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Batch# 90504 DEEDMAST
05/09/2018 02:06:30 PM 28 pgs
Fees: $142.00 Taxes: $0.00
20180509-0044561

This Instrument Was Prepared By:
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DECLARATION OF COVENANTS, CONDITONS AND RESTICTIONS FOR COTTAGES 1405 AND 1407 KELLOW STREET A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

This Declaration of Restrictive Covenants (the "Declaration"), made, published and declared as of this 3rd day of April 2018, by and between Affordable Housing Resources Inc., and any and all persons, firms, or corporations presently owning or hereafter acquiring any of the within described property;

WITNESSETH

A. The Developer is the owner of certain real property located in the County of Davidson, State of Tennessee, and described on Exhibit "A".

B. The Developer desires to submit the real property described in Exhibit "A" together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto to the provisions of the Horizontal Property Act of the State of Tennessee for the purpose of establishing a Horizontal Property Regime with private elements known as Cottages 1405 and 1407 Kellow Street, A Planned Unit Development.

C. The Developer further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, certain rights, easements and privileges in, over and upon the Property, and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

Now therefore, the Developer declares as follows:

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

(a) "Act" means the Horizontal Property Act of the State of Tennessee, Tenn. Code Ann., Sections 66-27-101, et seq.

(b) "Association" means Cottages 1405 and 1407 Kellow Street Owner Association, a Tennessee not-for-profit corporation.

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

(d) "Bylaws" mean the Bylaws of the Association (Exhibit C). For purposes of the Act, all provisions contained in this Declaration dealing with the administration and maintenance of the Property shall be deemed to be a part of the Bylaws.

(e) "Common Elements" means all real and personal property within the Property other than the Cottages and parking area (which includes the Private Elements within the Cottages) which is now or hereafter owned by the Association. The Common Elements shall be held by the Association for the common use and enjoyment of the Cottage Owners. The Common Elements shall include, but shall not be limited to lawns, streets, roadways, bridges, culverts, parking areas, drainage structures and facilities, private sanitary sewers, drainage, detention and retention ponds, waterways, fences, sidewalks, curbs, drains, signs, lights, utilities and other improvements which are used in common. Developer shall convey title to the Common Elements to the Association.

(f) "Cottage" or "Unit" means a Portion of the Property as shown and designated in the Site Plan for separate ownership and shall include the Private Elements and the residence and improvements now and hereafter located thereon. The Cottages are identified by number and/or letters on the Site Plan and may be held and conveyed by reference to such number and/or letters. Conveyance of a Cottage shall automatically convey the undivided membership of each Cottage Owner in the Association. Any Cottage may be jointly or commonly owned in any estate recognized under applicable law. The term "Cottage" shall have the same meaning as apartment in the Horizontal Property Act.

(g) "Declaration" means this instrument, as amended from time to time.

(h) "Developer" means Affordable Housing Resources, Inc., their successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

(i) "Limited Common Elements" means any Common Elements contiguous to and serving a single Cottage or a certain number of Cottages to the exclusion of other Cottages, as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Cottage or Cottages either in this Declaration or on the Site Plan.

(j) "Majority" or "Majority of the Cottage Owners" means the owners of more than fifty percent (50%) of the voting rights of the Cottage Owners.

(k) "Occupant" means a person or persons in possession of a Cottage, regardless of whether said person is a Cottage Owner.

(l) "'Cottage Owner or Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Cottage. Unless specifically provided otherwise herein, the Developer shall be deemed a Cottage Owner so long as the Developer is the titleholder of any Cottage.

(m) "Parcel" means the parcel or tract of real estate described in this Declaration or added by amendments.

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

(o) "Plat" or Site Plan means the plat or survey of the Parcel as amended from time to time and any additional plat submitted to the provisions of the Act showing the number and/or letters of each Cottage, expressing its area, location and other data necessary for identification including but not limited to the area of the Private Elements upon which the Cottage is located. The initial Site Plan is attached as Exhibit "B".

(p) "Private Elements" means the lot area upon which each Cottage or Unit is located and the improvements now or hereafter located thereon as shown on the Site Plan. A Cottage Owner's ownership of a Cottage shall include fee simple ownership and use of the Private Elements for such Cottage. References to Lots in this Declaration or on the Site Plan shall be deemed to refer to the Private Elements.

(q) "Property" means all the land and space comprising the Parcel, and all improvements and structures thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Cottage Owners, submitted to the provisions of the Act.

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

(s) "Unit" shall have the same meaning as Cottage for this Declaration

2. Submission of Property to the Act.

The Developer by recording this Declaration does hereby submit and subject the Parcel and the Property to the provisions of the Act and hereby establishes a horizontal property regime with private elements as authorized and described in the Act and to be hereafter known as Cottages 1405 and 1407 Kellow Street.

3. Plat. The Plat or Site Plan sets forth the numbers, areas, locations, and other data as required by the Act.

4. Cottages or Units. The legal description of each Cottage or Unit shall consist of the identifying number and/or letters of such Cottage or Unit as shown on the Site Plan. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Cottage or Unit by its identifying number or letters as shown on the Site Plan, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Cottage or Unit Owner shall, by deed, Site Plan, court decree or otherwise, subdivide or in any other manner cause such Owner's Cottage or Unit to be separated into any tracts or parcels different from the whole Cottage or Unit as shown on the Site Plan.

5. Developer Reservation of Rights.

(a) Developer reserves the right to unilaterally amend the declaration, Site Plan, easements, common area, cottage size, and number of cottages developed and configuration of undeveloped cottages, and to subdivide or re-subdivide the parcel into private and common elements, and to grant easements, dedicate Right of Ways, establish drainage areas and ponds, and such other acts it deems necessary or prudent for the development of the property identified in Exhibit A . Any revision to an existing Site Plan with sold cottages will not change the private elements or limited common element of any cottage.

(b) For the purpose of approving, drafting and recording any such amendment, grant or revision, Developer is granted an irrevocable Power of Attorney of the Association and every cottage owner for the purpose of making such amendment.

6. Association of Cottage Owners and Administration and Operation of the Property.

(a) There has been or will be formed an Association having the name Cottages 1405 and 1407 Kellow Street Owner Association, a Tennessee not-for-profit corporation, which Association shall be the governing body for all of the Cottage Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation and care of the Property as provided in the Act, this Declaration, and the Bylaws. The Cottage Owners shall each be members of the Association, with each Cottage holding an undivided membership interest in the Association, which shall be appurtenant to such Cottage, each such membership interest appurtenant to a Cottage being in equal share, subject to the provisions concerning voting hereinafter set forth. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the Bylaws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time, as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. Any activities undertaken by the Association shall be for the use and benefit of Cottage Owners in accordance with the provisions of the Act, this Declaration and the Bylaws. Each Cottage Owner shall be a member of the Association so long as such Owner is a Cottage Owner. A Cottage Owner's membership shall automatically terminate when such Owner ceases to be a Cottage Owner. Upon the conveyance or transfer of a Cottage Owner's ownership interest to a new Cottage Owner, the new Cottage Owner shall automatically succeed to the former Cottage Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be divided among the respective Cottage Owners with

one (1) vote granted to each Cottage (except that the Developer shall have five (5) votes per Cottage as provided in Section (b) below).

(b) Voting Membership.

Class A. Class A members shall be all Cottage Owners, with the exception of the Developer, as long as Developer is a Class B Member, and shall be entitled to one (1) vote for each Cottage owned. When more than one (1) person holds an interest in any cottage, all such persons shall be members. The vote for such cottage shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any cottage.

Class B. The Class B member shall be the Developer and shall be entitled to five (5) votes for each cottage owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) when one hundred percent (100%) of the cottages have been conveyed to Cottage Owners;

(ii) when, in its discretion, the Developer so determines.

(c) Management of Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subsection (d) below. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in section 11 below.

(d) Initial Management Contract. The First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer, on behalf of the Association, and a management company, to act as Managing Agent for the Property, for a term as approved by said First Board, but not to exceed one (1) year.

(e) Use by Developer. During the period of sale by the Developer (and/or any Builder(s)) of any Cottages, the Developer (and/or any Builder(s)), and their agents, employees, contractors and subcontractors, and their respective agents and employees, shall have easements for access, ingress to and egress from the Buildings and Property as may be required for purposes of construction and sale of the Cottages and for the development of the Common Elements and work to be performed thereon. While the Developer (and/or any Builder(s)) owns any of the Cottages and until each sold by it is occupied by the purchasers, the Developer (and/or any Builder(s)) and its employees may use and show one or more of such unsold or unoccupied Cottages as a model Cottage or Cottages, or as a sales office, and may maintain customary signs in connection therewith.

(f) Non-Liability of the Directors, Board, Officers and Developer. Neither the Directors, Board, Officers of the Association, nor the Developer shall be personally liable to the Cottage Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers, or Developer, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Cottage Owners shall indemnify and hold harmless each of the Directors, Board, Officers, or Developer, and their respective heirs, executors, administrators, successors and assigns in accordance with the Charter of the Association and Bylaws.

(g) Interest of Association in Common Elements. Ownership of the Common Elements shall be vested in the Association pursuant to a conveyance of said Common Elements from the Developer to the Association.

7. **Board's Determination Binding.** In the event of any dispute or disagreement between any Cottage Owners relating to the Property, or any questions of

interpretation or application of the provisions of this Declaration or the Bylaws, the determination thereof by the Board shall be final and binding on each and all such Cottage Owners.

8. Ownership of Interests in the Association. Subject to the provisions concerning voting rights hereinabove contained, each Cottage shall be allocated an equal percentage ownership in the Association. The percentages of ownership interests shall remain constant unless hereafter changed by recorded amendment to this Declaration. Said ownership interest shall be an undivided interest, and the undivided membership interests in the Association shall be owned by the Cottage Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Cottage shall not be conveyed separate from the percentage of ownership in the Association corresponding to said Cottage. The undivided percentage of ownership in the Association corresponding to any Cottage shall be deemed conveyed or encumbered with that Cottage, even though the legal description in the instrument conveying or encumbering said Cottage may refer only to the title to that Cottage.

9. Use of the Common Elements. Except as hereinafter set forth, each Cottage Owner shall have the right to use the Common Elements (except the Private Elements) in common with all other Cottage Owners, and shall have easements for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Cottage owned by such Cottage Owner. Such right to use the Common Elements shall extend to each Cottage Owner, and such Owner's agents, servants, Tenants, family members, customers, invitees and licensees. However, each Cottage Owner shall have the right to the exclusive use and possession of the Private Elements and limited common elements attributable to the Cottage. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Act, Declaration, Bylaws and any rules and regulations established by the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of this Declaration and the Bylaws. Any income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

10. Storage Areas and Parking Spaces. Any storage areas on the Property, except those inside the Cottages and those, which are Private Elements, shall be used by such Cottage Owners in such manner and subject to such rules and regulations as the Board may prescribe. Parking spaces within the Parcel shall be used by such Cottage Owners in such manner and subject to such rules and regulations as the Board may prescribe.

11. Common Expenses and Assessments.

(a) Common Expenses. The Association shall be responsible for the "Common Expenses" as defined herein. Each Cottage Owner shall be assessed an equal share of the Common Expenses as described below. Common Expenses shall consist of the following:

> (i) The cost of administration of the Association, and the administration, repair, maintenance, replacement and operation of the Common Elements; and
>
> (ii) Each Cottage is separate structure. Cottage Owners are responsible for the maintenance and repair of their Cottage and the limited common element serving their Cottage. The Association shall repair and maintain the common element. In the event that a Cottage Owner fails to satisfy his or her maintenance obligations as herein defined, the Association may make such repairs in accordance with paragraph 15.

(iii) Any other expenses determined by the Board to be Common Expenses. The Board may elect to provide for maintenance and repair of any part of the elements as a common expense.

(b) Lien of Assessment. In order to secure payment of assessments, both monthly or annual and special, as the same become due, there shall arise a continuing lien and charge against each Cottage, the amount of which shall include interest at the rate of (10%) Ten percent per annum, costs of collection, and reasonable attorney's fees. Each such assessment, together with such interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Cottage Owner of the Cottage at the time the assessment became due; provided that this personal obligation shall not pass to successors in title unless expressly assumed by them. The lien provided for herein, however, shall be subordinate to the lien of any first Deed of Trust (sometimes hereinafter called "mortgage") on any Cottage. The sale or transfer of any Cottage shall not affect any assessment lien. The sale or transfer of any Cottage that is subject to any first mortgage, pursuant to a foreclosure thereof or under power of sale or any proceeding in lieu of obligation of any former title holder, as to payments that became due prior to such sale or transfer and subsequent to the recordation of the first mortgage that has been foreclosed assessments shall not take priority over the first Deed of Trust, but the Association shall have a lien upon the proceeds from foreclosure or of sale junior only to the lien of the foreclosed first mortgage. No sale or transfer shall relieve such Cottage from liability for any assessment thereafter becoming due or from the lien thereof:

(c) Levy of Assessments. The commencement date for monthly assessments shall be the first day of the second full month following the conveyance of a Cottage to a Cottage owner. The amount of the initial annual assessment will be set by the Board prior to the sale of any Cottages. Thereafter, monthly or annual assessments shall be levied by the Board, by action taken on or before December of each year for the ensuing year. The Board, in its discretion, may provide for the periodic payment of such assessments at some intervals other than monthly. Special assessments may be levied in any year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements or such other portion of the Property for which the Association is obligated to maintain and repair, if any, including fixtures and personal property related thereto; provided that the same are approved by the Board of Directors of the Association, by a two-thirds (2/3) vote at a meeting of the Board duly held for that purpose. A twenty-day written notice of the Board meeting to consider subsequent monthly, annual or special assessment shall be mailed (by U.S. first class mail) to every Cottage Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Cottage have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Cottage Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting the same.

(d) Annual Assessment and Capital Assessment.

(1) Except as specifically provided otherwise herein, each Cottage Owner shall be responsible for paying his equal proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Declaration and By-Laws (which expenses are herein sometimes referred to as "Common Expenses"), including, but not limited to, the maintenance and repair of the Property and any and all replacements and additions thereto. The payment of Common Expenses shall be in such amounts and shall be payable at such times as determined by the Board. No Cottage Owner shall be exempt from payment of his equal share of the Common Expenses by waiver or nonuse of enjoyment of the Common or Limited Common Elements or by abandonment of his Cottage.

(2) The Board may establish an initial capital assessment on each Cottage at the time of purchase in order to provide funding for the Association.

(e) Rate of Assessment. All Cottages in the development shall commence to bear their assessments upon the initial sale of the Cottage, except that Cottages owned by the Developer or Builder do not accrue liability for assessments of any nature while owned by the Developer or Builder until such Cottage is sold, rented and/or occupied.

(f) Effect of Non-Payment of Assessments and Remedies of the Association. In addition to any other remedy available to the Association under this Declaration or applicable law, any assessment not paid within thirty (30) days after the due date shall be subject to a monthly late fee equal to the greater of ten dollars ($10.00) or ten percent (10%) of the outstanding balance owed. Unpaid assessments shall also bear interest from the due date at Ten percent (10%) per annum. The Association, its agent or representative, may bring an action at law against the Cottage Owner personally obligated to pay the same or foreclose the lien against the Cottage to which the assessment relates, and interest, costs, and reasonable attorney's fees for such action or foreclosure shall be added to the amount of such assessment. No Cottage Owner may avoid liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Cottage.

(g) Mortgage and Deed of Trust Protection. The lien for common expenses payable by a Cottage Owner shall be subordinate to the lien of a recorded First Mortgage or First Deed of Trust on the interest of such Cottage Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the mortgagee or beneficiary thereunder either takes possession of the Cottage encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its mortgage or deed of trust. This subsection (c) shall not be amended, changed, modified or rescinded without the prior written consent of all mortgagees and Deed of Trust beneficiaries of record.

12. Mortgages and Deeds of Trust. Each Cottage Owner shall have the right, subject to the provisions herein, to make separate mortgages and deeds of trust for such Cottage Owners' respective Cottage, including such Cottage Owners respective ownership interest in the Association. No Cottage Owner shall have the right or authority to make or create, or cause to be made or created, from the date hereof, any mortgage, Deed of Trust or other lien on or affecting the Property or any part thereof, except only to the extent of such Owners Cottage and the interest in the Association corresponding thereto.

13. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Cottage Owner for such Owner's Cottage and including the corresponding percentage of ownership in the Association, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Cottage Owner, but rather are taxed on the Property as a whole, then each Cottage Owner shall pay such Owner's proportionate share thereof in accordance with such Owner's respective percentage of ownership interest in the Association, and, in said event, such taxes shall be a Common Expense.

14. Insurance. Each Cottage Owner and Occupant shall be responsible for obtaining his own insurance covering his own Cottage building and all alterations, additions, improvements and betterments to any cottage. Each cottage owner shall also insure all improvements located on the limited common element serving such cottage, in addition to all contents, decorations, furnishings and personal property within his cottage, and any personal property stored elsewhere on the Property. Each Cottage Owner and or Occupant shall also obtain a liability policy covering damage or injury occurring in his own Cottage. The policy of insurance covering such Cottage building shall afford, as a minimum protection against loss or damage by fire or other perils normally covered by the "HO-3" or "HO-5", or their then nearest current equivalent, where such is available, and such policy shall be in an amount equal to one hundred percent (100%) of current replacement cost of such individual Cottage building and all alterations, additions,

improvements or betterments thereto and such cottage's garage and other improvements serving such cottage located in the limited common element. In addition, in the event a Cottage Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for the benefit of all the Cottage Owners as part of the common expenses as provided herein, said Cottage Owner may at his option and expense, obtain additional insurance.

It is anticipated the cottage owners will insure all improvements against fire and loss. If the association has or acquires a property interest to insure, the Board is authorized to maintain insurance for the Common Elements against loss or damage by fire, vandalism, malicious mischief and such other hazards are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed to be the cost of restoring the Common Elements to substantially the same condition in which they existed prior to the damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as the trustee for each of the Cottage Owners. The policy of property insurance shall list the Cottage Owners and their mortgagees as additional insured. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Cottage Owners, premiums for such insurance may be separately billed to each Cottage Owner and each Cottage Owner shall be responsible for payment of the product obtained by multiplying such premiums by such Cottage Owner's Ownership Percentage.

The Board shall not be responsible for, and the policy of insurance maintained by the Board shall not include coverage for any individual Cottage building, the personal property of the Cottage Owner or Occupant nor such Owner or Occupants' improvements or betterments located on the limited common element serving such cottage nor any other personal property located anywhere on the Property owned by a Cottage Owner or Occupant unless the Board specifically approved such responsibility, in writing, and thus specifically includes such property, improvements or betterments in its policy of insurance. The Board in its sole discretion shall determine if such coverage is to be extended.

In the event of damage to or destruction of any part of the Property as a result of fire or other casualty covered by insurance maintained by the Board pursuant hereto, the Board shall, in its sole and absolute discretion, determine whether repair, replacement or restoration shall be done to the damaged or destroyed property, without intervention of any Cottage Owner. If the Board determines that such repair, replacement or restoration is to be made, then the Board shall arrange for the prompt repair, replacement or restoration of the damage property in accordance with the original plans and specifications therefore, with such changes as may be required by applicable laws or as the Board may approve. Where the insurance proceeds are insufficient to cover the cost of such repairs, replacement or restoration, the deficit shall be paid by all Cottage Owners in proportion to each such Cottage Owner's Ownership Percentage.

Any Cottage Owner responsible to insure the Cottage and improvements against damage or loss from fire or other casualty shall diligently pursue the repair or replacement of the Cottage in the event of damage or loss. If an Owner fails to diligently repair, the Board may proceed under Paragraph 15 (a) failure to maintain or take other action deemed necessary to cause repairs or replacement.

Notwithstanding the foregoing, reconstruction and repair shall not be compulsory where the whole or more than two-thirds of all the Cottages are destroyed or damaged by fire or other casualty. In such case and unless otherwise agreed upon by no less than sixty-seven percent (67%) of all Cottage Owners, the insurance proceeds shall be delivered to the Cottage Owners or their mortgagees, as their interest may appear, in the proportion to the Ownership Percentage of each Cottage Owner in the Common Elements, and the Board, as soon as it is

reasonably practicable and as agent for the Cottage Owners, shall sell the Property, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale and all insurance policies shall thereupon be distributed to the Cottage Owners of their mortgagees, as their interests may appear, in proportion to the Ownership Percentage of each Cottage Owner. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Manager or the Board shall, or if it does not, any Cottage Owner or mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of the Declaration the prohibition against judicial partition provided for in this Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, the Declaration shall terminate.

The Board shall also maintain comprehensive public liability insurance, in such amounts as it deems desirable and worker's compensation insurance and other liability insurance as it deems desirable or as required by law, insuring each Cottage Owner, the mortgagee(s) of Record, if any, Association, its officers, directors, board and employees, developer and any manager, from (i) liability in connection with the property, and (ii) liability arising out of legal proceedings relating to employment contracts to which the Association is a party (to the extent such insurance is reasonably available). The premiums for such insurance shall be a common expense; however, at the option of the board, and upon written notice to all Cottage Owners, premiums for such insurance may be separately billed to each Cottage Owner, each Cottage Owner shall be responsible for payment of the product obtained by multiplying such premiums by such Cottage Owner's Ownership Percentage. The board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

The board, in its sole discretion, also shall have authority to and may obtain such other insurance and bonds as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the property and each member of the board and officer of the Association, and each member of any committee appointed pursuant to the Bylaws of the Association, from liability arising from the fact that said person is or was director or officer of the Association, or a member of any such committee. The premiums for such insurance and bonds shall be a common expense.

In the event a Cottage Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that is liability loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for the benefit of all the Cottage Owners as part of the common expenses, as above provided, said Cottage Owner may at his option and expense, obtain addition insurance.

The Board of Directors may, at its sole discretion, require that all officers and employees (including with limitation any management agent) of the corporation handling or responsible for corporate funds shall be covered by blanket fidelity bonds. The premiums on such bonds shall be paid by the Association as a common expense of the Association.

15. <u>Maintenance, Repairs and Replacements.</u>

(a) Obligations of Cottage Owners. Each Cottage Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs to and replacements of such Owner's Cottage and other improvement located within the limited common element servicing such cottage. In the event that a Cottage Owner fails to satisfy his maintenance obligations as herein defined, the Association may after approval by two-thirds vote of the Board, enter into said Cottage and perform such necessary maintenance, repair or replacement. The cost of such work will be added to and become a part of the assessment to which said

Cottage is subject. Provided, however, that a Cottage Owner against whose Cottage such an assessment is levied shall be entitled to ten (10) days notice, a hearing before the Board and a reasonable opportunity to perform the necessary maintenance or repair work prior to the Board causing such work to be performed and the Cottage being levied with such an assessment. A Cottage Owner may not make changes in colors, materials or appearance of the exterior of his Cottage without prior approval of the architectural control committee.

(b) Obligations of Association. The Association shall be responsible for the maintenance repairs and replacements within the Common Elements. The cost of the maintenance, repairs and replacements, which are the responsibility of the Association, shall be part of the Common Expenses.

(c) Loss Attributable to Cottage Owner. Notwithstanding any provision of this Declaration to the contrary, if the need for maintenance or repair that would otherwise result in a Common Expense that was the obligation of the Association is caused by the willful or negligent conduct or act of a Cottage Owner, his household pet, family, guest, invitees or other Person using or occupying said Cottage Owner's Cottage with express or implied permission, the cost of such repair or maintenance shall be assessed against such Cottage 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 this Declaration for the collection of assessments. Such assessment shall not require approval of any of the Members; provided, however, that a Cottage Owner against whose Cottage such an assessment is levied shall be entitled to ten (10) days notice, a hearing before the Board and a reasonable opportunity to perform the necessary maintenance or repair work prior to being levied with such an assessment.

(d) Access to Cottages. The authorized representative of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual Cottages and Private Elements as may be required in connection with the preservation of any individual Cottage or Private Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, Private Elements or any equipment, facilities or fixtures affecting or serving the other Cottages, Common Elements or Private Elements or to make any alteration required by any governmental authority.

16. <u>Architectural Control, Alterations, Additions or Improvements.</u>

(a) Architectural Control. No structure may be erected, placed or altered on any Private Elements, and no building permit may be obtained, until the construction plans and building specifications and a plan showing: (i) the location of improvements on the Private Elements; (ii) the grade elevation (including rear, front and side elevations); (iii) the type of exterior material and roof material (including delivery of samples thereof); (iv) the color of paint or stain to be applied to any exterior surfaces and the color of the roof material (including delivery of samples thereof); and (v) the location and size of any wood deck or patio (which shall be broom finish concrete, unless otherwise approved by Developer), shall have been approved in writing by the Architectural Control Committee which shall be appointed (a) by the Developer until such time as the Developer has sold and developed all of its Cottages and thereafter (b) be designated by the Board.

(b) Alterations, Additions or Improvements. Except as provided specifically herein, no alteration of any Common Elements or Private Elements, or any additions or improvements thereto, or any change in the exterior appearance shall be made by any Cottage Owner without the prior written approval of the Board after review and approval by the Architectural Control Committee. The Board may authorize and charge as common expenses alterations, additions, and improvements of the Common Elements as provided in the Bylaws. The expense of such charges shall be paid out of the reserves established in the Association's annual budget, which shall be funded by a portion of the annual assessments applicable to each Cottage. Any Cottage Owner may make non-structural

alterations, additions or improvements within the Cottage of the Cottage Owner without the prior written approval of the Board, but such Cottage Owner shall be responsible for any damage to other Cottages, the Common Elements, the Private Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

17. Encroachments and Easements. If any portions of the Common Elements shall actually encroach upon any Cottage or Private Elements, or if any Cottage or Private Elements shall actually encroach upon any portions of the Common Elements, or if any Cottage or Private Elements shall actually encroach upon another Cottage or Private Elements, as the Common Elements, Cottages and Private Elements are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Cottage Owners involved, to the extent of such encroachments, so long as the same shall exist.

The Association shall have the right to grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the horizontal property regime.

18. Association's Right to Purchase at a Foreclosure Sale. The Board shall have the power and authority to bid and purchase, for and on behalf of any Cottage, or interest therein at sale pursuant to a Deed of Trust or mortgage foreclosure, a foreclosure of the lien for common expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Cottage Owners owning not less than seventy five percent (75%) of the total votes of the Cottage Owners. Such consent shall set forth a maximum price, which the Board or its duly authorized agent may bid and pay for said Cottage.

The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective Cottage Owners, and other such financing arrangements as the Board may deem desirable, in order to close and consummate the purchase or lease of a Cottage, or interest therein, by the Association. However no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Cottage, or interest therein, to be purchased or leased, and the percentage interest in the Association appurtenant thereto.

19. Use and Occupancy Restrictions. Subject to the provisions of the Bylaws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed and as allowed by municipal zoning laws. Each Cottage shall be used as a residence or such other use permitted by this Declaration and for no other purposes except that professional and quasi-professional people may use their residence, which does not generate vehicular or pedestrian traffic, and (not in violation of municipal zoning laws) as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Cottage Owner from: (a) maintaining a personal professional library; (b) keeping personal business or professional records or accounts; or (c) handling personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions or municipal zoning law.

No Cottage or Common Elements may be used in violation of the restrictions and provisions contained in the Bylaws. No building or other structure shall be erected, altered, or permitted to remain as part of any Cottage except in conformance with this Declaration.

All Cottages are to be Owner occupied by the Owner. No Cottage may be used for rental purposes.

The Common Elements shall be used only by the Cottage Owners and their agents, servants, Tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Cottages and for such other purposes incidental to use of the Cottages; provided, however, that any areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Cottage Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

In addition to the above, the following restrictions shall apply:

(a) Approval of Plans. No construction. Reconstruction, remodeling, alteration, or addition of or to any structure, building, fence, wall or improvement of any nature shall be constructed without obtaining prior written approval of the Architectural Control Committee established as provided in Section 16 (a) as to the location, plans, and specifications therefore. As a prerequisite to consideration for approval and prior to the commencement of the contemplated work, two (2) complete sets of building plans and specifications shall be submitted. The Architectural Control Committee shall be the sole arbiter of such plans and may withhold its approval for any reasons, including purely aesthetic reasons. It is expressly acknowledged that construction undertaken by (i) the Developer and (ii) any Builder who purchases Cottage(s) from the Developer shall be conclusively deemed to comply with the foregoing, it being declared that construction of Cottages) by (i) the Developer and (ii) any Builder who purchases Cottage(s) from the Developer shall be exempt from Architectural Control Committee review and from any limitations on construction existing under this Declaration or the Association's Bylaws. Upon giving approval, construction shall be started and prosecuted to completion promptly and in strict conformity with such plans.

At such time as Developer divests itself of all Cottages within the development, and Developer has not assigned its right to a successor, the right of approval of plans for further construction, reconstruction, remodeling, alterations, and additions shall thereafter rest exclusively in the Association and in its Board of Directors, which Board shall thereafter appoint the membership of the Architectural Control Committee.

Developer, and the Architectural Control Committee and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event that the Architectural Control Committee fails to indicate its approval or disapproval within sixty (60) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. Approval or disapproval by the Architectural Control Committee shall not be deemed to constitute any warranty or representation by it including, without limitation, any warranty or representation as to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. Anything contained in this section, or elsewhere in this Declaration to the contrary notwithstanding, Developer and the Architectural Control Committee are hereby authorized and empowered, at their sole and absolute discretion, to make and permit reasonable modifications or deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any Cottage and of the size and location of such building or improvement when, in their sole and final judgment, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the Properties and the improvements as a whole; provided, however, such modifications and deviations must remain within all applicable ordinances and regulations established by the governing authority.

20. Miscellaneous.

(a) Improvements and Setback Restrictions. No building or structure, or any part thereof, shall be located on any Cottage so that the improvements exceed the boundaries of the Cottage. No encroachment upon any utility easement reserved on the Plat shall be authorized or permitted.

(b) Re-subdivision or Re-combination of Cottages. No Cottage shall be re-subdivided or recombined, nor shall any building be erected or placed on any such re-subdivided Cottage, unless the Association, as well as any governmental authority having jurisdiction approve such re-subdivision. Developer, however, shall have the right, but not the obligation, to re-subdivide into Cottages, by recorded plat or in any other lawful manner, all or any part of the properties contained within the outer boundaries of the Plat, and the properties described in Exhibit A and B and such Cottages, as re-platted, shall be subject to this Declaration as if such Cottages were originally included herein. Any such re-plat must comply with pertinent re-platting ordinances, statutes, regulations, and requirements.

(c) Walls, Fences and Hedges. All walls, fences or hedges shall be erected or maintained only as approved and directed by the Architectural Control Committee.

(d) Roofing Material. The roof of any building shall be constructed or covered with roofing material as permitted and approved in the sole discretion of the Architectural Control Committee.

(e) Parking. Each Cottage has a parking structure or pad which is to be used by the owner or occupant for parking. The Board of Directors may impose rules and regulations with respect to the maintenance and use of parking spaces provided on the Common Elements and the uses, operating and control of motor vehicles thereon. Commercial vehicles, tractors, motor homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall not be parked on the property, street or alleyway for a period of more than twenty-four (24) hours within which time the owner thereof can find storage or parking space for such vehicle other than the Cottage site.

(f) Exterior Finish. Cottages shall be constructed with an exterior finish as designated by the Architectural Control Committee. No Cottage shall be authorized to vary its exterior from that approved by the Architectural Control Committee.

(g) Common Mailbox Style. The Association reserves the right to designate the style and material of all mailboxes.

(h) Storage Tanks and Refuse Disposal. No exposed aboveground tanks or receptacles shall be permitted for the storage of fuel, water, or any other substance. Each cottage owner shall be responsible for trash disposal in accordance with such rules and regulations as the board may establish. All equipment, coolers, and garbage cans shall be concealed from the view of neighboring lots, roads, streets, and open areas in accordance with such rules and regulations as the board may establish.

(i) Clotheslines. Outside clotheslines shall not be permitted.

(j) Signs and Advertisements. No sign, advertisement, billboard or advertising structure of any kind shall be erected upon or displayed or otherwise exposed to view on any Cottage or any improvement thereon; provided that this requirement shall not preclude the installation by Developer and/or any Builder of signs identifying the entire residential development and provided further that this requirement shall not preclude the placement by Owners of "For Sale" signs in the front of individual residences of such size, character, and number as shall from time to time be approved by the Architectural Control Committee. The

Architectural Control Committee shall have the right to remove any such unapproved sign, advertisement, billboard or structure that is placed on said Cottages, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

(k) Use of Temporary Structures. No structure of a temporary character: mobile home, camper, trailer, tent, shack, barn or other outbuilding shall be erected or moved onto any Cottage. No structure of any kind except a dwelling house may be occupied as a residence, and the outside of any building so occupied must be completed before occupancy, including landscaping. Temporary structures may be used as building or sales offices and for related purposes during the construction period by the Developer, any Builder, or their assigns.

(l) Storage of Automobiles, Boats, Trailers and Other Vehicles. No inoperative vehicles or recreational vehicles (including, but not limited to, campers, trailers, boats, boat trailers and travel trailers) may be stored on or in any Common or Private Elements. No tractor-trailers, buses, or other commercial vehicles may be parked in parking areas or in streets adjacent to the Property. The foregoing shall not apply to construction vehicles of the Developer or any Builder. The Board may adopt rules and regulations to address the parking needs of its members.

(m) Outside Lighting. Outside lights at eaves and door entrances shall be permitted. But no exterior flashing or high-intensity lights. Floodlights, or spotlights on the exterior of any building shall be permitted, except with the prior written approval of the Architectural Control Committee.

(n) Satellite Dishes and Antennae. Unless otherwise approved by Developers or the Architectural Control Committee. All television antennae, satellite dishes, dishes which receive video programming services via multipoint distribution services and any other device used for the reception of television broadcast signals, direct broadcast satellite services or multi-channel multipoint distribution (wireless cable) services must be one (I) meter or less in diameter, must be located to the rear of a Cottage and not visible from the street (unless such location would preclude reception of an acceptable quality signal) and may not be affixed to any portion of the Common Elements.

(o) HVAC Units: All central air conditioning system Units must be used, erected, placed, or maintained on the side or to the rear of the Cottage. No window or wall type air conditioning units shall be permitted in any Cottage.

(p) Recreational Equipment. All playground and recreational equipment must be used, erected, placed, or maintained within the Common Element to the rear of all Cottages in accordance with rules and regulations established by the Board.

(q) Oil and Mining Operations. No oil drilling, oil development operations, oil refining quarrying or mining operations shall be permitted on any Cottage, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Cottage. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any Cottage.

(r) Maintenance. All Cottages shall be maintained in a neat and attractive condition by their respective Owners or Occupants. No Cottage shall be used for storage of material and equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind and the burning (except as permitted by law) of any such materials is prohibited. In the event of default on the part of the Owner or Occupant of any Cottage in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, the Association may, subject to approval of its Board of Directors, enter upon said Cottage, repair, maintain and restore the same, and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Cottage in a neat, attractive, healthful and sanitary condition. In so doing, the Association shall not be subject to any liability for trespass or otherwise. All costs incurred in any such repair, maintenance, restoration or removal shall be charged against the

Owner of such Cottage as the personal obligation or such Owner and as a lien upon the Cottage, enforceable and collectible in the same manner and to the same extent as a maintenance assessment. Any Occupant of such Cottage shall be jointly and severally liable with the Owner for the payment of such costs.

(s) Landscape Maintenance. Each cottage owner shall be responsible for grass cutting, lawn maintenance, proper care for all trees, shrubbery and other landscaping, and other necessary maintenance services for the Limited Common Elements and other portions of the Property for which use is reserved for each cottage. The Board shall provide for maintence of the Common Element.

(t) Use of Premises. Each Cottage shown on the Plat shall be used only for private, single-family residential purposes and not otherwise. Notwithstanding the foregoing, Developer and any Builder may maintain, as long as it owns the property in or upon such portion of the Properties as Developer or any Builder may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation, offices, storage areas, model Cottages and signs, and Developer may use and permit Builders (who are at the relevant time building and selling Cottages in the development) to use, residential structures or accessory buildings for sales offices and display purposes, but all rights of Developer and of any Builder acting with Developer's permission under this sentence, shall be operative and effective only during the construction and sales period within the area, and their provision may not be amended, altered or repaired without the prior consent of the Developer. It is expressly declared that Developer and any Builder shall be permitted to construct, maintain and operate one or more model Cottages.

(u) Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, pastured, or maintained in any Cottage or on any Common Element except household pets such as dogs and cats which may be kept within a Cottage in reasonable numbers as pets for the sole pleasure of the Owner or Occupant, but not for any commercial use or purpose and only for so long as such pets are not a nuisance to other Cottage Owners.

(v) Nuisances and Unsightly Materials. No Cottage or other structure on any Private Element shall be used for any business or commercial purpose. Each Owner or Occupant shall refrain from any act or use of his Cottage, which could reasonably cause embarrassment, discomfort, annoyance, or nuisance to others. Animal behavior can be a nuisance as determined by the Board after a 10-day notice to the Cottage owner and a hearing before the Board. No noxious, offensive, or illegal activity shall be carried on upon any Cottage or Private Element. No motorcycle, motorbike, motor scooter, or any other motorized vehicle (licensed or unlicensed) shall be permitted to be operated on or in the Common Elements except in areas designated for vehicular traffic or parking. No Cottage or Private Element shall be used, in whole or in part, for the storage of rubbish of any character whatsoever; nor shall any substance, thing, or material be kept upon any Cottage or Private Element which will emit foul or noxious odors or which will cause any noise that will or might disturb the peace and quiet of the Owners or Occupants of surrounding Cottages or Private Elements.

(w) Hobbies and Activities. The pursuit of any inherently dangerous activity or hobby, including, without limitation, the assembly and disassembly of motor vehicles or other mechanical devices, the shooting of firearms, fireworks, or pyrotechnic devices of any type or size, and other such activities shall not be pursued or undertaken on any part of any Cottage or Private Element or upon the Common Elements without the consent of the Association.

(x) Governmental Restrictions. Each Owner shall observe all governmental building codes, health regulations, zoning restrictions, and other regulations applicable to his Cottage. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provisions of this Declaration, the more restrictive provision shall apply.

21. Remedies. In the event of any violation of the provisions of the Act, this Declaration, the Bylaws or the rules and regulations of the Board or

Association by any Cottage Owner (either by the Cottage Owner's own conduct or by the conduct of any other Occupant of such Owners Cottage) the Association, or its successors or assigns, or the Board, or its agent, and any Cottage Owner(s) shall have each and all of the rights and remedies which may be provided for in the Act, this Declaration, the Bylaws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceeding against such defaulting Cottage Owner and/or others for enforcement of any lien and the appointment of a receiver for the Cottage and ownership interest of such Cottage Owner, for damages or injunction or specific performance, to have vehicles and/or other personal property parked or stored in violation of the Declaration or Rules and Regulations to be towed or removed from the property, or for judgment for payment of money and collection thereof, or the right to sell the Cottage through judicial process as provided hereinbefore, or for any combination of remedies, or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of ten (10%) percent per annum until paid, shall be charged to and assessed against such defaulting Cottage Owner, and shall be added to and deemed part of such Owner's respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of the Cottage Owner's respective share of the common expenses, upon the Cottage and ownership interest in the Association of such defaulting Cottage Owner and upon all of such Owner's additions and Improvements thereto and upon all of such Owner's personal property in such Owners Cottage or located elsewhere on the Property, provided, however, that such lien shall be subordinate to the lien of a recorded First Mortgage or First Deed of Trust on the interest of such Cottage Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder either takes possession of the Cottage, accepts a conveyance of any interest therein (other than as a security) or files suit to foreclose its mortgage or Deed of Trust. In the event of any such default by any Cottage Owner, the Board and the manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Cottage Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, after 10 days' notice to the cottage owner in addition to any other rights provided for in this Declaration; (a) to enter (either peaceably or forcibly without liability to such Cottage Owner for such entry) upon the Cottage, or any portion of the Property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Cottage Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forcibly without liability to such Cottage Owner for such entry) of such Cottage Owner's interest in the Property and to maintain an action for possession of such Cottage in the manner provided by law.

In addition to the other remedies provided for herein, in the event of a default by a Cottage Owner in the payment of such Cottage Owner's respective share of the common expenses which default continues for a period of ninety (90) days, the Board shall have the power and authority to place such Cottage Owners name on a list of delinquent Cottage Owners, which list may be posted at a place designated by the Board for notices.

22. Amendments. Except as to Developer rights and as specifically stated otherwise elsewhere herein, provisions of this Declaration may be changed,

modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, approved by Cottage Owners owning not less than two-thirds (2/3) of the total Cottages, provided, however, all lien holders of record, where rights may be affected, have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument.

However, if the Act, the Declaration or the Bylaws require the consent or agreement of all Cottage Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be approved by all Cottage Owners or all lien holders or both as required by the Act or this Declaration. The change, modification or rescission, whether accomplished under the provisions of the preceding section, shall be effective upon recording of such instrument in the office of the Register of Deeds of Davidson County, Tennessee; provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

Notwithstanding the above, the Developer shall have the right to make and record any necessary amendment to this instrument for the express purpose of completion of development or correction of clerical errors, or as may be required to obtain FHA/VA, FNMA, FHLMC or other desired approval for the horizontal property regime.

23. Notices. Notices provided for in the Act, Declaration or Bylaws shall be in writing, and shall be addressed if to a Cottage Owner, to the address of such Owner's Cottage, and if to the Association or Board, as the case may be, to the principal office, as set forth in the Charter of the Association or to such other address as may be designated by the Association or Board from time to time, or at such other address as may be hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Cottage Owners. Any Cottage Owner may designate a different address for notices by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or Trust Deed encumbering any Cottage shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners who's Cottage is subject to such mortgage or Trust Deed.

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

25. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the Governor of the State of Tennessee on the date of this Declaration.

26. Rights and Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Cottage Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time an interest or estate in said land, and shall inure to

the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Cottage Owners, Tenants and Occupants of a Cottage shall be subject to, and shall comply with, the provisions of the Bylaws and they may be amended from time to time. The acceptance of a Deed of conveyance, devise or of a lease to a Cottage, or the entering into occupancy of any Cottage shall constitute an agreement that the provisions of this Declaration, the Bylaws and any rules and regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Cottage Owner, Tenant or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Cottage, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

The terms and conditions of this Declaration, the Bylaws and the rules and regulations may be incorporated by reference in, and become part of, the agreement between any mortgagee and any present or future Cottage Owner who enters into such an agreement with a mortgagee. When so incorporated, any default in the terms and conditions of the Declaration, Bylaws and rules and regulations may be considered as a default by the mortgagee, whereupon said mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Cottage Owner.

27. **Trustee as Cottage Owner.** In the event title to any Cottage is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Cottage remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Cottage Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants, and undertakings chargeable or created under this Declaration against such Cottage. No claim shall be made against any such title holder trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Cottage and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Cottage.

28. **Condemnation.** In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, the award made for such taking shall be payable to the Board for and on behalf of the Association and all mortgagees affected. If a majority of the Board in their discretion, with written consent of a majority of the mortgagees affected, approve the repair and restoration of such Common Elements, the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board and the mortgagees do not approve the repair and commence restoration of such Common Elements within one hundred twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of such Cottages percentage of ownership in the Association to the Cottage Owners and the mortgagees as their Interests may appear.

29. **Rights Reserved.** The Cottage Owners right of enjoyment in the property commonly owned by the Association as herein created shall be subject to:

(a) The right of the Association to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations; and

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

(c) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution, dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless the Developer (its successors or assigns) and members of the Association entitled to cast seventy-five percent (75%) of the total votes of members have been recorded, agreeing to such act.

(d) The Developer's reservation of right to unilaterally amend set out in Section 5.

(e) The right of the Association to grant such easements and rights-or-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the Cottages.

(f) Should any utilities or other service to any Cottage be located upon the limited common element of any other Cottage, the Cottage Owner shall be granted access to make needed repairs or replacement. The Cottage Owner shall restore the property after said repairs.

30. Miscellaneous. There has or will be filed a Declaration of Restrictive Covenants by the Metropolitan Housing and Trust Fund Commission that restrict the sale, transfer and occupancy of the property to create and maintain Affordable Housing. During the period the Affordable Housing Restrictions are binding on property owners, such Restrictions shall take priority over any conflicting provisions of this Declaration.

DECLARANT:

Affordable Housing Resources, Inc.

By: E.D Latimer

SHARON BOSWORTH
STATE OF TENNESSEE NOTARY PUBLIC
CHEATHAM COUNTY

STATE OF TENNESSEE
COUNTY OF Davidson

Before me, the undersigned, a Notary Public, in and for the State and County aforesaid, personally appeared E.D Latimer with whom I am personally acquainted, or (proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the CEO of Affordable Housing Resources Inc, and that he/she as such of Affordable Housing Resources executed the foregoing instrument for the purposes therein contained.

Witness my hand and official seal at Smyrna, Tennessee, this 3rd day of ~~April~~ May, 2018.

Sharon Bosworth
Notary Public Sharon Bosworth

Commission expires: 04/28/2019

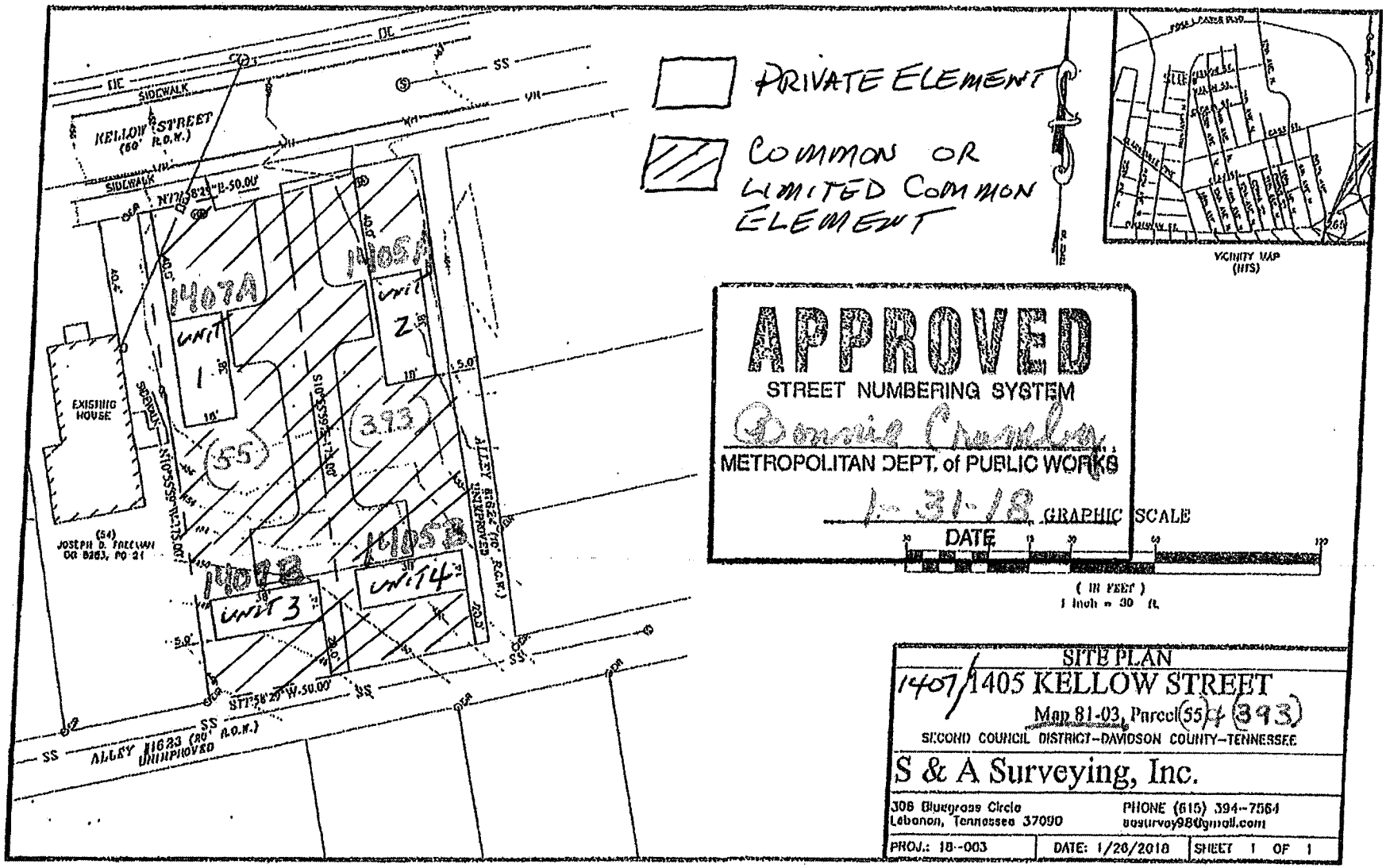
Exhibit "A"

Land in Davidson County, Tennessee, being Lots Nos. 30 and 31 on the Plan of H.N. Myers' Subdivision of record in Book 21, Page 48, Register's Office of said county, to which plan reference is hereby made for a more particular description.

Exhibit B

SITE PLAN

Cottages 1405 AND 1407 KELLOW STREET



20180509004561

Exhibit "C"

By-Laws
Of
COTTAGES 1405 AND 1407 KELLOW STREET OWNER ASSOCIATION

ARTICLE I

Definitions. The words defined in the Declaration, Covenants, Conditions and Restrictions for Cottages 1405 and 1407 Kellow Street shall have the same meaning in these Corporate By-Laws.

ARTICLE II

2.01. Registered Office. The registered office of the corporation shall be in Davidson County at 1011 Cherry Avenue Nashville, TN 37203, and the name of the registered agent of the corporation is Eddie Latimer.

2.02. Other Offices. The corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE III

3.01. Membership. Each Cottage Owner and Developer shall be a member of the corporation as defined in the Declaration and no other person or entity shall be entitled to membership. No Member shall be required to pay any consideration whatsoever solely for his membership in the corporation. Each unit owner shall be a Class A Member and be entitled to one vote per Cottage owned. The Developer shall be a Class B Member and be entitled to five (5) votes for each Cottage owned. Class B Membership shall cease and be converted to Class A membership upon the earlier of; when one hundred (100) percent of the Cottages are sold to owners or on July 1, 2019.

ARTICLE IV

4.01. Annual Meetings. The first annual meeting and subsequent meetings of the Members will be held at a date and time fixed by the Board. Annual meetings are not required.

4.02. 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 who are entitled to vote one-third (1/3) of all the votes of the membership.

4.03. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least twenty (20) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting.

4.04. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast two thirds of the votes of each class of membership shall constitute a quorum for each respective class, 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 president or his representative shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

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4.05 Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of the Holders of more than fifty (50) percent of the percentages values of those votes entitled to be cast of members qualified to vote and present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Declaration, the Charter of the corporation or these By-Laws, a different vote is required, in which case such express provision shall govern and control.

4.06. Method of Voting; Proxies. Each member shall be entitled to a vote for each Cottage owned in accordance with section 3.01. The vote of each Member may only be cast by such Member or by a Proxy given by such member to his duly authorized representative bearing a date not more than eleven (11) months prior to such meeting. If title to a Cottage shall be in the name of two or more persons as Co-Owners, all of such persons shall be Members of the corporation and are referred to herein as "Joint Co-owners". Any one of such Joint Co-Owners may vote at any meeting of Members of the corporation and such vote shall be binding upon such other Joint Co-Owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint Co-Owners (in person or by Proxy) shall be required to cast their vote as Members. If two or more of such Joint Co-Owners are present at any meeting, their unanimous action shall also be required to cast their vote as members of the corporation.

4.07. Cumulative Voting Not Permitted. Cumulative voting for Directors shall not be permitted.

ARTICLE X

5.01. Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are required by statute, the Declaration, the Charter, or these By-laws, and are not directed or required to be exercised or done by the Members.

5.02. Number; Qualifications; Election; Term. The Board of Directors shall consist of not less than two nor more than four (4) Directors. The Members of the Board of Directors shall serve until their successor shall be elected and shall qualify. The Developer shall appoint the Directors as long as it is a Class B member. At the time class B membership is to cease, the existing Directors shall resign and the developer shall appoint each cottage owner as a Director with each cottage to be equally represented. Thereafter, the members may elect Directors to serve as they shall determine with each cottage to have equal representation.

5.03. Removal; Change in Number; Vacancies. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, the cottage owner who was represented by such Director shall appoint a new Director to serve until his successor is duly elected.

5.04. Place of Meetings. The Directors of the corporation shall hold their meetings, both regular and special within Davidson County, Tennessee.

5.05. Board Meetings. The meeting of each newly elected Board shall be held without further notice immediately following the meeting of Members of the corporation, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

5.06. Regular Meetings or Special Meetings. Regular meetings or special meetings of the Board of Directors may be held upon a 10 day notice, either personally delivered or mailed to each Cottage Owner and Director, 10 days in advance of said meeting by First Class Mail.

5.07. Notice of Meetings. Notice shall state the time and place of the meeting and the business to be transacted.

5.08. Quorum. At all meetings of the Board of Directors the presence of three Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of Directors, the Directors present there at may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.09. Committees. Committees may be appointed by the Board to assist it in managing the affairs of the corporation. Notice of committee meetings shall be given in the same manner as the Board meetings.

5.10. Procedure. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when required.

5.11. Managing Agents. The Board of Directors may employ for the corporation a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to the Cottage development as the Board of Directors shall authorize, and the Board of Directors may delegate to such management agent such duties with respect to management, repair and maintenance of the Cottage development which are not by statute, the Declaration, the Charter or these Corporate By-Laws, required to be performed by or have the approval of the Board of Directors or the Members of the corporation.

ARTICLE VI

6.01. Method. Whenever notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, postage prepaid, addressed to such Director or Member at such address as appears on the records of the corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when same is deposited in First Class, United States mail. Any Director or member may elect to receive notices by e-mail by filing such election with the Secretary. An acknowledgement of such notices by the Director or Member shall satisfy any notice requirement.

6.02. Waiver. Whenever any notice is required to be given to any Member or Director of the corporation a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time is such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE VII

7.01. Number; Titles. The Officers of the corporation shall be elected by the Directors from among the Members of the Board of Directors or corporation and shall be a president, a secretary and a treasurer. Any two (2) or more offices may be held by the same person except the offices of president and secretary shall not be held by the same person.

7.02. Election. The Board of Directors shall choose a president, a secretary, and a treasurer, all of whom shall be members of the Board or corporation.

7.03. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

7.04. Salaries. The salaries of all officers of the corporation, if any, shall be fixed by the Board of Directors.

7.05. Term of Office; Removal. Each officer of the corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of

the whole Board of Directors. If any office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

7.06. President. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

7.07. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be.

7.08. Treasurer. The Treasurer shall have the custody of the corporation funds and securities, shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers of such disbursements, shall render to the President and Directors, at regular meeting of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his, death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE XIII

8.01. Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of Cottages 1405 and 1407 Kellow Street or for such other purposes as the Directors shall think beneficial to the corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

8.02. Checks. All checks or demands for money and Notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from to time designate.

8.03. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

8.04. Seal. The corporation seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used causing it or a facsimile thereof to be imposed or affixed or reproduced or otherwise.

8.05. Indemnification. The corporation shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the corporation, against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer, or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Directors, officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was

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to the interests of the corporation that such settlement be made and that such Director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any rights to which such Director, officer, or employee may be entitled by law or under By-Law, Agreement, Vote of Members or otherwise.

8.06. Inconsistencies. In the event these By-Laws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.07. Amendment of By-Laws. These By-Laws may not be altered, amended or repealed except by the affirmative vote of more than two-thirds (2/3) of the percentage values of those votes entitled to be cast by members qualified to vote. Any such amendment shall not be operative until it is recorded with the Register of Deeds of Davidson County, Tennessee.

8.08. Table of Contents; Headings. The table of contents and headings used in these By-Laws has been inserted for administrative conveniences only and do not constitute matters to be construed in interpretation.

Executed and adopted ~~April~~ May 3rd, 2018 by the Incorporator of the Cottages 1405 and 1407 Kellow Street Owner Association.

A.H.R.

EXHIBIT "D"

ATTORNEY'S CERTIFICATE

This certificate is intended to serve as the attorney's opinion required under the terms of The Horizontal Property Act. The undersigned, Gary B. Fisher, is an attorney licensed to practice law in the State of Tennessee, and hereby states that the Contractor, Affordable Housing Resources Inc., have indicated that all improvements to be located on the property will be built in substantial compliance with local building codes, and further states all legal documents required by the Horizontal Property Act for the creation of a Planned Unit Development have been executed and filed herewith and a Planned Unit Development has been created pursuant to the act.

Witness my hand this 9th day of ~~February~~ May, 2018.

Gary B. Fisher

Gary B. Fisher

True Copy Certification

I, Kelsie Holloway, do hereby make oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

Kelsie Holloway
Signature

State of Tennessee

County of Rutherford

Personally appeared before me, Hannah Kepley, a notary public for this county and state, Kelsie Holloway who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.

Hannah Kepley
Notary's Signature

My Commission Expires: 8.22.21
Notary' Seal (if on paper)

