Tom Cate took org.

DECLARATION

OF

COVENANTS & RESTRICTIONS

FOR

PARKSTONE VILLAGE PHASE I & II

THIS INSTRUMENT PREPARED BY:

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DECLARATION OF COVENANTS AND RESTRICTIONS

Effective as of this day of June, 2022, THOMAS C. CATE, a resident of the state of Tennessee (herein "Community Developer"), as owner of certain real property located in Cleveland, Tennessee, as more particularly described in Exhibit A attached hereto (herein "Property"), desires to create thereon a unique community known as "Parkstone Village I & II" (herein "Community"). Community Developer desires to provide for the preservation of the land values and home values when and as the Property is improved and desires to subject the Community to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Community and each and every owner of any and all parts thereof; and

Community Developer has deemed it desirable, for the efficient preservation of the values and amenities in the Community, to create an entity to which should be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereinafter defined) and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created. Community Developer intends to develop the Community in phases, with Phase I and Phase II consisting of residential lots.

Community Developer has caused or will cause to be incorporated under the laws of the State of Tennessee, PARKSTONE VILLAGE I & II HOMEOWNERS' ASSOCIATION, INC., a Tennessee not-for-profit corporation, for the purpose of exercising the above functions and those which are more fully set out hereafter.

Community Developer hereby subjects the Property, and such additions thereto as may hereafter be made, to the terms of this Declaration and declares that the same is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof.

ARTICLE I DEFINITIONS

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

- 1.01 <u>Architectural Review Committee</u>. "Architectural Review Committee" shall mean and refer to that Committee formed and operated in the manner described in Section 4.01 hereof.
- 1.02 <u>Association</u>. "Association" shall mean Parkstone Village I & II Homeowners' Association, Inc., a Tennessee non-profit corporation.

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- 1.03 <u>Board of Directors or Board</u>. "Board of Directors" or "Board" shall mean the governing body of the Association established and elected pursuant to this Declaration.
- 1.04 <u>Bylaws</u>. "Bylaws" shall mean the Bylaws of the Association, the initial text of which is set forth in <u>Exhibit B</u> attached hereto and made a part hereof.
- 1.05 <u>Common Expense</u>. "Common Expense" shall mean and include (a) expenses of administration, maintenance (including the mowing of grass by the Association and installation, maintenance and repair of street lighting), repair or replacement of the Common Properties; (b) expenses agreed upon as Common Expenses by the Association; (c) expenses declared Common Expenses by the provisions of this Declaration; and (d) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration.
- Common Properties. "Common Properties" shall mean and refer to those tracts 1.06 of land and any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated as a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying Homes or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such lease. The Common Properties may include but not be limited to streets, street lights, medians in roadways, entrance area with improvements, entrance and street signs, walking trails, ponds, pavilions, maintenance easement areas, and landscaping easement areas. The Community Developer reserves the right to make a determination that some or all of the Common Properties may not be built. If and when the Common Properties are constructed and built, the maintenance and repair shall become the responsibility of the Association.
- 1.07 <u>Community Developer</u>. "Community Developer" shall mean THOMAS C. CATE, a resident of the state of Tennessee, and his successors and assigns.
- 1.08 <u>Covenants</u>. "Covenants" shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.
- 1.09 <u>Declaration</u>. "Declaration" shall mean this Declaration of Covenants and Restrictions for Parkstone Village I & II and any supplemental declaration filed pursuant to the terms hereof.
- 1.10 <u>First Mortgage</u>. "First Mortgage" shall mean a recorded Mortgage with priority over other Mortgages.
- 1.11 First Mortgagee "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.
- 1.12 <u>Home</u>. "Home" shall mean any building situated upon the Properties designated and intended for use and occupancy by a single family.

- 1.13 <u>Lot or Lots</u>. "Lot" or "Lots" shall mean and refer to any improved or unimproved parcel of land located within the Property which is intended for use as a site for a single-family detached Home, as allowed herein, as shown upon any recorded final subdivision plat of any part of the Property, with the exception of the Common Properties.
- 1.14 <u>Manager</u>. "Manager" shall mean a person or firm appointed or employed by the Board to manage the daily affairs of the Association in accordance with instructions and directions of the Board.
- 1.15 <u>Member or Members</u>. "Member" or "Members" shall mean any or all Owner or Owners.
 - 1.16 Mortgage. "Mortgage" shall mean a Tennessee Deed of Trust.
- 1.17 <u>Mortgagee</u>. "Mortgagee" shall mean a beneficiary, creditor, or holder of a Deed to Secure Debt.
- 1.18 Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Recorder, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot, situated upon the Property, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee or holder of a security deed, its successors or assigns, unless and until such Mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the office of the Recorder, a long-term contract of sale covering any Lot within the Property, the Owner of such Lot shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property. The Community Developer may be an Owner.
- 1.19 Property. The "Property" shall mean and refer to the real property described in Section 2.01 hereof, and additions thereto, which is subjected to this Declaration or any supplemental declaration under the provisions hereof. The Property is divided into "Phase I" and "Phase II" all as shown on plats recorded or to be recorded in the Recorder's Office. Phase I and Phase II are particularly described on Exhibit A attached hereto and incorporated herein. Community Developer reserves unto itself, its successors and assigns the right to record an amendment or amendments identifying the specific locations of the other named portions of Phase I.
- 1.20 <u>Record or To Record.</u> "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.
- 1.21 <u>Recorder.</u> "Recorder" shall mean and refer to the Office of the Register of Deeds of Bradley County, Tennessee.

ARTICLE II PROPERTIES, COMMON PROPERTIES AND IMPROVEMENTS THEREON

- 2.01 <u>Property.</u> The covenants and restrictions set forth in this Declaration, as amended from time to time, are hereby imposed upon the real property located in Cleveland, Bradley County, Tennessee and more particularly described on <u>Exhibit A</u> attached hereto and additions or amendments thereto, which shall hereafter be held, transferred, sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to the Declaration. Additionally, any easements on any real property retained by or granted to the Community Developer or the Association for the purpose of erection and maintenance of streets, entrance signs or street lights, or landscaping and maintenance thereof, shall also be considered Property and subject to this Declaration. Every person who is or shall be a record Owner shall be deemed by the taking of such record title to agree to all the terms and provisions of this Declaration.
- 2.02 <u>Association</u>. The Community Developer has caused the Association to be formed and incorporated under the laws of Tennessee for the purpose of carrying on one or more of the functions of a homeowners' association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in this Declaration. Every person who is an Owner is and shall be a Member of the Association as more particularly set forth in the Bylaws of the Association.
- 2.03 Additions to Property. Additional lands may become subject to, but not limited to, this Declaration in the following manner:
- (a) Additions. The Community Developer, and its successors, and assigns, shall have the right, without further consent of the Association, to bring within the plan and operation of this Declaration additional properties in future stages of the Community beyond those described in Exhibit A. The additions authorized under this Section shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the Covenants of this Declaration to such additional property after which it shall fall within the definition of Property as herein set forth.

The Supplementary Declaration may increase or decrease the minimum square foot requirements for a Home and contain such other complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Community Developer, to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration, but such modifications shall have no effect on the Property as described in Section 2.01 above.

(b) <u>Separate Associations</u>. For any additional property subjected to this Declaration pursuant to the provisions of this Section, there may be established by the Community Developer an additional association limited to the Owners of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort, and convenience, to elect representatives on the Board of the Association, to receive from the Association a portion, as determined

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by the Board of Directors of the Association, of the annual assessments levied pursuant hereto and use such funds for its general purposes, and to make and enforce rules and regulations of supplementary covenants and restrictions, if any, applicable to such additional lands. The Association may collect Assessments from any such additional association.

- 2.04 Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration.
- Common Properties and Improvements Thereon. The Community Developer will install initially the streets and one or more entrance signs to the Community. The streets and signs shall become part of the Common Properties when the Community Developer conveys them to the Association, at which time the Association shall become responsible for the operation, maintenance, repair and replacement of the streets and signs. Alternatively, the Community Developer may transfer and convey the streets to the City of Cleveland, Tennessee and dedicate them as public streets. The Community Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have reserved an easement. These areas shall become Common Properties when conveyed to the Association and the Association shall then become responsible for maintenance of the landscaped areas. Additionally, the Community Developer may install walking trails, pavilions, one or more ponds, street lights and/or street signs and other improvements which likewise will become Common Properties when conveyed to the Association. The Community Developer and the Association may add additional Common Properties from time to time as they see fit. The Common Properties shall remain permanently as streets and open space except as improved, and there shall be no subdivision of same, except as otherwise provided herein. No building, structure or facility shall be constructed in or on the Common Properties unless it is purely incidental to one or more of the uses above specified. Community Developer may reserve to itself or its designees the exclusive use of any areas as storage areas or construction yards as may be reasonably required, convenient or incidental to the sale of Lots and/or the construction improvements on the Common Properties. All Common Properties must be maintained, repaired and replaced by the Association so as to be kept in at least the same condition and of at least the same quality as initially constructed, it being the intent for the Common Properties not to deteriorate in quality or condition. The Community Properties are for the use and benefit of Owners, but not tenants or employees of professional or commercial properties located in the Community.

ARTICLE III COVENANTS, USES AND RESTRICTIONS

3.01 Application. It is expressly stipulated that the Covenants set forth in this Article III apply solely to "Phase I" and "Phase II" of the Property as described in Exhibit A (the "Residential Property"), which Residential Property is intended for use as single-family residential Lots only. These Covenants are not intended to apply to any other lots, tracts or parcels of land in the area or vicinity, owned by the Community Developer. Specifically, the Community Developer, its successors or assigns, reserve the right to use or convey such other lots, tracts and parcels with different restrictions.

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3.02 Residential Use.

- (a) All of the Lots in the Residential Property shall be known and described as, residential lots, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in these Covenants and in supplements hereto, or except as provided for in a deed of conveyance from the Community Developer.
- (b) "Residential," refers to a mode of occupancy, as used in contradistinction to "business", "commercial" or "mercantile" activity and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to Homes constructed thereon.
- (c) No Lot may be used as a means of service to business establishments or adjacent property, including but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether a part of the Property, unless specifically shown on a plat or consented to by Community Developer or the Board in writing.
- 3.03 <u>Prohibited Uses.</u> No Owner may use a Lot or any portion of the Community for any industrial use or any business or service that offers: sexually-oriented materials, products, or programs; or gaming or gambling operations.
- 3.04 No Multi-Family Residences, Business, Trucks. No Home shall be designed, patterned, constructed or maintained to serve, or for the use of more than one single family, and no Home shall be used as a multiple family Home at any time, nor used in whole or in part for any business service or activity, or for any commercial purpose; nor shall any Lot be used for business purposes, or for trucks or other equipment inconsistent with ordinary residential uses. No panel, commercial or tractor trucks shall be habitually parked in driveways or overnight on streets in front of any of the Lots.
- 3.05 Minimum Square Footage. No single-family detached Home, as allowed hereunder, shall be erected or permitted to remain on the Residential Property unless it has the number of square feet of enclosed living area measured from the exterior walls, exclusive of open porches or screened porches, carports, garages or basements, set forth in this Section. For the purposes of this Section, stated square footage shall mean the minimum floor area required, and floor area shall mean the finished and heated living area contained within the residence, exclusive of open porches, garages, and steps. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Community Developer or the Architectural Review Committee shall be final. Any second floor construction must be approved by the Architectural Review Committee and may not block the view of any other Home. The minimum number of square feet required may vary from phase to phase. The minimum number of square feet required is as follows:
- A. For Homes constructed on Lots in Phase I and Phase II, single-story Homes shall contain a minimum of six hundred fifty (650) square feet, and two-story Homes shall contain a minimum of eight hundred fifty (850) square feet.

- 3.06 Rearrangement of Lot Lines. Not more than one Home shall be erected or maintained on any one Lot. Contiguous Lots may be combined for the purpose of erecting an approved Home thereon. Lots may not be resubdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.
- 3.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Home, conforming fully to the provisions of these Covenants, shall have been erected thereon. The intent of this Section is to prevent the use thereon of a garage, incomplete structure, trailer, barn, tent, outbuilding or other structure as temporary living quarters before or pending the erection of a Home. No structure of temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction. No Home may be moved from another location to any Lot in the Community.

Neither the foregoing nor any other section of this Declaration shall prevent Community Developer or any builder approved by the Community Developer from constructing a Home for use as a model Home that may contain office-type furniture and be used for conducting the business of either selling that Home or other Homes within the Community, nor shall the foregoing or any other section of this Declaration prevent Community Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or other suitable structure for use as an office and/or sales center by the Community Developer and/or approved builders at the sole discretion of Community Developer.

- 3.08 Rainwater Drainage. All side and rear property lines are dedicated drainage easements and may be used for drainage. Each Lot must be graded so as not to obstruct these easements. All drainage should be directed to these easements, and these easements must be graded so water flows to the street or to an adjoining drainage easement.
- 3.09 <u>Utility Easement</u>. A perpetual easement is reserved on each Lot, as shown on the recorded plat, for the construction and maintenance of utilities such as electricity, gas, water, sewerage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.
- 3.10 <u>Frontal Appearance</u>. All Homes shall have conventional and acceptable frontal appearance from the main street fronting said Lots.
- 3.11 <u>Building Requirements.</u> Any other materials must be approved in writing by the Community Developer or the Architectural Review Committee. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or stucco to complement the Home. All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to match the roof. Gutters and downspouts must be painted in approved colors. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Community Developer or the Architectural Review Committee may make exceptions as to the placement of such roof stacks and plumbing vents. When a Home will have a rear exterior that faces Common Property, another Lot, or street, then the finish of the rear exterior must be the same as the front and side exteriors thereof, and rear exterior must be designed to look like the front of the Home.
- 3.12 <u>Fences</u>. No fences shall exceed eight (8) feet in height and will be allowed on any Lot without the prior written consent of the Community Developer or the Architectural Review

Committee. Wire or chain link fences are prohibited. All proposed fences must be submitted to the Community Developer or the Architectural Review Committee showing materials, design, height and location.

- 3.13 <u>Driveways</u>. Each Home constructed upon a Residential Property Lot must be served by a driveway constructed of concrete, or another finish that has been submitted to and approved by Community Developer. Details for driveway plans must be submitted with the Home plan. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all Owners of Lots to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefor as set forth on the recorded subdivision plat, in order that the roads or streets, which may be affected by such placement or construction, may not be disqualified for acceptance into the road system of the City of Cleveland, Tennessee or Bradley County, Tennessee, as applicable.
- 3.14 <u>Curbs</u>. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.
- 3.15 <u>Signs</u>. One sign offering the Lot and/or Home for sale and one sign reflecting the name of the builder may be placed upon a Lot. Such sign must be in form approved by the Community Developer or Architecture Review Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Community Developer or the Architectural Review Committee.
- 3.16 Service Area. Each Home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from view by an enclosure that is an integral part of the site development plan, using materials, colors or landscaping that are harmonious with the home it serves.
- 3.17 Garages. Each Home may have one attached single car garage constructed at the same time as the Home. Detached garages will be allowed only with written approval from the Community Developer or the Architectural Review Committee, provided however that otherwise detached garages connected to the Home by a covered breezeway of the same materials as the Home shall be considered "connected" for purposes of this Section. Notwithstanding the above, upon Community Developer's prior written approval, Homes constructed on Lots in Phase I and Phase II may be excluded from the requirement to have a garage. Carports will be permitted. The inside walls of garages must be finished. Garage doors may not be allowed to stand open.

- 6.02 <u>Subordination of Lien to First Mortgages</u>. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot if, and only if, all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgagee (i.e., one who records a Mortgage on a Lot for which all assessments have been paid prior to recording) shall acquire title to any Lot by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to date of acquisition of such title. In the event of the acquisition of title to a Lot by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessments, whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.
- 6.03 <u>Examination of Books</u>. Each Owner and each Mortgagee of a Lot shall be permitted to examine the books and records of the Board and Association during regular business hours.

ARTICLE VII OWNER COMPLAINTS

- 7.01 Scope. The procedures set forth in this Article for Owner complaints shall apply to all complaints regarding the use or enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Association, including, without limitation, decisions of the Association or of the Board.
- 7.02 <u>Grievance Committee</u>. There shall be established by the Board a Grievance Committee to receive and consider all Owner complaints. The Grievance Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board, or the Manager may be appointed by the Board to function as the Grievance Committee.
- 7.03 Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the President of the Association and sent in the manner provided herein for sending notices.
- 7.04 <u>Consideration by the Grievance Committee</u>. Within twenty (20) days of receipt of a complaint, the Grievance Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefor. Within ten (10) days after notice of the decision, the complainant may proceed under Section 7.05; but if complainant does not, the decision shall be final and binding upon the complainant.
- 7.05 Hearing Before the Grievance Committee. Within ten (10) days after notice of the decision of the Grievance Committee, the complainant may, in a writing addressed to the President of the Association, request a hearing before the Grievance Committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his expense, and the Grievance Committee, at the expense of the Association, shall be entitled to legal representation at such hearing. The hearing shall be conducted before at least two members of the Grievance Committee and may be

adjourned from time to time as the Grievance Committee in its discretion deems necessary or advisable. The Grievance Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefor within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Section 7.07, the decision shall be final and binding upon the complainant.

- 7.06 Questions of Law. Legal counsel for the Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.
- 7.07 Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Grievance Committee or the complainant may, at their option, within ten (10) days after notice of the decision as provided for in Section 7.05, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator shall be final and binding upon the complainant and the Grievance Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.
- 7.08 Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy, and no Owner shall bring suit against the Grievance Committee, the Association, the Board or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.
- 7.09 Expenses. All expenses incurred by complainant, including, without limitation, attorneys' fees and arbitration expenses and the like, shall be the sole responsibility of complainant. All expenses of the Grievance Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE VIII REMEDIES ON DEFAULT

- 8.01 Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.
- 8.02 Grounds for and Form of Relief. Failure to comply with any of the Covenants of this Declaration, the Bylaws, or the Rules and Regulations promulgated by the Board which may be adopted pursuant thereto shall constitute a default and shall entitle the Community Developer or the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Community Developer or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by an aggrieved Owner. In addition, at the option of the Community Developer or the Association, a defaulting Owner may be denied access to and use of Common Properties.

- 8.03 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Community Developer or the Association, if successful, shall, in addition to the relief provided for in Section 8.02, be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court, but in no event shall the Owner be entitled to such attorneys' fees.
- 8.04 <u>Waiver</u>. The failure of the Community Developer, the Association or an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce such Covenant(s) in the future.
- 8.05 <u>Election of Remedies</u>. All rights, remedies and privileges granted to the Community Developer, the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE IX EMINENT DOMAIN

- 9.01 <u>Board's Authority</u>. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by Eminent Domain, the Board or the Community Developer is authorized and directed to proceed as follows:
- (a) To obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Board in its discretion deems necessary or advisable, to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.
- (b) To negotiate with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary or advisable in connection with the same.
- (c) To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in boards of directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.
- 9.02 Notice to Owners and Mortgagees. Each Owner and each First Mortgagee on the records of the Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by the Community Developer or the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity

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to be heard with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

9.03 Reimbursement of Expenses. The Community Developer and/or Board shall be reimbursed for all attorneys', engineers', architects' and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

ARTICLE X GENERAL PROVISIONS

- 10.01 <u>Duration</u>. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Board, the Association, the Community Developer or Owner, their respective legal representatives, heirs, successors and assigns, for a period of twenty (20) years, unless amended or terminated as provided herein. This Declaration shall automatically renew for successive twenty (20) year periods unless amended as set forth herein.
- 10.02 <u>Amendments</u>. This Declaration may be amended, modified or revoked in any respect from time to time by the Community Developer prior to the date that the governing authority for the Community is transferred from the Community Developer to the Board in accordance with the Bylaws. Thereafter, this Declaration may be amended in accordance with the following procedure:
- (a) An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided, however, that, if considered at an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in the Bylaws, and, if considered at a special meeting, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment that would adversely affect Mortgagees' rights shall also be sent to each Mortgagee listed upon the register of the Association.
- (b) At any such meeting of the members of the Association, the amendment must be approved by an affirmative seventy-five percent (75%) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, the Community Developer shall have the number of votes as provided in the Bylaws. Any amendment which adversely affects the rights of the Mortgagees must be approved by an affirmative seventy-five percent (75%) vote of the Mortgagees of which the Association has been properly notified (based upon one vote for each Lot on which a First Mortgage is held) and who vote within the period of time set by the Board to vote, which shall be at least ten (10) days and no longer than sixty (60) days.
- (c) An amendment adopted under Paragraph (b) of this Section shall become effective upon its recording with the Recorder, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this Section; provided, that in the event of the disability or other incapacity of either, the Vice President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any

person who relies thereon in good faith, including, without limitation, any Mortgagee, prospective purchaser, tenant, lienor or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

The certificate referred to in Paragraph (c) of this Section shall be in substantially the following form:

CERTIFICATE

I, do hereby certify that I am the Secretary of Parkstone Village I & II Homeowners' Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions of Parkstone Village I & II Homeowners' Association, Inc. was duly adopted by the Owners of said Association and the Mortgagees, if applicable, in accordance with the provisions of Section 10.02 of said Declaration.

> Witness my hand this & day of June, 2022 Secretary Cat

Parkstone Village I & II Homeowners' Association, Inc.

- 10.03 Amendments Requiring Approval of Community Developer. Amendments to this Declaration concerning the following shall not be made without the written consent of Community Developer, for as long as Community Developer owns a Lot in the Community:
 - (a) Any amendment to Section 3.02, Residential Use.
 - (b) Any amendment to Section 3.03, Prohibited Uses.
 - (c) Any amendments which affect Community Developer's rights under this

Declaration.

- (d) Any amendments to the Bylaws.
- (e) Any amendments to this Declaration prior to the governing authority for the Community being transferred from the Community Developer to the Board.
- 10.04 Dedication of Streets. After the Common Property has been transferred and conveyed to the Association any portion of the Common Properties, including but not limited to, the streets, may be transferred and conveyed to Bradley County, Tennessee or the City of Cleveland, Tennessee, and dedicated for public purposes upon approval of such action by the Members of the Association in the same manner as this Declaration may be amended by the Members.

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

P.O. Box 548 Cleveland, Tennessee 37364

With a copy to:

Miller & Martin PLLC 832 Georgia Avenue, Suite 1200 Chattanooga, Tennessee 37402 Attention: Evan A. Allison, Esq.

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

- 10.06 <u>Severability</u>. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.
- 10.07 <u>Captions</u>. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.
- 10.08 <u>Use of Terms</u>. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.
- 10.09 <u>Interpretation</u>. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

- 10.10 <u>Law Governing</u>. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.
- 10.11 No Precedent. No precedent for granting waivers or exceptions to this Declaration shall be established if certain waivers or exceptions are granted to certain sections or portions of the Community, but not to others. A variance obtained by an Owner in one section of the Community shall not guaranty the same variance in another section of the Community.
- 10.12 <u>Effective Date</u>. This Declaration shall become effective upon it being recorded in the Recorder's Office.

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

THOMAS C. CATE

STATE OF TENNESSEE

COUNTY OF BRADLEY

Before me, Show I is warf of the state and county mentioned, personally appeared THOMAS C. CATE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, executed the foregoing instrument for the purpose therein contained.

WITNESS my hand, at office, this 2

 $\langle \mathcal{X} \rangle$

Notary Public

My Commission Expires:

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EXHIBIT A

Property Subject to the Declaration

All of that tract or parcel of land lying and being in the City of Cleveland, Bradley County, Tennessee, and being shown as Lot Three (3) on the Final Plat of Westside Landing—Phase 1 on plat of record in Plat Book 39, Page 47, in the Register's Office of Bradley County, Tennessee.

Phase I:

All of that tract or parcel of land lying and being in the City of Cleveland, Bradley County, Tennessee, and being shown as Lots 16, 38, 39, 40, 63, and 64 on the Final Plat Phase One Parkstone Village recorded in Plat Book 39, Page 89, in the Register's Office of Bradley County, Tennessee.

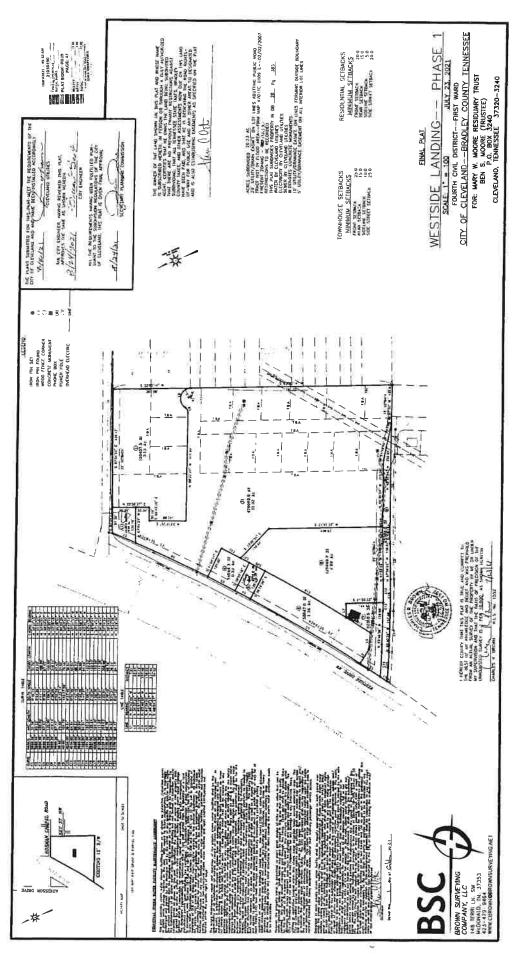
As well as all land labeled on the aforesaid plat as easements, streets, rights-of-way, and common areas.

Phase II:

All of that tract or parcel of land lying and being in the City of Cleveland, Bradley County, Tennessee, and being shown as Lots 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 26A, 27, 28, 28A, 29, 30, 31, 32, 33, 34, 35, 36, 37, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, and 65 on the Final Plat Phase Two Parkstone Village recorded in Plat Book 39, Page 118, in the Register's Office of Bradley County, Tennessee.

As well as all land labeled on the aforesaid plat as easements, easements, streets, rights-of-way, and common areas.

Exhibit A



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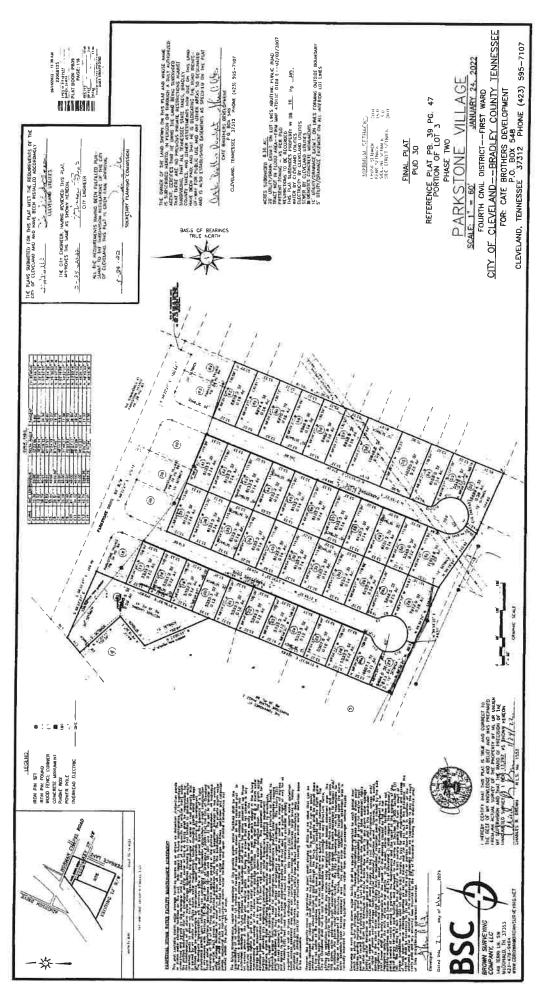


EXHIBIT B

BYLAWS FOR PARKSTONE VILLAGE I & II HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I NAME

The following provisions shall constitute the Bylaws of Parkstone Village I & II Homeowners' Association, Inc. (the "Bylaws"), a Tennessee not-for-profit corporation (the "Association") which shall, along with the provisions of the Charter of the Association (the "Charter"), the Declaration of Covenants and Restrictions for Parkstone Village I & II, as may be amended from time to time (the "Declaration") and the rules and regulations adopted by the Board of Directors of the Association (the "Board"), govern the administration of Parkstone Village I & II, a residential development (the "Community") and the real property in the Community owned by the Association ("Common Properties"). The terms in these Bylaws (unless otherwise defined) shall have the same meaning as the terms defined in the Declaration for this Community.

ARTICLE II OFFICES

The principal office of the Association shall be located at

P.O. Box 548 Cleveland, Tennessee 37364

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

ARTICLE III PURPOSES

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

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ARTICLE IV ASSOCIATION

4.01 <u>Membership</u>. The Community Developer and every person or entity who is a record Member of a fee simple interest or an undivided fee simple interest in any Lot which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Member upon the conveyance of any Lot and recording of the deed of conveyance in the Office of the Register of Deeds of Bradley County, Tennessee. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

4.02 <u>Voting Rights</u>.

- (a) Except as hereinafter provided in Section 4.02(b), Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 4.01. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, each co-owner will be entitled to a fractional vote equal to his fraction of ownership.
- (b) The Community Developer shall be entitled to three (3) votes for each Lot owned by the Community Developer.

ARTICLE V THE BOARD OF DIRECTORS

5.01 Board of Directors. Subject to Section 5.02 of this Article hereinbelow, the administration of the Community and Common Properties on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of five (5) natural persons of legal age, each of whom, except as set forth herein, at all times during membership on the Board, shall be a Member, a member of the household of an Member, or the nominee of an entity, other than a natural person, which is a Member.

5.02 <u>Community Developer Performs Functions.</u>

- (a) The rights, duties and functions of the Board shall be solely exercised by Community Developer. The Community Developer may, in its sole discretion, designate all individuals to serve on the Board on behalf of the Community Developer during the period that the Community Developer is performing the functions of the Board. Such individuals designated by the Community Developer need not be Members, and may be removed and replaced by the Community Developer at will.
- (b) Prior to calling the meeting of the Association to determine the individuals designated as the Board, the Community Developer may execute and record in the Office of the Register of Deeds of Bradley County, Tennessee a document stating that the Community Developer Exhibit B

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reserves unto itself, its successors, or assigns, the rights given to the Board in Article IV of the Declaration (Architectural Control), and stating that said reservation, notice of which is thus provided, shall survive the election of a Board to succeed the Community Developer. Thereafter, the Community Developer may continue to exercise the rights thus reserved to it until such time as it has sold all of the Lots in the Community. No later than twelve (12) months from the date the first Lot is sold or at such earlier time as the Community Developer determines to relinquish its rights it has reserved to itself, the Community Developer shall execute and record in the Office of the Register of Deeds of Bradley County, Tennessee a document assigning those rights to the Board.

- 5.03 <u>Successor Board Members</u>. The Board shall be self-perpetuating and, in the event a member of the Board desires to resign, such member shall nominate a successor, who must be approved by the remaining Board members.
- 5.04 <u>Term.</u> Members of the Board shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly approved by the remaining members of the Board, or until their death, resignation or removal.
- 5.05 Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President or the remaining Board members. Any member of the Board may be removed from membership on the Board by the approval of sixty-seven percent (67%) of the votes of those Members of the Association who are in attendance or represented at any annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of the death of a Board member, the disability of a Board member which, in the opinion of a majority of the members of the Board, renders such Board member incapable of performing Board duties, or in the event a Board member shall cease to be an Member. Whenever there shall occur a vacancy on the Board for any reason, the remaining Board members shall elect a successor member to serve for the unexpired term.
- 5.06 <u>Compensation</u>. The members of the Board shall receive no compensation for their services unless expressly authorized for by the Members of the Association, but they shall be reimbursed for reasonable expenses incurred by them in the performance of their duties.
- 5.07 <u>Powers and Authority of the Board</u>. The Board, for the benefit of the Members of the Association, shall enforce the provisions of the Declaration, these Bylaws, and the Rules and Regulations governing the Common Properties. Subject to any provision herein, the Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:
- (a) Water, sewer, garbage collection, mowing of front yards, electrical, telephone and gas and other necessary utility services for the Property.
- (b) The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Common Properties, whether such personnel are employed directly by the Board or are furnished by the Manager. All persons employed to manage or assist in the management or maintenance of the Common Properties shall be employed at the will of the Board; provided that a manager may be employed for successive periods not exceeding a three (3) year term in each period. The Board may delegate any of its duties, powers or functions relating to the

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daily administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

- (c) The services of a person or firm to provide security for the Community to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.
- (d) Legal and accounting services necessary or advisable in the operation of the Common Properties and the enforcement of this Declaration, these Bylaws, and any Rules and Regulations made pursuant thereto.
- (e) Officers and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.
- (f) A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the Board, Association and Members as obligees, in an amount to be determined from time to time by the Board.
- (g) Painting, maintenance, repair, replacement and landscaping of the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Member, furnishings and equipment and other personal property for the Property and to provide maintenance, repair and replacement thereof.
- (h) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Common Properties or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.
 - (i) Appointing a nominating committee for new Board members.

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

- 5.08 Additional Powers of the Board. The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Property as may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Members and as such shall manage, maintain and improve the Property and also collect, conserve, allocate and expend money received from the Members in a manner consistent with such agent's relationship and in conformity with this Declaration, these Bylaws and the Rules and Regulations.
- 5.09 Meetings of the Board. Meetings of the Board shall be held at such places within or without the State of Tennessee as the Board shall determine. A majority of the members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be Exhibit B

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the act of the Board. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Board or not. The Board shall annually elect all of the officers set forth in Section 6.05 hereof. The meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be or which may be taken by the Board may be taken without a meeting of the Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

- 5.10 Failure to Insist on Strict Performance Not Waiver. The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these By-Laws, or the Rules and Regulations or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.
- 5.11 <u>Special Meetings</u>. Special meetings of the Board may be called by the President of the Association or by any two (2) Board members.
- 5.12 <u>Notice of Meetings</u>. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.
- 5.13 <u>Waiver of Notice</u>. Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.
- 5.14 <u>Notice of Election</u>. After the election of the Board to succeed the first Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that, in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.
 - 5.15 Fiscal Year. The fiscal year of the Association shall be determined by the Board.
- 5.16 Special Committees. The Board, by resolution duly adopted, may designate one or more special committees, including without limitation an Architectural Review Committee, each committee to consist of two (2) or more Members appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. The Community Developer shall perform the functions of all Special Committees until such time as provided in Section 5.02 hereof. Such Special Committee or Committees shall have such name or names as may be determined from time to

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time by the Board. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Members to fill vacancies on Special Committees.

- 5.17 <u>Rules and Regulations</u>. The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Property and setting forth restrictions on, and requirements respecting the use and maintenance of the Property. Copies of the Rules and Regulations shall be furnished to each Member prior to the time the same shall become effective.
- 5.18 <u>Limitation on Capital Additions, Etc.</u> The Board shall authorize no structural alterations, capital additions to, or capital improvements of the Property, any of which require an expenditure in excess of Five Thousand Dollars (\$5,000.00) without approval of a majority of the votes of those Members who are present or represented at any annual or special meeting of the Association duly called for such purpose; or in excess of Ten Thousand Dollars (\$10,000.00) without approval of sixty-seven percent (67%) of the votes of those Members who are present or represented at any annual or special meeting of the Association duly called for such purpose; provided, however, that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Property as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.

ARTICLE VI THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

- 6.01 Quorum. The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Members, in response to notice to all Members properly given in accordance with Sections 6.02 or 6.03 of these Bylaws, as the case may be, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of Members entitled to cast a majority of the votes which are represented at such meeting.
- Annual Meeting. There shall be an annual meeting of the Association on the first Monday of February at 6:00 P.M. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Members not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the Board shall furnish to the Members: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Member; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Member. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Members who were not present at the annual meeting if not previously provided.
- 6.03 Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Members, or for any other reasonable purpose. Special meetings may be called by a majority of the Board, or by at least ten percent (10%) of the Members by written notice, delivered to all Members Exhibit B

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not less than thirty (30) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.

- 6.04 <u>Parliamentary Rules</u>. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.
- 6.05 Officers. The officers of the Association shall be the President, Secretary and Treasurer (who shall also act as the Vice-President). The Community Developer may, in its sole discretion, designate individuals to fill these positions during the period that the Community Developer is performing the functions of the Board pursuant to Section 5.02 hereof. Such officers designated by the Community Developer need not be Members, and may be removed and replaced by the Community Developer at will. The Community Developer shall determine the scope of the authority of each such designated officer.

Once the Community Developer has turned over authority to a successor Board pursuant to Section 5.03 hereof, the following provisions shall become applicable: Each officer shall be required to be a Member, and the President must be a member of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed and replaced by the Board. In the event an office becomes vacant due to an officer ceasing to be a Member, or due to the death or disability of an officer, or for any other reason, the Board shall immediately name a successor to that office to serve out the remainder of the term. The Board may, in its discretion, require that officers be subject to fidelity bond coverage.

- (a) <u>President</u>. The President shall be the chief operating officer of the Association and in the absence of the Chairman of the Board, he shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees. He shall have the authority and power to execute on behalf of the Association contracts, notes, bonds, mortgages, deeds of trust, security deeds, leases, waivers of liens and other documents and instruments arising in the ordinary course of business.
- (b) <u>Secretary</u>. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.
- (c) <u>Treasurer</u>. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board. The Treasurer shall also act as the Vice-President who, in the absence or inability of the President, shall perform the functions of the President.

ARTICLE VII LIABILITY AND INDEMNIFICATION

7.01 Liability of Members of the Board and Officers. The members of the Board, the officers and any agents and employees of the Association shall: (i) not be liable to the Members or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (ii)

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have no personal liability to an Member or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Members in their capacity as such; (iii) have no personal liability in tort to an Member or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (iv) have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.

- 7.02 <u>Indemnification by Association</u>. To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation counsel fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Members or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association of the Board, or otherwise. The indemnification by the Association set forth in this Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.
- 7.03 Costs of Suit in Actions Brought by One or More Members on Behalf of All Members. No suit shall be brought by one or more but less than all Members on behalf of all Members without approval of a majority of Members and, if approval is obtained, the plaintiffs' expenses, including reasonable counsel's fees and court costs, shall be a Common Expense unless such suit is brought by one or more Members against other Members, the Association or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Members as defendants, in which event the plaintiffs' expenses, including counsel's fees and court costs, shall not be charged as a Common Expense.
- 7.04 Notice of Suit and Opportunity to Defend. Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Common Properties as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any Mortgagees, and shall be defended by the Board, and the Association and all Members shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all Members shall be directed to such Members, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots affected, and shall be defended by such Members at their expense.

ARTICLE VIII GENERAL PROVISIONS

- 8.01 <u>Businesses</u>. Nothing contained in these Bylaws shall be construed to give the Board the authority to conduct any business for profit on behalf of the Association or any Member.
- 8.02 <u>Amendment</u>. These Bylaws may be amended, modified, or revoked in any respect from time to time by Community Developer, prior to the election of the first Board to succeed the Exhibit B

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Community Developer, and thereafter by not less than sixty-seven percent (67%) of the votes of those Members of the Association who are present or represented at a meeting duly called for that purpose, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. At any such meeting the Community Developer shall have the number of votes as provided in Section 4.02 hereof. Notwithstanding the foregoing, any amendment shall not be required to be recorded with the Recorder's office but must be kept on file with Community Developer or the Secretary and available to all Members upon written request.

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

P.O. Box 548 Cleveland, Tennessee 37364

- 8.04 <u>Conflict</u>. In the event of any conflict between these Bylaws and the provisions of the Charter, the Charter shall control and govern. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.
- 8.05 <u>Nonwaiver of Covenants</u>. No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 8.06 <u>Agreements Binding</u>. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Members, their heirs, successors and assigns.
- 8.07 <u>Severability</u>. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.
- 8.08 <u>Books and Records</u>. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Charter and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

Exhibit B

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ADOPTION OF BYLAWS

The undersigned as the Community Developer of the Common Properties hereby adopts the foregoing Bylaws of the Association, this 2 day of 4 day of 2022.

PARKSTONE VILLAGE I & II HOMEOWNERS' ASSOCIATION, INC.

Title:

BK/PG: 2915/239-280 22008852

42 PGS:AL-RESTRICTIONS	
MORTGAGE VALUE:	0.00
TRANSFER VALUE:	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	210.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	212.00

STATE OF TENNESSEE, BRADLEY COUNTY
DINA SWAFFORD
REGISTER OF DEEDS

Exhibit B

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