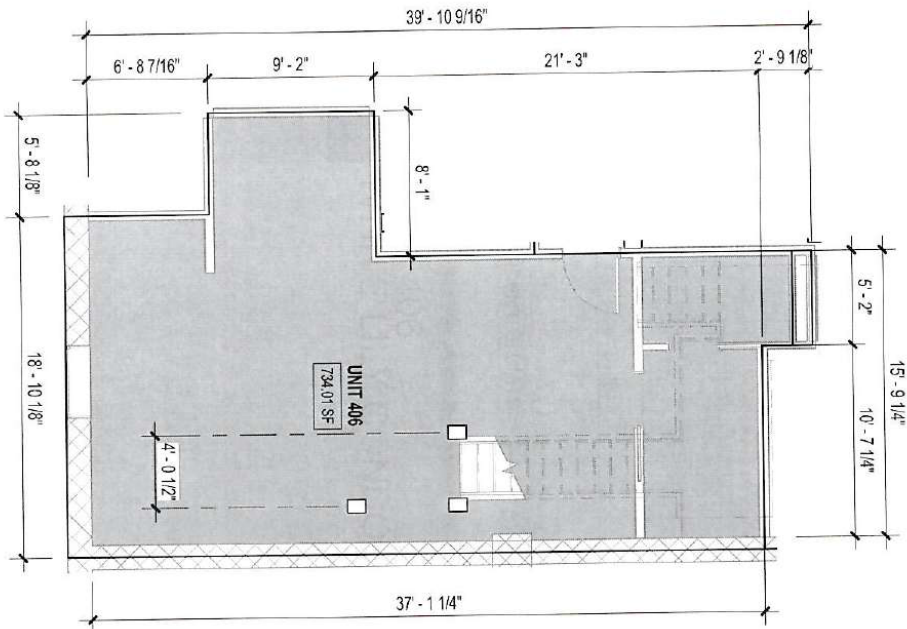
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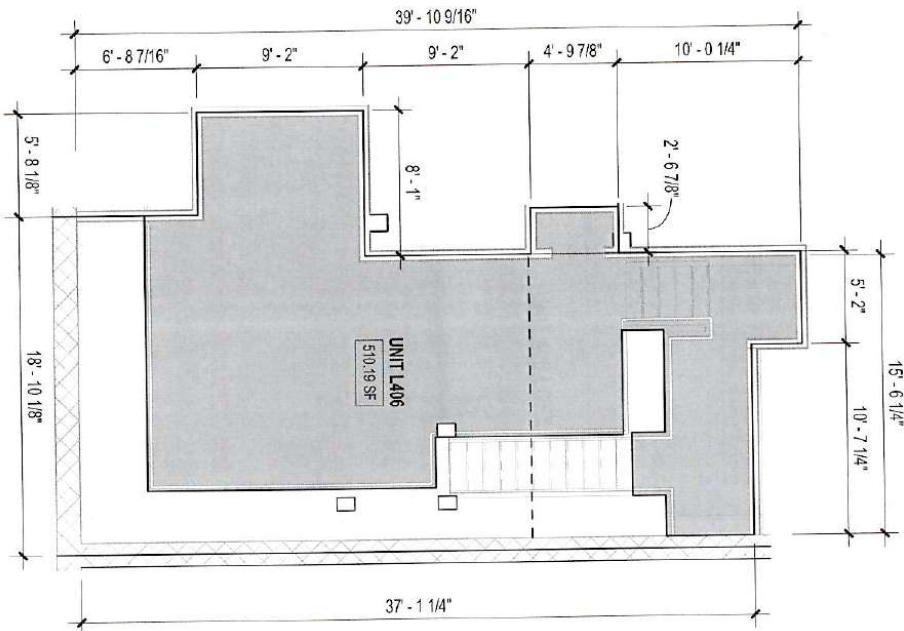
WHITE LILY CONDOMINIUMS

RESIDENTIAL UNITS



RESIDENTIAL UNITS

UNIT 406 LOFT



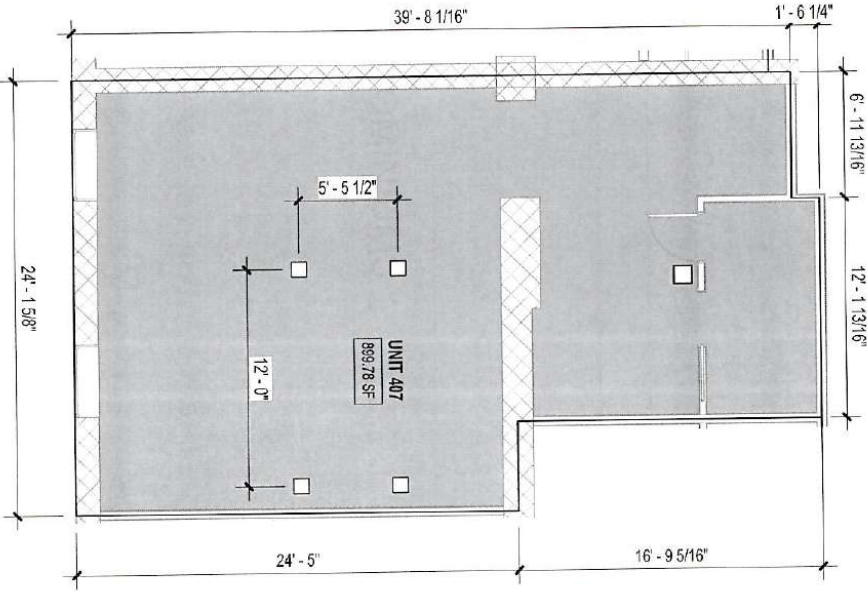
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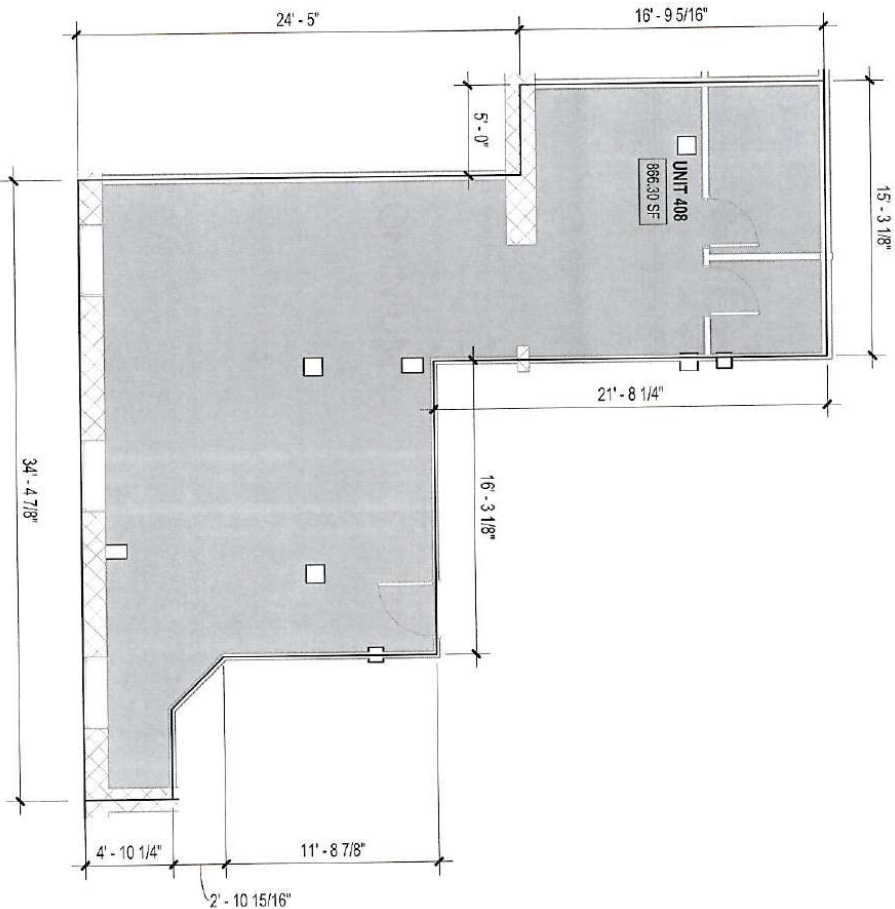
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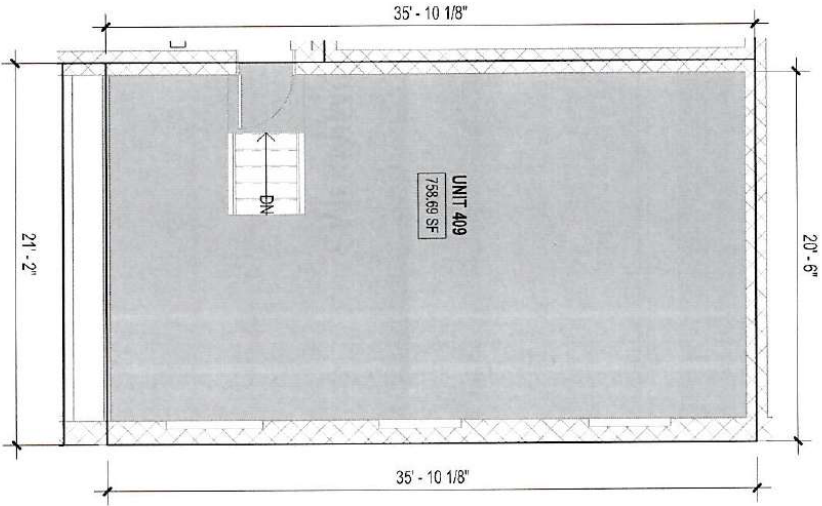
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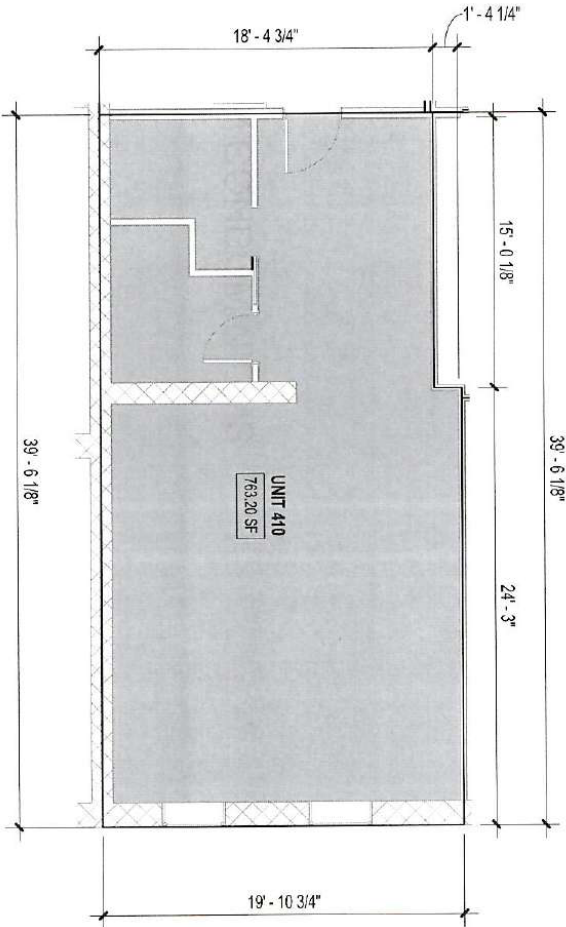
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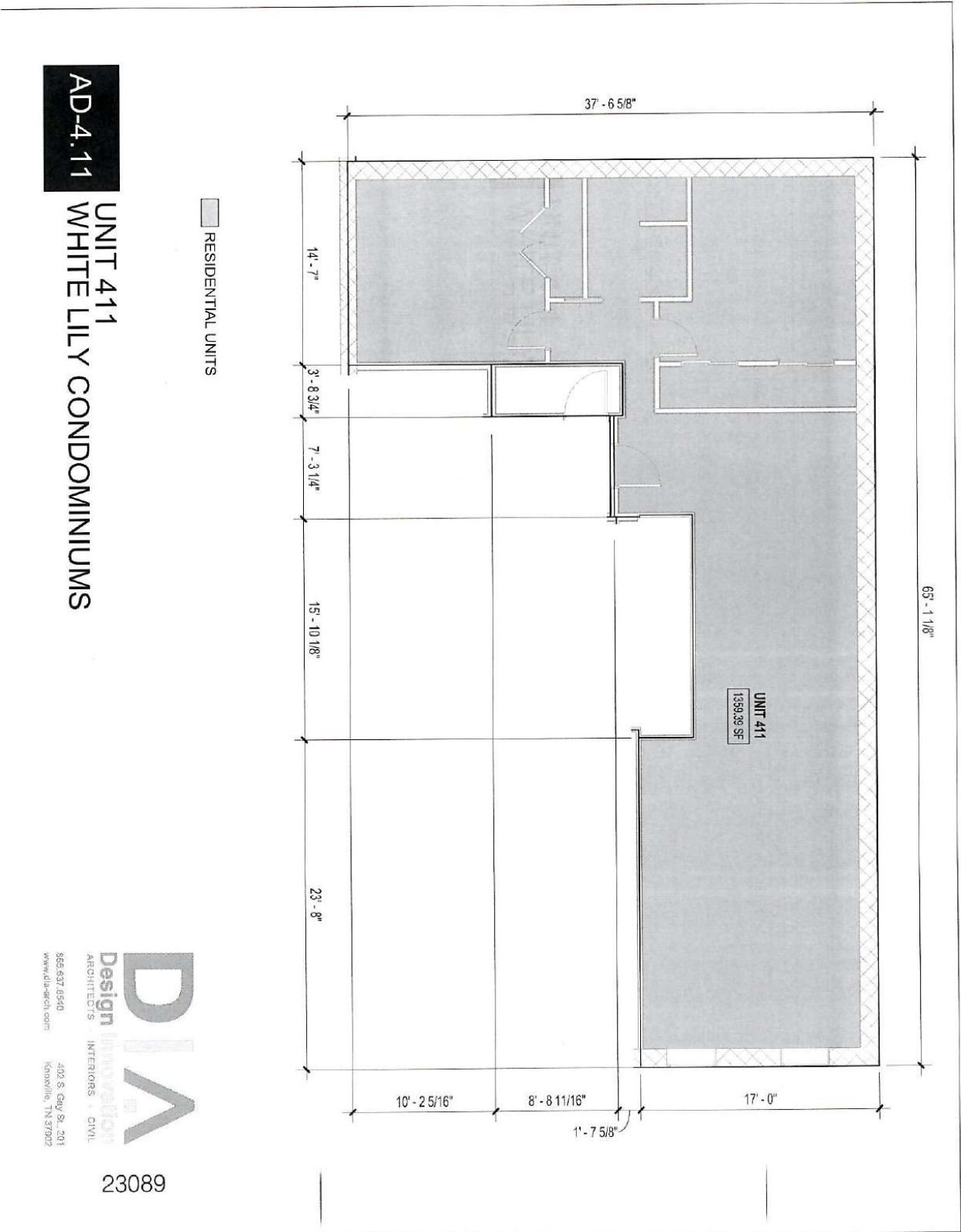
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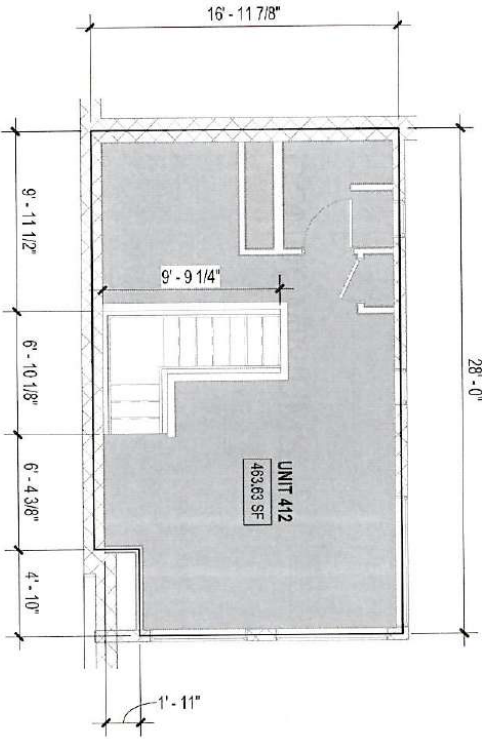
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Exhibit D

Bylaws

[attached]

BYLAWS**OF****WHITE LILY CONDOMINIUM ASSOCIATION, INC.****ARTICLE I
THE ASSOCIATION**

Section 1.1 The Association. The White Lily Condominium Association, Inc. (the "Association") is a Tennessee non-profit corporation and is responsible for the management, maintenance, operation and administration of White Lily Condominiums, in accordance with the Tennessee Condominium Act of 2008, Tennessee Code Annotated Sections 66-27-201, et seq. (the "Act"), the Declaration of Covenants, Conditions and Restrictions for White Lily Condominiums (the "Declaration"), these Bylaws, the Charter of the Association and the rules and regulations of the Association as adopted from time to time (the "Rules"). Members of the Association and all persons using or entering upon the Real Estate or acquiring any interest in a Unit, the Common Elements or the Limited Common Elements shall be subject to the provisions of these documents.

Section 1.2 Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means the Tennessee Condominium Act of 2008, Tennessee Code Annotated Sections 66-27-201 et seq., as amended from time to time.

(b) "Association" means White Lily Condominium Association, Inc., a Tennessee non-for-profit corporation.

(c) "Board" or "Board of Directors" means the Board of Directors of the Association.

(d) "Building" means the building located on the Parcel, forming part of the Real Estate and containing the Units.

(e) "Charter" means the Charter of the Association as amended from time to time.

(f) "Common Elements" means all of the Real Estate except the Units.

(g) "Common Expenses" means all expenses for maintenance, repair, replacement, management and operation of the Common Elements, including reasonable reserves for replacement thereof and any other actual or anticipated expenditures made by or financial liabilities of the Association, together with any allocations or reserves.

(h) "Condominium" means White Lily Condominiums located on the Real Estate, portions of which are designated for separate ownership by Unit Owners and the remainder of which is designated for common ownership solely by those Unit Owners pursuant to the Declaration and the Act.

(i) "Declarant" means TW White Lily LLC, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein.

(i) "Governing Documents" means and refers to the Declaration, the Charter and the Bylaws of the Association, as any of the foregoing may be amended from time to time, as well as the Rules and such other documents lawfully adopted by the Board which further define and/or limit the operations of the Condominium.

(j) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Unit Owners or Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include balconies, porches, decks or patios shown on the Plans; all conduits, ducts, plumbing, wiring, HVAC systems and components, including rooftop or ground level condensing units, and other facilities for the furnishing of utility services which are contained within or adjacent to the Unit and exclusively service the Unit or, such as in the case of rooftop or ground level condensing units, exclusively service the Unit even though they may not be contained within or adjacent to the Unit; the exterior surface, trim and framing of the doors of a Unit that provide ingress and egress to and from the Unit and the exterior trim and frame (but not including the glass) of the windows of a Unit.

(k) "Member" means every Person who holds a membership in the Association.

(l) "Occupant" means a person or persons in possession of a Unit regardless of whether the person is a Unit Owner.

(m) "Parcel" means the parcel or tract of real estate described in the Declaration, as may be amended hereinafter to add additional parcels or tracts of real estate.

(n) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(o) "Real Estate" means all the land, property and space comprising the Parcel, including all improvements and structures erected, constructed or contained therein or thereon, including the Building and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners. To the extent any additional land or property is subsequently added by amendment to the Declaration, it shall also be included in the defined term of "Real

Estate."

(p) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is designed for separate ownership or occupancy not owned in common with other Unit Owners. Each Unit is designated by an identifying number as shown on the Plans.

(q) "Unit Owner" means the Declarant or any other person or persons who owns 100% of the fee simple ownership of a Unit and the undivided interest in the Common Elements appurtenant thereto. Unless specifically provided otherwise in the Declaration, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit and shall be entitled to the same rights and have the same duties as all other Unit Owners. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner hereunder. Each Unit Owner's interest in his or her Unit shall be fee simple ownership.

All other capitalized terms used herein and not defined shall have the meaning ascribed to them in the Declaration.

ARTICLE II MEMBERS

Section 2.1 Membership. A Unit Owner shall automatically become a Member of the Association and shall be subject to the provisions of the Governing Documents. Such membership shall terminate without any action by the Association whenever such Person ceases to be a Unit Owner, but such termination shall not relieve or release any such former Unit Owner from any liability or obligation incurred from the application of the provisions of the Governing Documents during the period of such ownership and membership in the Association, nor shall such termination impair any rights or remedies which the Board of Directors of the Association may have against such former Unit Owner. The Board of Directors may, if it so elects, issue a membership card to the Members which membership card shall be surrendered whenever a Member's ownership of a Unit ceases.

Section 2.2 First Meeting and Annual Meetings of Members. The first annual meeting of the Members of the Association shall be held within one year from the date of the first conveyance of a Unit to a Person other than the Declarant, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. or at such other date and time as determined by the Board of Directors.

Section 2.3 Place of Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 2.4 Special Meetings. Special meetings of the Members may be called at any

time by the President, by the Board of Directors or upon written request of the Members who are entitled to cast at least twenty percent (20%) of all the votes on any issue to be considered at the proposed special meeting.

Section 2.5 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days but no more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to each Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice may also be given within the above-referenced time period by emailing a copy of such notice to each Member's email address last appearing on the books of the Association and by affixing a copy of the notice on the exterior door of each Member's Unit. Notices of any Member meetings shall specify the place, day and hour of the meeting, the method of attendance at the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a director or officer. Waiver by a Member of the notice required herein, signed by him or her before or after such meeting, shall be the equivalent to giving such notice.

Section 2.6 Quorum. The presence at an annual or special meeting of Members or proxies entitled to cast twenty (20%) percent of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any such meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 2.7 Proxies. Each Member may vote in person or by proxy at all meetings of the Members. Each proxy shall be in writing and filed with the Secretary before the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 2.8 Voting Rights. All Members, including the Declarant, shall be entitled to voting rights equal to each Member's Ownership Percentage as set forth in Section 14(d) of the Declaration. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as such persons determine among themselves, but in no event shall more than one vote be cast with respect to any Unit. If such persons are unable to agree on how to cast their vote, no vote shall be cast for that Unit.

Section 2.9 Votes Required for Action. Except as otherwise provided herein or in the Declaration, all actions of the Members shall require the affirmative vote of a majority of the votes entitled to vote at a meeting at which a quorum is present.

Section 2.10 Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the

written approval of all Members to the taking of action without a meeting. Any action so approved shall have the same effect as though taken at a meeting of the Members.

Section 2.11 Conduct of Meetings. The President shall serve as the chair of any annual or special meetings of the Members and shall establish the order of business at such meetings. Any disputes in regard to the conduct of such meetings shall be governed by Robert's Rules of Order.

ARTICLE III BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 3.1 Appointment or Election and Term of Office.

(a) Subject to Section 3.1(b), the Declarant shall have the sole right to appoint, replace and remove all members of the Board of Directors until the earlier of (i) one hundred twenty (120) days after conveyance of seventy-five (75%) percent of the Units to Persons other than the Declarant, or (ii) five (5) years after conveyance of the first Unit to a Person other than the Declarant (such period of time shall hereinafter be referred to as the "Declarant Control Period"). During the Declarant Control Period, the Declarant shall have the exclusive right to appoint directors, and all business affairs of the Association shall be governed by a Board of Directors composed of at least one (1) director. The initial members of the Board of Directors shall be Thomas Boyd, William Sims and Bobby McCarter who shall act in such capacity and shall manage the affairs of the Association until their successor or successors are appointed or elected and are qualified.

The Declarant may voluntarily surrender the right to appoint and remove Members of the Board of Directors before termination of the Declarant Control Period, but in such event, the Declarant may require for the duration of the Declarant Control Period that specified actions of the Association or Board of Directors be approved by Declarant before they become effective.

(b) At the earlier of the expiration of the Declarant Control Period or the one hundred twentieth (120th) day after conveyance of twenty-five (25%) percent of the Units to Persons other than the Declarant, the Board of Directors shall consist of at least three (3) directors. One (1) such director shall be elected by a majority vote of Members of the Association other than the Declarant, and the other two (2) directors shall be appointed by the Declarant.

(c) At the expiration of the Declarant Control Period, the Board of Directors shall consist of a minimum of three (3) directors and a maximum of seven (7) directors, with the number of directors within such range and the individuals serving as directors to be determined by a majority vote of the Members of the Association at a meeting promptly following the expiration of the Declarant Control Period and thereafter at the scheduled annual meeting of the Members. A majority of the directors must be Unit Owners. Directors elected at the annual meeting of the Members each year shall hold office until the

next annual meeting of Members, or until their successors have been elected and qualified.

Section 3.2 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chair, who shall be a member of the Board of Directors, and two or more other persons, at least one of whom shall be a Member of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Except for directors appointed by the Declarant, every director must at all times be a Member of the Association.

Section 3.3 Election. Elections for the Board of Directors shall be held at the annual meeting of the Members. At such election the Members or their proxies may cast their votes for each vacancy to be filled. The directors shall be elected by a plurality of the votes cast. Cumulative voting is not permitted.

Section 3.4 Term of Office. The directors shall serve one (1) year terms and shall remain in office thereafter until their removal, resignation or replacement or the next election of directors, whichever occurs first.

Section 3.5 Removal. Any director elected by the Members may be removed from the Board, with or without cause, by a two-thirds (2/3) vote of all Members qualified to vote who are present, in person or by proxy, at any meeting of the Members at which a quorum is present. In the event of the death, resignation or removal of a director, such director's successor shall be selected by the remaining Members of the Board and shall serve for the remainder of the unexpired term.

Section 3.6 Compensation. No director shall receive compensation for any service he or she may render to the Association for serving as a director. A director may be reimbursed for any reasonable expenses incurred on behalf of the Association in the performance of his or her duties.

ARTICLE IV MEETING OF DIRECTORS

Section 4.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly or at such other periodic intervals as may be established by the Board of Directors from time to time by resolution of the Board.

Section 4.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors. Written notice of any special meeting shall be given to each director at least three (3) days prior to the special meeting. Notice of a special meeting may be given by email.

Section 4.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4.4 Action Taken Without a Meeting. The directors shall have the right to take any action by written consent without a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 4.5 Participation. Any or all directors may participate in any regular or special meeting by, and any meeting may be conducted through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.6 Waiver of Notice. Any director may waive notice of a meeting of the Board before or after the date and time stated in the notice, provided such waiver shall be in writing, signed by the director entitled to the notice and filed with the minutes or the corporate records. A director's attendance or participation in a meeting waives any required notice of the meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 5.1 Powers. Except as otherwise required by the Act, the Declaration or these Bylaws, all corporate powers of the Association shall be exercised by or under the authority of the Board of Directors, which is charged with the responsibility of conducting, managing and controlling all business and affairs of the Association. Without limiting the foregoing, the Board shall have the following additional powers and duties to:

(a) elect and appoint officers of the Association and to delegate such authority to them as the Board shall deem necessary and appropriate to serve the purposes of the Association;

(b) adopt, publish and amend Rules which may, among other matters, govern the use and enjoyment of the Real Estate and the Common Elements and any property, facilities and improvements of the Association, as well as the personal conduct of the Members and their tenants, guests, invitees and licensees, which Rules may establish sanctions and fines for infractions thereof;

(c) appoint Members to the Nominating Committee pursuant to Section 3.2 of the Bylaws;

(d) adopt and approve an annual budget for the operations, maintenance and capital expenditures of the Association, including the establishment of reasonable reserves;

(e) suspend the voting rights and a Member's right to use the Common Elements during any period in which such Member or non-voting Member shall be in default under the provisions of the Declaration or these Bylaws in the payment of any Assessment, dues or charge levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for any infraction of the Rules;

(f) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of the Governing Documents;

(g) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(h) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and to delegate authority to them;

(i) employ attorneys to represent the Association when deemed necessary;

(j) acquire, lease, manage and operate property, both real and personal, as may be necessary or convenient in the operation and management of the Association and the Real Estate;

(k) borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered, in the name of the Association, promissory notes, bonds, deeds of trust, mortgages, pledges or other evidence of debt and securities therefor; provided, however, the Board shall not borrow any money or create any indebtedness which will individually or in the aggregate with all other loans then outstanding exceed Ten Thousand (\$10,000.00) Dollars, unless it has received the prior consent of the Members having more than fifty (50%) percent of the votes of the membership;

(l) designate the fiscal year of the Association and employ accountants to prepare, review and/or audit the financial statements and tax returns of the Association;

(m) accept and release letters of credit or other financial assurances from the Declarant in connection with the construction of the Common Elements and accept conveyance of such Common Elements on behalf of the Association;

(n) grant easements, licenses and concessions through or over the Common Elements; and

(o) enforce any remedies available to the Association under the Declaration; and

(p) enter into contracts with third parties that provide for the management, maintenance and/or operation of the Condominium.

Section 5.2 Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and the financial records of the Association in sufficient detail to enable the Association to comply with Tennessee Code Annotated Sections 66-27-502 and 66-27-503 and to present and deliver to the Members at their annual meeting the Association's annual financial statement;

(b) supervise all officers, agents and employees of the Association and see to it that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(i) fix the amount of Assessments against each Unit at least thirty (30) days in advance of the due date for each Assessment;

(ii) send written notice of each Assessment and the due date thereof to every Unit Owner subject to the Assessment;

(iii) fix Special Assessments at any time that the Board determines that the Annual Assessments will not be sufficient to pay Common Expenses and other expenses provided for in the Declaration or as otherwise allowed in the Declaration. The Board shall send written notice of the Special Assessment and the due date thereof (as determined by the Board) to each Unit Owner subject to the Assessment;

(iv) fix Specific Assessments against any particular Unit or Units to cover the cost of providing special services to such Unit or Units or for bringing a Unit in compliance with the Declaration, Bylaws or Rules. The Board shall send written notice of the Specific Assessment and the due date thereof (as determined by the Board) to each Unit Owner subject to the Assessment; and

(v) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Unit Owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the Common Elements and such other real and personal property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Elements to be maintained in accordance with the terms of the Declaration; and

(h) enforce the terms and conditions of the Declaration.

Section 5.3 Professional Management. In performing the foregoing duties outlined in Section 5.2, the Board of Directors may engage a professional manager or management company to provide such management services as the Board deems appropriate.

ARTICLE VI OFFICERS AND DUTIES

Section 6.1 Enumeration of Offices. The officers of the Association shall be a President, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time by resolution create.

Section 6.2 Election of Officers. The officers of the Association shall be elected at the first meeting of the Board of Directors following the first meeting of the Members, and thereafter be elected at the regular meeting of the Board of Directors following each annual meeting of the Members. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 6.3 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 6.4 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.5 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6.6 Multiple Offices. Any two or more offices may be held by the same person, except the office of the President and Secretary.

Section 6.7 Duties. The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Association and shall chair at all meetings of the Members of the Association and the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of a non-profit corporation, including but not limited to the power to sign and execute, on behalf of the Association, all deeds, agreements, contracts, notes, amendments to the Declaration or the Bylaws and all other written documents which may require the signature of the Association.

(b) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of the meetings of the Board and of the Association together with their addresses; and shall perform such other duties as required by the Board. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their current mailing addresses.

(c) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account, and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 6.8 Compensation. No officer shall receive compensation for any service he or she may render to the Association for serving as an officer. An officer may be reimbursed for any reasonable expenses incurred on behalf of the Association in the performance of his or her duties.

ARTICLE VII COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees and committee chairs as deemed appropriate in carrying out its purpose.

ARTICLE VIII BOOKS AND RECORDS

The Association shall keep financial and other records sufficiently detailed to enable the Association to comply with T.C.A. §§ 66-27-502 and 66-27-503. The books, records and papers of the Association shall be reasonably available, during business hours, for examination by any Member. The Governing Documents shall be available for inspection by any Member, the holder of any mortgage or deed of trust encumbering a Unit, and their respective authorized agents, at the principal office of the Association, where copies may be purchased at reasonable cost to the party requesting such documents.

ARTICLE IX ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments, Special Assessments and Specific Assessments which are secured by a continuing lien upon the property against which the Assessment is made. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of ten (10%) percent per annum, or at such lower or higher rate as the Board may designate from time to time, and in no event higher than the maximum rate allowed by applicable law, compounded annually, from the date it became due, and the Unit Owner owing such Assessment may be required to pay a late charge at such uniform rate as the Board may designate from time to time. In such event, the Association may bring an action at law against the Unit Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such Assessments and secured by the lien. No Unit Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Elements or abandonment of his or her Unit.

ARTICLE X CORPORATE SEAL

The Association shall not have a seal.

ARTICLE XI AMENDMENTS

Section 11.1 These Bylaws may be amended at a regular or special meeting of the Members by a vote or a majority of a quorum of Members present in person or by proxy; provided, however, that during the Declarant Control Period, any amendment to these Bylaws shall be subject to the approval of the Declarant before becoming effective.

Section 11.2 In the case of any conflict between the Charter and the Bylaws, the Charter shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII GRIEVANCE PROCEDURE

Section 12.1 In the event of any dispute or disagreement between any Unit Owners relating to the Real Estate, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, the Unit Owners shall obtain the determination thereof by the Board and such determination shall be final and binding on each and all such Unit Owners.

Section 12.2 Any grievance or complaint which a Unit Owner or Unit Owners shall have against any other Unit Owner or Unit Owners for violation of any provision of the Governing Documents or for any other reason shall be submitted in writing to the Board of Directors of the Association. The complaint shall set forth the Unit Owner or Unit Owners filing the complaint, the Unit Owner or Unit Owners complained against, the nature of the violations, the date of all relevant facts, a list of all known witnesses and the specific violations, if any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days. If the Board decides against the complaining party, or fails to act within thirty (30) days of submission of the complaint, then the complaining party shall have the right to resort to any other legal remedies which may be available to them.

Section 12.3 The grievance procedure set out herein shall be the exclusive remedy for all grievances and complaints, and no Unit Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.

ARTICLE XIII ANNEXATION

Additional property and Common Elements outside the boundary of the Real Estate may be annexed to the Real Estate as provided in the Declaration.

**ARTICLE XIV
REFERENCES**

Section 14.1 Caption. The caption herein are for the convenience and shall not be construed to limit the effect of any section hereof.

Section 14.2 General. All references herein to the masculine shall include the feminine, and all references herein to the singular shall include the plural as appropriate.

CERTIFICATION

The undersigned, William Sims, does hereby certify that he is the duly elected and acting Secretary of White Lily Condominium Association, Inc., a Tennessee non-profit corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors on March 21, 2024.

IN WITNESS WHEREOF, the undersigned has executed these Bylaws as of March 21, 2024.



William Sims, Secretary

Exhibit E**Ownership Percentages**

<u>Unit Number</u>	<u>Square Footage*</u>	<u>Ownership Percentage</u>
C – T101	1,517	3.64%
B04	802	1.92%
B05	616	1.48%
B06	741	1.78%
B07	931	2.23%
B08	714	1.71%
104	1,031	2.47%
105	641	1.54%
106	771	1.85%
107	909	2.18%
108	841	2.02%
109	759	1.82%
110	629	1.51%
111	1,622	3.89%
200	1,089	2.61%
201	1,219	2.92%
202	791	1.90%
203	465	1.12%
204	584	1.40%
205	587	1.41%
206	684	1.64%
207	860	2.06%
208	824	1.98%
209	759	1.82%
210	680	1.63%
211	1,534	3.68%
303	494	1.18%
304	607	1.46%
305	603	1.45%
306	734	1.76%
307	917	2.20%
308	849	2.04%

309	1,301	3.12%
310	725	1.74%
311	1,449	3.48%
312	669	1.60%
313	1,285	3.08%
403	869	2.08%
404	1,113	2.67%
405	1,120	2.69%
406	1,245	2.99%
407	900	2.16%
408	867	2.08%
409	759	1.82%
410	764	1.83%
411	1,360	3.26%
412	464	1.11%
Totals	<u>41,694</u>	<u>100.00%</u>

* For purposes of this chart, the square footage for each Unit is based on the square footage shown on the Plans and have been rounded up to nearest whole number for purposes of determining each Unit's Ownership Percentage.

CONSENT AND SUBORDINATION

COMMUNITY TRUST BANK, INC. ("Lender"), as the mortgage lender of TW WHITE LILY LLC ("TW"), is the beneficiary under that certain Correction Construction Deed of Trust, Assignment of Rents, and Security Agreement dated March 25, 2024, of record as **Instrument No. 202403260056533** in the Knox County Register of Deeds Office from TW to Dennis B. Ragsdale, Trustee for Lender (the "Deed of Trust"), hereby (i) consents to the execution and recording of the foregoing Declaration of Covenants, Conditions and Restrictions of White Lily Condominium (the "Declaration") in the Knox County Register of Deeds Office and (ii) subordinates the liens and operation of the Deed of Trust to said Declaration only. The execution of this consent by Lender shall not be deemed or construed to have the effect of creating between Lender and TW the relationship of partnership or joint venturer, nor shall it be deemed to impose upon Lender any of the liabilities, duties or obligations of TW under the terms of the Declaration.

IN WITNESS WHEREOF, the undersigned has duly executed these present under seal as of the 3rd day of May, 2024.

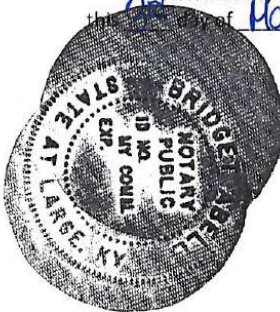
COMMUNITY TRUST BANK, INC.

By: [Signature]
Its: Regional President

STATE OF Kentucky
COUNTY OF Taylor

Before me, the undersigned, a notary public of the state and county aforesaid, personally appeared Rich Sparkman, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself to be Regional President of COMMUNITY TRUST BANK, INC., a Kentucky corporation, and that he as such Regional President, executed the foregoing instrument for the purpose therein contained, by signing the name of the Bank by himself as Regional President.

WITNESS my hand and seal at the office in Campbellsville, Kentucky, the 3rd day of May, 2024.



Bridget Abell
Notary Public
My commission expires: 4-10-2025
ID#: KYNP05576

CONSENT AND SUBORDINATION

WHITE LILY PARTNERS, LLC ("Lender"), as the subordinate mortgage lender of **TW WHITE LILY LLC** ("TW"), is the beneficiary under that certain Subordinate Deed of Trust, Assignment of Rents, and Security Agreement dated March 25, 2024, of record as **Instrument No. 202403250046318** in the Knox County Register of Deeds Office from TW to Dennis B. Ragsdale, Trustee for Lender (the "Deed of Trust"), hereby (i) consents to the execution and recording of the foregoing Declaration of Covenants, Conditions and Restrictions of White Lily Condominium (the "Declaration") in the Knox County Register of Deeds Office and (ii) subordinates the liens and operation of the Deed of Trust to said Declaration only. The execution of this consent by Lender shall not be deemed or construed to have the effect of creating between Lender and TW the relationship of partnership or joint venturer, nor shall it be deemed to impose upon Lender any of the liabilities, duties or obligations of TW under the terms of the Declaration.

IN WITNESS WHEREOF, the undersigned has duly executed these present under seal as of the ____ day of _____, 2024.

WHITE LILY PARTNERS, LLC
By: _____
Its: Manager

STATE OF Tennessee
COUNTY OF Knox

Before me, the undersigned, a notary public of the state and county aforesaid, personally appeared David Ragsdale, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself to be Manager of WHITE LILY PARTNERS, LLC, a Tennessee limited liability company, and that he as such Manager, executed the foregoing instrument for the purpose therein contained, by signing the name of the Bank by himself as Manager.

WITNESS my hand and seal at the office in Knoxville, TN,
this 6th day of May, 2024.

Joseph B. Hammond Jr.
Notary Public
My commission expires: 8-2-2025
