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### DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS COTTAGES ON CLARK TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS for Cottages on Clark Townhomes is made this 10<sup>th</sup> day of May, 2018, by Blue Sky Construction, Inc., a Tennessee corporation, hereinafter referred to as "Declarant" or "Developer".

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

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

"Declarant", as the owner and developer of Cottages on Clark Townhomes, desires to complete the development of townhomes in Cottages on Clark Townhomes, including the infrastructure thereof and the open space and common amenities attendant thereto.

"Declarant" has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and

facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

"Declarant" has caused or will cause to be incorporated under the laws of the State of Tennessee, as a non-profit corporation, Cottages on Clark Townhomes Homeowners' Association, Inc., for the purpose of exercising the functions aforesaid.

Now, therefore, the Declarant hereby declares that the real property described in Exhibit "A" hereof is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to herein as the "Covenants, Conditions and Restrictions" or as the "Restrictions") hereinafter set forth which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding upon all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors or assigns, and shall inure to the benefit of each owner thereof. With regard to the property described in Exhibit "A," this instrument amends, supersedes, and replaces all prior restrictions, covenants and conditions of record. Cottages on Clark Townhomes is established as a townhome project under the Tennessee Horizontal Property Regime Act at Tenn. Code Ann. § 66-27-101 et seq. See Exhibit "C".

#### Article I Definitions

Section 1. "Additional Maintenance Area" shall mean those portions of a Residential Unit which the Association is responsible for maintaining, pursuant to Article VIII, Section 2 hereof, and those portions of a Residential Unit which by contract with the Owner the Association undertakes to maintain.

Section 2. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract becomes the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

Section 3. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Cottages on Clark Townhomes Homeowners' Association, Inc., as filed with the Secretary of State of the State of Tennessee.

Section 4. "Association" shall mean and refer to Cottages on Clark Townhomes Homeowners' Association, Inc., a Tennessee non profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Tennessee corporate law.

Section 5. "Base Assessment" shall mean and refer to assessments levied against all units in the Properties to fund Common Expenses.

Section 6. "By-Laws" shall mean and refer to the By-Laws of Cottages on Clark Townhomes Homeowners' Association, Inc., attached hereto as Exhibit "B" and incorporated herein by reference, as they may be amended from time to time.

Section 7. "Class "B" Control Period" shall mean and refer to the period of time during which the Declarant, as the Class "B" Member, is entitled to appoint at least a majority of the members of the Board of Directors, as provided in Article III, Section 2(b) of the hereof Declaration, and Article III, Section 2 of the By-Laws.

Section 8. "Common Area" shall mean all real and personal property, including the Properties, but excluding Residential Units, components thereof and easements appurtenant thereto, now or hereafter owned by the Association for common use and enjoyment of the Owners, including, but not limited to, all lawns, any and all streets, roads, bridges, parking areas, drainage facilities, ponds, waterways, fences, structures, entryway, entranceway landscaping, entranceway monumentation, sidewalks, curbs, signs, lights, common utilities, mail kiosk, solid waste enclosure, pavilion and other improvements.

Section 9. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Area, and those portions of the Additional Maintenance Area which the Association is responsible for maintaining pursuant to Article VIII, Section 2, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 10. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. The Board of Directors and the New Construction Committee may more specifically determine such standard.

Section 11. "Declarant" shall mean and refer to, Blue Sky Construction, Inc., a Tennessee corporation, or its successors, successors-in-title or assigns who take title to any portion of the property described in Exhibit "A" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 12. "Member" shall mean and refer to a Person or entity entitled to membership in the Association, as provided herein.

Section 13. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 14. "Mortgagee" shall mean and refer to a beneficiary or holder of a mortgage.

Section 15. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 16. "Owner" shall mean and refer to one (1) or more Persons or entities, including Declarant, who holds the record title to any Residential Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 17. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 18. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Declaration.

Section 19. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3 of this Declaration.

Section 20. "Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Section 21. "Residential Unit" or "Unit" shall mean a portion of the Properties. (as shown on a Recorded Plat), intended for any type of independent ownership, for use and occupancy as a residence by a single family, whether a residence is constructed thereon or not. All Residential Units shall be shown and identified as numbered lots or units upon the Recorded Plat. A Residential Unit shall include all easement rights appurtenant to such Unit as set forth herein or as shown on the Recorded Plat. A Residential Unit includes the fee simple interest to the real estate located within the footprint of the Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units planned for such parcel until such time as a certificate of occupancy is issued on all or a portion thereof by the local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Article II  
Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee. Each Owner shall have an exclusive easement for the use of his or her driveway patio or other improvements designated for the exclusive use of such Owner's residential Unit. Each Owner shall own the real estate beneath the footprint of the owner's unit's exterior walls. Each Owner of a Unit shall own a prorata share of the total membership in the Association.

Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Cottages on Clark Townhomes, desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Cottages on Clark Townhomes.

Article III  
Membership and Voting Rights

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

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

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

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

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

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

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

(b) Class "B". The Class "B" Members shall be the Declarant and any successor of the Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" member shall originally be entitled to four (4) votes for each residential Unit owned. Notwithstanding the above, as long as Class B Membership exists, the Class B Member shall one more vote than all eligible Class A votes to ensure Declarant management of the Association so long as Class B Membership exists. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in this Declaration and the By-Laws. The Class "B" Member shall be entitled to, in its sole discretion, appoint the members of the Board of Directors during the Class "B" Control Period. For a period of one (1) year after the date of termination of the Class "B" Control Period the Declarant shall have the right to participate in the decision-making process and the right to disapprove all actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership, upon the earlier of:

- (i) when all units are sold and deeded by Declarant to owners other than itself;
- (ii) December 31, 2028 or
- (iii) when, in its discretion, the Class "B" Member so determines.

From and after the happening of these events, whichever occurs earliest, the Class "B" member shall be deemed to be a Class "A" member entitled to one vote for each Residential Unit in which it holds the interest required for membership under Section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the By-Laws for special meetings, to advise the membership of the termination of Class "B" status.

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

Article IV  
Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the open space designated on the plat, Common Areas and the Additional Maintenance Area, such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Areas and the Additional Maintenance Area, as set forth more fully in Article VIII. Maintenance may also include such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association. The Association shall be responsible for mowing of all common areas. Association shall also arrange for trash pick-up if the Directors of the Association determine to do so.

Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

Section 2. Owner's Responsibility. In accordance with this Declaration, and except as provided in Article VIII, all maintenance of the interior portions of the residential Unit, all structural components of the residential Unit, entry doors, windows, glass, and other improvements not maintained by the Association shall be the sole responsibility of the Owner thereof. If any Owner fails to properly perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Unit and the Owner thereof, in accordance with Article X, Section 4. Any pipes, ducts, etc., serving a unit but not inside the unit per se shall be the unit owner's responsibility.

Article V  
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and the Residential Units, excluding personal property contents of the residential Units against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit with respect to bodily injury and property damage, a One Million (\$1,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss of repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

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

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

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

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

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

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

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



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

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

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

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

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

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

In addition to the other insurance required by this Section, the Board may obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

## Section 2. Damage and Destruction.

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

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of the repair or reconstruction, or both, are not made available to the Association within said period, the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

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

Section 3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area or Residential Units shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(a) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds are to be disbursed in the manner as provided for excess proceeds in Section 2(a) hereof.

(b) With regard to insurance proceeds relating to any Additional Maintenance Area, such proceeds are to be used exclusively for the reconstruction and repair of such improvements as are damaged.

Section 4. Repair and Reconstruction. If the damage or destruction to the Common Area is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners on the same basis as provided for

Base Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI  
No Partition

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

Article VII  
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least seventy-five (75%) percent of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

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

Article VIII  
Annexation of Additional Property

Section 1. Annexation without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at anytime to annex additional property to this Declaration. Such annexation shall be accomplished by filing

in the public records of Rutherford County, Tennessee, and an amendment to this Declaration annexing such property. Such Declaration shall not require the consent of Members. Any such annexation shall be effective upon the filing for record of such Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of adjacent real property.

Section 2. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 3. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any units within Cottages on Clark Townhomes.

Article IX  
Rights and Obligations of the Association

In addition to the powers delegated to it by the Charter, the Association shall have the obligation to perform each of the following duties:

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), the Association shall maintain lien-free title to the Common Area excepting only the lien of current taxes not yet due and payable.

Section 2. Additional Maintenance Obligations. In addition to the operation, maintenance, and management duties of the Association set forth in Section 1 above, the Association shall provide for the maintenance, care, repair, and replacement of the following portions of the Residential Units:

(a) The exterior elevations of the townhome units, landscaping, walkways, porches, decks and balconies located upon or about each Residential Unit. The Association shall have the right, however, to contract with the Owner of any Residential Unit for the maintenance of such elevated decks, balconies, and for the maintenance of such other areas and items as the Board may deem appropriate. The Association also shall maintain the exterior of each Residential Unit as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to

roof covers (to include the repair and replacement of all non-structural components of the roof of each Residential Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall include glass surfaces (whether windows or sliding glass doors, front or rear entry doors, screens, or patio covers). The Association shall be responsible to mow and maintain the lawns of each townhome unit. The balance of the Residential Units and the improvements located, including, but not limited to driveways, thereon shall be maintained by the Owner of the particular Residential Unit involved. In the event that an Owner fails to maintain his/her Unit and the improvements thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore and maintain the Unit and the exterior portion of the Unit, including the lot on which it is situated, and another improvement situated thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

Notwithstanding the foregoing, if the need for exterior maintenance and repair by the Association as required by this paragraph is caused by the willful or negligent conduct or act of an Owner, his/her family, guest, invitees, or other Persons using or occupying his/her Residential Unit with his/her express or implied permission, the cost of such repair or maintenance shall be assessed against such Owner and shall be due and payable thirty (30) days from the date of notice thereof, such Assessment to be collected and enforced as provided in Article VIII of this Declaration. Such Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which any such assessment is levied shall be entitled to notice, a hearing, and an opportunity to do the corrective work required, as provided by Article XI, Section 3 hereof, prior to any Assessment being levied against such Owner in accordance with the provisions of this paragraph. For the sole purpose of performing the exterior maintenance upon each Residential Unit required by this Section 2, the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon or into any Residential Unit at reasonable hours of any day except Sunday.

(b) The duly authorized agents or employees of the Association shall have the right to enter in or upon any Residential Unit or into any structure thereon, without notice to the Owner thereof, when, in the judgment of the Association, acting through its Board of Directors, such entrance is necessary to prevent damage to such Residential Unit or surrounding Residential Units by fire, criminal act, natural disaster, or other similar emergency.

Section 3. Water and Other Utilities in Common Area. To acquire, provide, and/or pay for, water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Area and all utility services to enable the Association to maintain the Additional Maintenance Areas as provided in Section 2 of this Article VIII.

Section 4. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or on the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided that they are paid or a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

Section 5. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, with a financial rating by Best's Insurance Reports of BBB+ or better, and maintain in force at all times such insurance as is required by this Declaration.

Section 6. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 7. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided by the By-Laws of the Association. The Association, acting through the Board by contract or other agreement, shall have the right to enforce city and/or county ordinances or permit The City of Murfreesboro and/or Rutherford County, Tennessee, to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 8. Implied Rights. The Association may exercise any other right, or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

#### Article X Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may from time to time specifically be authorized by the Board of Directors. The Annual Assessment shall be allocated equally among all Residential Units within the Association, except for Units owned by the Declarant, for which the Annual Assessments shall be separately determined. The Annual Assessments shall be for expenses determined by the Board and this Declaration to be for the benefit of the Association as a whole except for the Annual Assessments charged for Units owned by the Declarant, and which Assessment shall exclude expenses which do not benefit

Declarant. Special Assessments may be levied against all Residential Units when all Units are benefited, or against a Residential Unit or residential Units in Particular portions of the Properties when, in the opinion of the Board, the Special Assessments benefit less than the Association as a whole. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. All such assessments, together with interest at the highest allowable under the laws of Tennessee, cost and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the residential Unit against which each assessment is made. Unless the Board otherwise requires, Annual Assessments shall be paid in equal monthly installments.

Each such assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Residential Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a residential Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of the title. Assessment shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Unit subject to assessment under Section 7 below shall be

computed by dividing the budgeted Common Expenses by the total number of Units subject to assessment as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the members by the vote of Members representing at least a majority of both classes of the total Association membership. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Article II, Section 4, of the By-Laws.

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

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments from time to time; provided, the written consent of the Class "B" Member is obtained, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Board may also levy a Special Assessment against any Member, without the necessity of a vote of the Members, to reimburse the Association, for costs incurred in bringing a Member and his Unit into compliance with the provisions of this Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 4. Lien for Assessments. Upon recording of a notice of lien on any Residential Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged



such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

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

Section 6. Date of Commencement of Annual Assessments. The assessments provided for herein shall commence as to all Units upon conveyance of the first Unit to a person other than a builder or developer holding title solely for purposes of development and/or resale. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessments shall be adjudged according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

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

Section 8. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount as determined by the Board. The initial working capital fee shall be \$250.00. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use to cover operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

Thereafter, the Management Agent, as employed by the Board, shall be permitted to charge a reasonable transfer fee upon acquisition of record title as to each succeeding unit purchaser.

Section 9. Notwithstanding the above, Declarant is exempt from all assessments.

Article XI  
Architectural Standards

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

The Declarant at the time of sale and/or the plat is recorded for each phase/section of Cottages on Clark Townhomes, and has the right to establish additional restrictions and/or design standards as they relate to the size (minimum square footage) of a Residential Unit and the exterior materials.

Section 1. Modifications Committee. The Board of Directors may appoint a Modification Committee ("MC") to consist of at least three (3) and no more than five (5) members, all of who shall be appointed by the Board of Directors. The "MC", if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Residential Units or structures containing Residential Units and the open space, if any, appurtenant thereto.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition thereto, the following shall apply: Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Residential Unit, or to paint the interior of his Unit any color desired. In the event that the "MC" fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five days after submission, the request for approval shall be deemed approved.

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

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

Section 4. Enforcement In General.

(a) Enforcement of the standards as specified in this Declaration may be by any proceedings at law or in equity against:

1. Any person or persons violating or attempting or threatening to violate a covenant or restriction, either to restrain a violation or to recover damages. Therefore, failure by the Declarant, community association or owner to enforce any restriction herein contained shall in no event be deemed a waiver of the rights to do so thereafter nor constitute an acquiescence in or an estoppel against enforcing any, actual or future, preaches or violations of these covenants and restrictions.

(b) In the event any cost or expenses including attorneys fees, are incurred by the Declarant, community association or any residential unit owner or occupant of a residential unit in connection with their action to correct or abate any violation or breach of the provisions hereof, provided reasonable notice to the owner or owners of the subject residential unit or units to abate said violation or breach has been given, such cost and expenses shall be a lien against the owner or owners of the unit or units committing such a breach of violation and such charges shall be subject to the provisions for lien rights and collection as specified in Section 6 below. No such cost or expenses shall be a lien when the nonexistence of a violation or breach hereof has been established by a court of competent jurisdiction. The court shall determine the method of handling a violation.

Section 5. Covenant and Creation of the Lien of Personal Obligation for Court Ordered Violation in Section 4.

Each Owner of any Residential Unit by acceptance of a deed whether or not it shall be so expressed in such deed of conveyance, shall be deemed to covenant and agree, to pay any court ordered violation costs and other costs or expenses incurred in Section 4, together with such interest thereon and costs of collection thereof, including attorneys fees, as provided herein, and same shall be a charge on the land and shall be a continuing lien upon the unit against which each such obligation is made. It shall also be the personal obligation of each person who was an owner of such property at the time of the violation.

Section 6. Assignment. The rights and powers retained by the Declarant shall be freely assignable and shall inure to the benefit of its successors and assigns.

Article XII  
Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association) as may more particularly be set forth in this Declaration or amendments hereto.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties.

Section 1. In addition to all other covenants contained herein, the use of the Properties is subject to the following:

(a) Residential Use. Except as otherwise provided in this Declaration, each Residential Unit shall be used as a residence and for no other purposes, and there shall not be within any Residential Unit more than one single-family except as otherwise provided in this Declaration. The Common Area shall be used for recreational, social, and other purposes directly related to the single-family use of the Residential Units authorized hereunder.

(b) Maintenance of Interior. Each Owner shall be responsible for the maintenance of, and shall maintain, the interior of his or her Residential Unit, including interior walls, ceilings, doors (interior and exterior entry), and permanent fixtures and appurtenances thereto, patios and other easement areas appurtenant to such unit, and such other portions of the Unit for which care and maintenance is his or her responsibility, in a clean, sanitary, and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating.

(c) Association to Landscape Common Area and Additional Maintenance Areas. The Association shall have the right and the obligation at any time to plant, replace, maintain, and cultivate shrubs, trees, grass, plantings, and other landscaping upon the Common Area. The Owners must obtain prior written approval from the Declarant or its assigns before modifying any plantings or landscaping improvements.

(d) Signs. No sign of any kind shall be erected and displayed to the public view on any Residential Unit or portion of the Common Area, except for (1) directional or standard "For Sale" sign, established by Declarant or the Association, (2) signs used by Declarant, or by its successors or assigns, to advertise the Properties, provided such signs are located on the Common Area or on Residential Units owned by Declarant or its assigns.

(e) Parking. Parking is provided in a common parking lot and parking spaces will not be assigned. Unit Owners or tenants will be allowed two (2) vehicles only. Commercial vehicles, tractors, mobile homes, inoperable vehicles, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall not be parked, stored or permitted on the premises or in the parking lot. The Board of Directors may impose rules and regulations not inconsistent with this Declaration with respect to the maintenance and use of parking spaces provided on the Common Area and the uses, operating and control of motor vehicles thereon.

(f) Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Residential Unit.

(g) Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept in or on any portion of the Common Area except that dogs, cats or such other household pets approved by the Association may be kept in the Residential Unit. Pets may not be kept on balconies or patios. Dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. Pets are not permitted to roam free, and in the sole discretion of the Association, which endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board and turned over to the appropriate agency for keeping or disposal. Owners are required to immediately clean up after their pets and to use plastic bags to remove where their pets relieve themselves. In the event any Owner fails to immediately clean up after their pet as provided, the Board has the right to fine the Owner in an amount up to \$250.00 per violation and/or require the pet be removed. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Unit be confined on a leash held by and under the physical control of a responsible person. No dog runs are allowed.

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

(i) Unightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including, specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

(j) Antennas. No exterior antennas, aerials, or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of a Residential Unit or Common Area. Satellite dishes up to one meter in diameter may be placed on units if not seen from street but, under no circumstances shall the satellite system be installed without the written consent of the Board. No satellite dishes may be installed upon open space. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all the units.

(k) Basketball Equipment, Clotheslines, Garbage Cans, Tanks, etc.

No basketball equipment, clothes lines, above-ground tanks, and other similar items shall be placed, allowed or maintained upon any portion of the Common Area, included any Residential Unit. All garbage cans shall be located or screened so as to be concealed from view of neighboring Units, streets and property located adjacent to the Unit, except that garbage cans may be placed at curbside on days designated for trash pick-up for that particular Unit. All rubbish, trash, and garbage shall be regularly removed from the Properties and shall not be allowed to accumulate thereon.

(l) Temporary Structures and Detached Storage Buildings. No structure of a temporary character, or other out-buildings including storage buildings shall be placed or used on or about the Common Area and Limited Common Area.

(m) Guns. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

(n) Tents, Trailers and Temporary Structures. Except as may be permitted by the Cottages on Advisory Committee during initial construction within the Properties, no tent, utility, shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

(o) Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic systems are prohibited on the Properties.

(p) Tree/Shrubbery Removal. Except as may be permitted by the Board during initial construction within the Properties, no trees or shrubbery shall be removed, except for diseased or dead trees or shrubbery.

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

(r) Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

(s) Lighting. Except for seasonal holiday decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration. Maintenance of attached porch lights shall be the responsibility of the Owner.

(t) Artificial Vegetation, Exterior Sculpture, Flagpoles and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, and similar items must be approved in accordance with Article XI of this Declaration. No flagpoles are permitted.

(u) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

(v) Leasing of Units.

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

(2) General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No more than five (5) people may occupy the unit at any one time unless previously approved by the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease but no fees shall be assessed by the Association or its management company with respect to any leases except

those charged to non-leased units.. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations.

(3) Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

(w) Gazebo and Grilling Area. The gazebo and grilling area shall be used at the risk of the user, and the Association shall not be held liable to any person for any claim, damage or injury occurring thereon or related to use thereof.

(x) Fences, Exterior Structures. No fences, ornamental screens, awnings, screen doors, sunshades, walls, or hedges shall be erected or permitted upon the Common Area except such as are installed in accordance with the initial construction of the improvements or approved by the Association. The prohibitions set forth herein shall not apply to the Declarant or its assigns.

(y) Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore.

(z) Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his/her respective Residential Unit and the utility charges for said Residential Unit.



(aa) Yard Sales. Yard sales shall not be permitted, either within a unit or upon any portion of the Common Area without the prior written consent of the Board of Directors.

Section 2. Additional Restrictions. The Board of Directors shall be entitled to invoke additional rules and regulations from time to time for the operation, use, and maintenance of the properties, including the Residential Units and Common Area, provided such rules and regulations are not inconsistent with this Declaration.

Article XIII  
General Provisions

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

Section 2. Amendment. Declarant may unilaterally amend this Declaration for so long as Declarant owns any units or lots in Cottages on Clark Townhomes and for a period of five years after the date the Declarant last owns a lot or unit in Cottages on Clark Townhomes. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof, of Members representing sixty-seven (67%) percent of the total votes of the Association, and the written approval of the Class "B" Member so long as the Class "B" membership exists. However, if Class "B" membership has terminated, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Rutherford County, Tennessee.

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

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

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expense, including counsel fees,

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

Section 4. Easements for Utilities, etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit "A", the Association and the designees of each (which may include, without limitation, Rutherford County, Tennessee, and any utility), blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units and on the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to any city and/or Rutherford County, Tennessee, or any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Declaration.

Section 5. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 6. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after 24 hours notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

(a) In the event that an Owner fails to comply with the provisions of this Article or any other provisions of this Declaration, the Board shall notify such Owner in writing of such lack of compliance, which notice shall specify the nature of such lack of compliance. If, within five (5) days following receipt of such notice, such Owner (1) fails to remedy such lack of compliance and (2) fails to deliver written notice to the Board requesting a hearing before the Board with regard the matters of non-compliance set forth in such notice, the Association may enter upon such Owners Residential Unit for the purpose of remedying the non-compliance set forth in such notice and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall promptly hold a hearing and shall provide the Owner with at least seven (7) days' written notice concerning the date, time, and place thereof. The decision of a majority of the members of the Board present at the hearing will be binding upon the Association and the Owner. The cost of remedying an Owner's failure to comply with the provisions of this Article and/or Declaration shall be assessed to the Owner by the Board. Such assessment shall be due and payable thirty (30) days from the date of the written notice thereof and shall be collected and enforced in the manner provided in Article IX of this Declaration.

Section 7. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 8. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by the affirmative vote of the majority of the Members present at a meeting called for the purpose of considering such action. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens and enforcement of restrictions or use and other provisions of Article XII), (b) the imposition and collections of assessments as provided in Article X hereof, (c) proceedings involving challenges to *ad valorem* taxation, or (d) counterclaims

brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Article XIV  
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

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

(d) any proposed action which would required the consent of a specified percentage of eligible holders.

Article XV  
Declarant's Rights

Section 1. Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Rutherford County, Tennessee.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly

permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

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

Section 2. These Restrictions shall apply to that property described in Exhibit A, attached hereto and incorporated herein by reference.

Section 3. Declarant shall choose the specific housing product to be constructed within the development.

This article may not be amended without the express written consent of the Declarant. The rights contained in this article shall terminate only upon the recording by Declarant of a written statement that all sales activity has ceased and that Declarant releases such rights by express reference thereto.

#### Article XVI Party Walls

Section 1. General Rules of Law to Apply. Each wall or fence built as a part of the original construction of a structure upon the Properties and placed on the dividing line between two Residential Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

#### Article XVII Obligation to Rebuild

Section 1. Damage and Destruction – Duty to Rebuild. If all or any portion of a residence constituting a part of a residential Unit is damaged or destroyed by vandalism, malicious mischief, fire, windstorm, or other casualty, it shall be the duty of the Owner to said Residential Unit to rebuild, repair, or reconstruct said residence in a manner that will restore it substantially to its appearance and condition immediately prior to casualty.

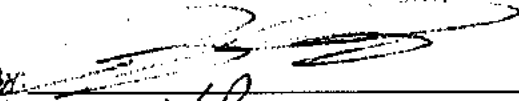
Section 2. Time Limitation. The Owner of any damaged residence shall be obligated to proceed with all due diligence and commence reconstruction within forty-five (45) days after damage occurs and to complete reconstruction within six (6) months after the damage occurs for any major structural damage and within sixty (60) days for any minor non-structural damage, unless prevented by causes beyond their reasonable control, except that disputes concerning insurance coverage shall not be deemed an adequate cause for delay.

Article XVIII

Section 1. The Class "A" Members by taking title to a unit or units in "Cottages on Clark Townhomes" community hereby agree to accept the quality of construction standards of the development from design to completion.

IN WITNESS WHEREOF, the undersigned "Declarant" has executed this Declaration this 10<sup>th</sup> day of May, 2018.

BLUE SKY CONSTRUCTION, INC.

By:   
Title: VP

STATE OF TENNESSEE  
COUNTY OF Rutherford

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Bruce Burns, with whom I am personally acquainted, and who upon his/her oath acknowledged himself/herself to be the VP of Blue Sky Construction, Inc., a Tennessee corporation and he/she as such VP, being authorized so to do, executed the foregoing instrument (DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COTTAGES ON CLARK TOWNHOMES) for the purposes therein contained by signing the name of the corporation by himself/herself as such VP.

WITNESS MY HAND and official seal at my office on this the 10<sup>th</sup> day of May, 2018.

My commission expires: 12/1/20

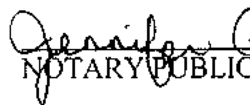
  
NOTARY PUBLIC



EXHIBIT "A"

LEGAL DESCRIPTION

BEING the parcel of property shown as Cottages on Clark Townhomes on plat of record in Plat Book 41, page 299 in the Register's Office of Rutherford County, Tennessee.

BEING the same property conveyed to Blue Sky Construction, Inc. by deed of record in Record Book 1477, page 2564 in the Register's Office of Rutherford County, Tennessee.

**EXHIBIT B**

**BYLAWS**



This instrument was prepared by:

HUDSON, REED & MCCREARY, PLLC, Attorneys  
16 Public Square North  
Murfreesboro, Tennessee 37130  
(615) 893-5522

## BY-LAWS

### OF

## COTTAGES ON CLARK TOWNHOMES HOMEOWNERS' ASSOCIATION, INC.

### ARTICLE I

NAME AND LOCATION. The name of the corporation is COTTAGES ON CLARK TOWNHOMES HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 6 Public Square North, Murfreesboro, Tennessee 37130, but meetings of members and directors may be held at such places within the State of Tennessee, County of Rutherford, as may be designated by the Board of Directors.

### ARTICLE II

#### DEFINITIONS

Section 1: "Association" shall mean and refer to COTTAGES ON CLARK TOWNHOMES HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions for Cottages on Clark Townhomes Homeowners' Association, Inc. and such additions thereto as may

hereafter be brought within the jurisdiction of the Association.

Section 4: "Declarant" shall mean and refer to Blue Sky Construction, Inc., a Tennessee Corporation, its heirs, successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for Cottages on Clark Townhomes Homeowners' Association, Inc. applicable to the Properties recorded in the Register's Office of Rutherford County, Tennessee.

Section 6: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 7: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 8: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners, including, but not limited to any berm area.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association after the termination of Class B Membership, and each subsequent regular annual meeting of the members shall be held 30 to 90 days prior to December 1<sup>st</sup> of each year or at such other date as established by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the

members entitled to cast twenty-five (25%) percent of the votes of the Class A membership.

Section 3. 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 hand-delivery to the member's residence or by mailing a copy of such notice, postage prepaid, at least ten (10) days before said meeting to each member entitled to vote thereat. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the general purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten (10%) percent of the total votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the 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 5. Proxies. At all meeting of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

#### **ARTICLE IV**

##### **BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

Section 1. Number. The affairs of this Association shall be managed by a Board of one (1) to three (3) directors during Class B Membership. Only one (1) Director is required during Class B Membership. Directors need not be members of the Association so long as Class B Membership exists, but Directors must be members, after

the termination of Class B Membership. After the termination of Class B Membership, the Board shall be managed by three (3) Directors.

Section 2. Term of Office. The initial Board of Directors shall be appointed by the Developer and shall serve terms of one year each. Until the termination of Class B Membership, the Developer shall appoint all Directors. At the first annual meeting after the termination of Class B Membership or such earlier time as the Developer determines in writing by notice to the Association, the members shall elect three (3) directors for varying terms as follows: one being elected for a one year term, one elected for a two year term, and the third elected for a three year term. After the initial election of Directors by the homeowner Members following the termination of Class B Membership, the term of each subsequently elected director shall be for a period of three years in order to allow an experienced director to remain on the Board.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors 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 the directors. Any action so approved shall have the same effect as being taken at a meeting of the directors.

#### ARTICLE V

## NOMINATION AND ELECTION OF DIRECTORS

Section 1. 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 Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at 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. Such nominations may be made from among members or non-members. Notwithstanding the above, the first nominating committee shall not be formed or begin to undertake its duties until within ninety (90) days of the expiration of the initial three-year term of directors and the termination of Class B Membership.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 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, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or 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.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) 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; and
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 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 to present a statement thereof to the members at the annual meetings of the

members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

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

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of the annual assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) establish the due dates of the annual assessments;

(4) 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 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) may procure and maintain adequate liability and hazard insurance on 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 Area to be maintained.

(h) implement and enforce fines as determined by the Board or Association to explore the Declaration of Covenants, Conditions and Restrictions.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be chosen by the Board of Directors and shall be a president, a secretary, and such other officers as the Board may deem necessary.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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. 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 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) 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 meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) 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; cause an annual audit of the Association books to be

made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

**ARTICLE IX  
COMMITTEES**

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

**ARTICLE X  
BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE XI  
ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special 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 highest amount allowed by law, and the Association may bring an action at law

against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

**ARTICLE XII  
CORPORATE SEAL**

The Association shall have no corporate seal.

**ARTICLE XIII  
AMENDMENTS**

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. These By-Laws may also be amended unilaterally by the Declarant at any time within twelve years of the date of the execution of these By-Laws.

Section 2. In the case of any conflict between the Charter and these By-Laws, the Charter shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

**ARTICLE XIV  
MISCELLANEOUS**

Section 1. The fiscal year of the Association shall begin on the 1<sup>st</sup> day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

*(signatures appear on the following page)*

IN WITNESS WHEREOF, we, being all of the directors of the COTTAGES ON CLARK  
TOWNHOMES HOMEOWNERS' ASSOCIATION, INC. have hereunto set our hands  
this 10<sup>th</sup> day of May, 2018.

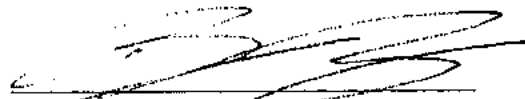
  
BRIAN BURNS

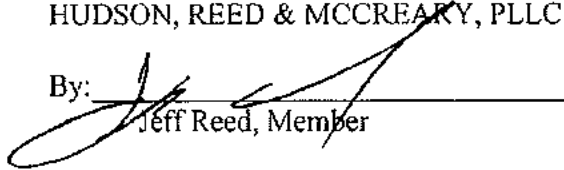
EXHIBIT C

CERTIFICATION OF COMPLIANCE WITH THE HORIZONTAL PROPERTY ACT

I hereby certify that this Declaration has been prepared in conformance with the Horizontal Property Act, TCA 66-27-101 et. seq.

HUDSON, REED & MCCREARY, PLLC

May 10, 2018  
Date

By:   
Jeff Reed, Member