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DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS & RESTRICTIONS

CARTER'S RETREAT

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS & RESTRICTIONS (the "Declaration") is executed this 28 day of March, 2022, by LGI Homes- Tennessee, LLC, a Tennessee limited liability company (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property in Rutherford County, Tennessee known as Carter's Retreat Subdivision, as more particularly shown upon the Plat for Carter's Retreat, of record in Plat Book 47, page *, Register's Office for Rutherford County, Tennessee (said real property being referred to herein as the "Development"); and * 245-250

WHEREAS, Declarant desires to provide for the protection and preservation of the values, amenities, desirability and attractiveness of the Development; and,

WHEREAS, Declarant desires to establish and provide a system of administration, operation and maintenance of the Common Areas of the Development; and,

WHEREAS, Declarant further desires to establish for Declarant's benefit and for the mutual benefit, interest and advantage of each and every person or other entity hereafter acquiring any portion of the Development, certain rights, easements, privileges, obligations, restrictions, covenants, liens, assessments, and regulations governing the use and occupancy of the Development and the maintenance, protection and administration of the common use facilities thereof, all of which are declared to be in furtherance of a plan to promote and protect the operative aspects of residency or occupancy in the Development and on all portions thereof, and are intended to be covenants running with the land which shall be binding on all parties having or acquiring in the future any right, title or interest in and to all or any portion of the development, and which shall inure to

the benefit of each present and future owner thereof.

NOW, THEREFORE, Declarant, as legal title holder of the Development, and for the purposes set forth above, declares as follows:

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any supplemental declaration hereto (unless the context shall prohibit) shall have the following meanings:

1. "Annual Assessments" shall mean and refer to the assessment described in Article V.
2. "Association" shall mean and refer to Carter's Retreat Homeowners' Association, Inc., a not-for-profit corporation to be organized and existing under the laws of the State of Tennessee, its successors and assigns.
3. "Board" shall mean and refer to the Board of Directors of the Association.
4. "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as Exhibit "B" and made a part hereof as the same may be amended from time to time.
5. "Committee" shall mean the Architectural Review Committee established pursuant to Article V hereof.
6. "Common Areas" shall mean and refer to all facilities within the Development used in common by the Owners, including without limitation, all areas labeled as "Common Area" on the plat(s), footpaths, bicycle paths, jogging trails, recreational facilities, gates, boundary walls and fences, median areas, green-space areas, entranceway, entranceway landscaping, entranceway signage, all common area landscaping, parking area for mail kiosks, playground, pavilion, nature trail, paved trail, detention ponds, 30 foot landscape buffer yard along Bradyville Pike which includes a barn and streetscaping, mailbox and kiosk, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The Common Areas may be owned by the Association in fee or for a term of years, but for the non-exclusive use, benefit and enjoyment of the owners subject to the provisions of this Declaration, and will be shown as Common Areas on the Plats of the Development placed of record now or in the future.

7. "Common Elements" shall mean any improvements for the common use and enjoyment of the owners whether on common areas or elsewhere, including, but not limited to, entranceway monuments, signage, mail kiosks, parking areas, pavilions, walking trails, playgrounds, stormwater management areas, and common landscaping.

8. "Declaration" shall mean and refer to this Declaration of Protective Covenants, Conditions and Restrictions applicable to the Development and which is recorded in the Office of the Register of Deeds for Rutherford County, Tennessee.

9. "Declarant" shall mean and refer to LGI Homes- Tennessee, LLC, a Tennessee limited liability company, its successors and assigns in regards to being the Declarant of the Development.

10. "Development" shall mean and refer to the property described on Exhibit "A" attached hereto and made a part hereof.

11. "Impositions" shall mean and refer to any Annual Assessments, Special Assessments, Supplemental Landscape Assessments, or any other charges by the Association against one or more Lots owned by an Owner together with costs of enforcement and reasonable attorney's fees in connection therewith, and shall additionally include, to the extent authorized by the provisions herein, interest thereon.

12. "Improvements" shall mean any building, building addition, outbuilding, garage, detached structure, swimming pool, recreational facility, driveway, parking area, walkway, wall, fence, or utility service, or such other improvement or structure constructed or located upon all or any portion of the Development. It is intended that this definition of "Improvements" be broad in scope and is intended to encompass any man-made alteration of the condition of the Lot or Common Areas from and after the date of this Declaration.

13. "Lot" shall mean and refer to any plot of land within the Development to be used for single family residential purposes and so designated on the Plat.

14. "Majority of Owners" shall mean and refer to the holders of more than fifty (50%) percent of the total Votes of the Members.

15. "Member" shall mean and refer to any person or persons who shall be an Owner, and as such, shall be a Member of the Association. "Class A Members" shall mean and refer to any Owner other than the Declarant, and "Class B Member" shall mean the Declarant.

16. "Mortgage" shall mean and refer to any holder of a first priority deed of trust encumbering one or more Lots.

17. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot within the Development, excluding however those parties having such interest merely as a security interest for the performance of an obligation.

18. "Plat" shall mean and refer to the Final Plat of Carter's Retreat Subdivision as recorded in the Register's Office for Rutherford County, Tennessee, as the same may be amended or supplemented from time to time.

19. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

20. "Plans" shall mean the detailed plans prepared for construction of any Improvement which shall comply with the provisions of Article V, Section 4 hereof.

21. "Special Assessments" shall mean additional assessments of Owners made from time to time by the Board pursuant to Article IV, Section 2.

22. "Vote" or "Votes" shall mean the vote or votes in the affairs of the Association to which each Member is entitled.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

1. Definition of Property Subject to this Declaration. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Rutherford County, Tennessee, and is more particularly described on Exhibit "A" and shown on the recorded Plat, and all subsequent phases and subsequently replatted lots. The Lots and Common Area shown on the Plat are made subject to this Declaration. The Declarant, as the legal title holder in fee of the Development, hereby submits and subjects the Development to the provisions of this Declaration and By-Laws. The covenants and restrictions contained herein constitute covenants running with the land and binding on all parties now owning or hereafter having or acquiring any right, title or interest in any Lots or any portion of the Development, and shall inure to the benefit of each Owner hereof. Every Person hereafter acquiring a Lot or any portion of

the Development, by acceptance of a deed thereof, shall accept such interest subject to the terms and conditions of this Declaration, and by acceptance of the same shall be deemed to have consented to and be bound by the terms, conditions and covenants of this Declaration.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

1. Members. Every person who is an Owner of record of a fee interest in any Lot which is included in the Development shall be a Member of the Association. Membership in the Association is appurtenant to and may not be separated from ownership of any Lot.

2. Classes of Membership. The Association shall have two classes of membership:

a. Class A Members shall be all Owners except for the Declarant prior to the termination of the Class B Membership. If, however, Declarant owns one or more Lots upon or after the termination of its Class B Membership, then Declarant shall become a Class A Member.

b. The Class B Member shall be the Declarant, its successors or assigns. The Class B Membership shall terminate and cease upon (i) specific written termination by Declarant or its successor or assigns, or (ii) Declarant owns no further lots in Carter's Retreat development or any sections or property planned by Declarant to be added thereto.

3. Voting and Voting Rights. The voting rights of the Members shall be appurtenant to their ownership of Lots. The two Classes of Members shall have the following voting rights.

a. Each Class A Member shall be entitled to cast one vote for each lot owned by such Member. When two or more persons hold an interest (other than a leasehold or security interest) in a Lot, all such Persons shall be Members, but the Votes attributable to such Lot shall be exercised by one of such Persons as proxy and nominee for all such Members and in no event shall more than one (1) Member be entitled to cast the Vote attributable to any one Lot. Furthermore, neither the Declarant nor any other person or individual dealing with the Development shall have any duty to inquire as to the authorization of the Member casting the Vote for any such Lot, but shall be entitled to rely upon the evidence of voting as conclusive evidence of such Member's authority to cast the Vote attributable to such Lot.

b. The Class B Member shall be entitled to cast four (4) votes for each lot owned. Notwithstanding the above, for all matters, the Class B Member shall have one more vote than all of the outstanding Class A Members so long as Class B Membership exists.

c. Any Member who is delinquent in the payment of any charges or assessments duly levied by the Association against a Lot owned by such Member shall not be entitled to vote until all such charges, together with reasonable penalties and interest thereon as the Board may impose, have been paid to the Association.

4. Manner of Voting. Except as specifically provided elsewhere herein, the Board shall have the authority to regulate the procedural rules governing the voting of Members, the acceptance of proxies from Members, the validity of voice votes, ballot votes, or other manners of voting, and any regulation of the solicitation of votes or proxies.

5. Organization.

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

b. A Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with Carter's Retreat Homeowners Association, Inc. documents. The Board shall, except to the extent specified Membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration. During the existence of Class B membership, the Declarant may remove a Director at any time for any reason.

c. The Declarant at its discretion may appoint an Advisory Board made up of 3 to 5 existing homeowners prior to the termination of The Class B membership. The determinations of said Board shall be advisory only, and not be binding upon the Declarant or the Association.

6. Duties of the Association. The Association shall, in addition to such

obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions, (subject to the provisions of this Declaration), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the properties in perpetuity. However, the Association shall not be dissolved nor shall it dispose of any common open space or facilities, by sale or otherwise except to an organization conceived and established to own and maintain the common open space and facilities, and the conditions of a transfer shall conform to the approved site plan for the Development. The Association shall be responsible for liability insurance and local taxes for the common open space and facilities. The Association shall also be responsible for the mowing, perpetual maintenance and repair of all common areas and common elements, and to ensure the water quality protection areas within the Development are not disturbed in accordance with the requirements of the Murfreesboro City Code.

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

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

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

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

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

e. Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to, the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sell or transfer the Common Areas or any other real property or improvements owned, directly or indirectly, by the Association for the benefit of any lots; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the owners of lots; (iii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the properties, driveways, or the upkeep of lawns or plantings located upon the properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

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

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

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

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

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

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

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

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

n. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the Common Areas or any part thereof. In the event of a taking or acquisition of part or all of the Common Areas by any condemning authority, the award or proceeds of settlement shall be paid to the

Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the condemnation of any part of the Common Area shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

ARTICLE IV

PROPERTY RIGHTS

1. Owner's Easement of Enjoyment. Every owner in addition to a perpetual unrestricted right of ingress and egress to his own lot which passes with title shall have the right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

a. The right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area; and to limit the number of guests and adopt rules regulating the use and enjoyment of the Common Areas.

b. The right of the Association to suspend the voting rights and right to use of the common areas and recreational facilities by an Owner for any period in which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days after notice and hearing as may be provided for in the By-Laws or rules for an infraction of its published rules and regulations.

c. The right of the Association to dedicate or transfer any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities, streets, or any similar purpose.

2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment of the Common Area and the facilities to the Members of his family, or contract purchasers, who reside on the property.

3. Parking Rights. The use of parking areas, if any, within the Common Area, together with the terms and conditions with regard to such use, shall be subject to

the Association rules as same are in effect from time to time.

4. Land Use. No lot shall be used except for residential purposes.

5. Sidewalks Every Owner shall have a right and easement of enjoyment in and to the sidewalks located in the Development, subject to any restrictions or limitations contained in this Declaration. Any Owner may delegate their right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time.

ARTICLE V

ASSESSMENTS

1. Assessments.

a. Annual Assessments. The Board shall have the power and authority to levy annual assessments against the Lots within the Development. Annual Assessments shall be used to provide funds for such purposes as the Board shall determine to be for the benefit of the Development, including, without limitation, the improvement, maintenance, operation and security of the Development and Common Areas, payment of taxes and insurance thereon, payment of utility bills thereon (including water for sprinkler systems), payment of reasonable costs to provide attractive seasonable landscaping of the Common Areas, the repair, replacement and additions that may be necessary to the Common Areas and the cost of labor, equipment, materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual Assessments to provide supplemental landscaping, maintenance within Lots, and to provide garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the services to be provided by the Association in the coming year, and allocating said amount among the Lots equally.

b. Working Capital Assessments. In addition to the other Assessments provided for in this instrument, each purchaser of a house shall be assessed an assessment not to exceed one year's Annual Assessment upon the purchase of any completed house within Carter's Retreat (Said assessment shall be referenced as the "Working Capital Assessment"). Said Working Capital Assessment shall be collected at closing on the purchase of the house and remitted to the Association. Said Working Capital Assessment shall also be due from the purchaser of a home when a home is resold, and also collected at closing from the purchaser. The amount of the Working Capital Assessment may be modified by the Declarant at any time while Declarant owns any lots in Carter's Retreat. Thereafter, said Working Capital Assessment may only be modified by at least two-

thirds (2/3) of the Votes entitled to be cast by the Members of the Association, (both Class A and Class B) at a duly called meeting of the Association at which a quorum is present. Builders shall pay the Association a working capital assessment in the amount established by the Board upon the closing of a purchase of a Lot.

2. Special Assessments. In addition to the Annual Assessments authorized herein, the Board may levy a Special Assessment applicable to a particular year, provided that any such Special Assessment shall have the affirmative Votes of not less than fifty percent (50%) of the votes at a meeting of the Members which shall be held after not less than five (5) days' written notice of the date, time and purpose for said meeting, at which a quorum shall be present. Special Assessments shall be due and payable on the date which is fixed by the resolution authorizing such assessment.

3. Exempt Property. The Impositions and liens created under this Article shall not apply to the Common Areas. All property within the Development which is dedicated to and accepted by a local public authority, which is granted to or used by a utility company, or is designated as part of the Common Area shall be exempt from such Impositions.

4. Property Owned by Declarant or Builders. The Declarant shall be exempt from payment of any Annual, Initial, Working Capital and Special Assessments for any vacant lots Declarant owns. Builders shall pay a one-time working capital fee to the Association in an amount set by the Declarant, but are otherwise exempt from Annual, Initial, and Special Assessments.

5. Payment of Annual Assessments. The Board shall have the power and authority to determine the payment method for Annual Assessments. Unless provided otherwise by the Board, each Owner shall pay its Annual Assessment on a monthly basis by the 15th day of every month or such other dates as determined by the Board to which said assessment relates, and the Board shall fix the amount of the Annual Assessment and send a notice thereof to each Owner on or before the first of February of each such year. The Board shall have the power and authority to require quarterly or monthly payments of installments of the Annual Assessments from such Owners as the Board deems suitable, or may require all Annual Assessments to be paid on a quarterly or monthly basis, at its determination.

6. Commencement. The assessment for Annual Assessments for a Lot shall commence upon the closing of the purchase of a Lot with a house constructed thereon from a Builder. Assessments on Lots that first become subject to assessments during a calendar year shall be prorated on a calendar year basis for the remainder of such calendar year.

7. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all Lots and Impositions applicable thereto which shall be open to inspection by any Owner. Written notice of any Imposition shall be mailed to every Owner of the Lot subject to assessment. The Association shall, upon demand and payment of a reasonable charge, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether the Impositions against the Owner's Lot have been paid, and if not, the amount then due and owing. Absent manifest error, such certificate shall be deemed conclusive evidence to third parties as to the status of Impositions against any Lot within the Development.

8. Creation of Lien and Personal Obligations for Assessments. Each Owner of any Lot shall, by its acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and conditions of this Declaration and promises to pay to the Association all Impositions which may be due from an Owner from time to time. All Impositions, together with interest thereon and cost of collection thereof shall be a continuing lien upon the Lot against which such Impositions is levied as of the effective date of each such Imposition. Each such Imposition, together with such interest thereon and cost of collection therefor as are hereinafter provided, shall also consist of the personal obligation of the Person who was Owner of such Lot at the time when the same fell due. In the event a Lot is owned by more than one Member, all of such Members shall be jointly and severally liable for the entire Imposition then due.

9. Effect of Non-Payment of Imposition. If any Imposition hereunder is not paid upon the due date, or if any similar charge otherwise agreed to be paid by Owners in this Declaration is not paid when due, then such Imposition shall be delinquent and shall accrue interest thereon at the highest rate then permissible under the laws of the State of Tennessee commencing upon the due date. If such Imposition is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally, and/or at its option, foreclose the lien against the Lot by court action, and there shall be added to the amount of such Imposition, all reasonable attorney's fees and costs incurred by the Association in any such action, and in the event a judgment is obtained, such judgment shall include interest on the Imposition as indicated above.

10. Priority of Lien. The lien described in this Article shall be subordinate to the lien of any Mortgagee under a recorded first mortgage or deed of trust encumbering any such Lot. In the event any Mortgagee becomes the Owner of such Lot after foreclosure thereof, or conveyance by deed in lieu of foreclosure, trustee's deed, or the like, such Mortgagee shall become subject to the lien reserved herein for the purpose of securing all Impositions becoming due from and after the date such Mortgagee accepts a deed to said Lot.

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

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

13. Assessment Obligation. Each Owner, by acceptance of his or her Deed, is deemed to covenant and agree to pay all Assessments levied by the Association pursuant to this Declaration, whether or not such obligation is so expressed in such Deed. A budget for the first year of the Association, including contemplated General Assessments and Special Assessments (as defined below) and a breakdown thereof shall be developed prior to the first sale of a lot to a person other than a builder (the "Base Budget"). Notwithstanding any other provision of this Declaration, no Assessments shall be levied against Lots owned by the Declarant, its successors or assigns.

14. Loans from Declarant. During the existence of Class B membership, the Declarant may, but is not required to, from time to time loan to the Association any amounts required to make up any shortfall in the Association's budget for each year, and any subsequent budget, to the extent that such shortfall arises from (a) actual operating costs (including amounts allocated to or drawn from reserve funds) exceeding budgeted operating costs, or (b) budgeted operating costs (including amounts allocated to or drawn from reserve funds) exceeding actual income. To the extent a shortfall arises from the failure of any owner to pay Assessments that are payable hereunder, the Declarant shall not be obligated to make up such shortfall. All amounts loaned to the Association by the Declarant pursuant to the provisions of this paragraph (collectively, the "Loans") shall bear interest at the Wall Street prime interest rate plus three hundred basis points from the time contributed until repaid and shall be repaid no later than three (3) years after end of Class B Membership or when the association has funds available to repay the Declarant, whichever is sooner.

15. Certificate of Payment. The Board shall, upon request and for a reasonable charge not to exceed \$50.00, furnish to any Person a certificate, signed by an officer of the Association, setting forth whether or not all Assessments, whether general or special, on a specified Lot have been paid. Such certificate shall be conclusive evidence of

payment of any Assessment therein stated to have been paid.

ARTICLE VI

ARCHITECTURAL REVIEW COMMITTEE

1. Designation of Committee. The Association shall have an Architectural Review Committee (the "Committee") which shall consist of three Members who shall be natural persons. The Members of the Committee shall be appointed and be subject to removal at any time by the Declarant until the termination of the Class B Membership, and thereafter by the Association's Board of Directors. House plans approved by the Committee prior to the termination of Class B Membership shall remain approved for construction in the Development. The Committee shall designate an individual as its Secretary, and all communications with the Committee shall be conducted through the Secretary. After the termination of Class B Membership or at such earlier time as determined by Declarant, a second architectural review committee will be established to review and approve all new home construction. Said committee is to be named the New Home Construction Architectural Review Committee. After creation of the New Home Construction Architectural Review Committee, the Architectural Review Committee will no longer have jurisdiction to review and approve new home construction and jurisdiction over new home construction shall be exclusively in the New Home Construction Architectural Review Committee. Declarant shall appoint the three members of the New Home Construction Architectural Review Committee. The New Home Construction Architectural Review Committee shall exist until the last dwelling in the development is completed and has received final "as built" construction approval by the New Home Construction Architectural Review Committee. Once said committee is established, the remaining provisions of this Article shall be applicable to all new home construction, and fees referenced hereunder pertaining to new home construction shall be paid to the New Home Construction Architectural Review Committee. Furthermore, once said New Home Construction Architectural Review Committee is established, no new home construction can be commenced without approval by the New Home Construction Architectural Review Committee and compliance with the all sections of this Article. Once the New Home Construction Architectural Review Committee is established, all new homes must comply with the remaining sections of this Article as if New Home Construction Architectural Review Committee replaces each reference to the Architectural Review Committee. Upon the closing of the sale of a home by the Builder to a purchaser, the Architectural Review Committee will have jurisdiction over any subsequent modifications, alteration, additions or further construction with regard to said house. Until the closing of the sale of a home by Builder to a purchaser, the New Home Construction Architectural Review Committee has and retains jurisdiction of all issues and matters related to the construction of the home.

2. Approval of Plans and Architectural Review Committee.

a. No construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, path or other improvement of any nature, including, but not limited to, detached garages, outbuildings, barns, covered porches, swimming pools, hot tubs, and decks on any lot shall be constructed or undertaken without obtaining the prior written approval of the Board of Directors through the Architectural Review Committee as to the intended location of same and as to its plans and specifications showing the nature, shape, height, materials and such other specifics as may be required including its architectural style. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a set of plans and specifications with a written request for their approval. The Architectural Review Committee shall be the sole arbiter of same and may withhold approval for any reason including purely esthetic considerations. In the event the Board, or its designated Architectural Review Committee fails to approve or disapprove the plans for design and location within ninety (90) days after they have been submitted, approval will not be required and this section will be deemed to have been fully complied with. Upon approval being given, construction shall commence within one hundred and eighty (180) days of the date of approval, and shall be processed to completion promptly and in strict compliance with the approved plans; otherwise the approval shall be void and the Owner will be required to re-apply if Owner desires to proceed with the project. Each Owner acknowledges that the decor, color scheme, landscaping, and design of the property has been selected in such a manner as to be consistent and harmonious with other lots and residences in the Subdivision and agrees to maintain and perpetuate the visual harmony of the properties. So long as the Declarant owns any lots in Carter's Retreat, the Committee may establish architectural standards and guidelines in addition to the minimum standards set forth in this instrument.

b. Prior to the formation of the Architectural Review Committee, the Declarant or his successors and assigns shall constitute or may appoint a person or persons to act as the Architectural Review Committee.

3. Design Criteria. Declarant will adopt initial design criteria which shall be observed in carrying out the functions of the Committee and in order to ensure uniformity of quality of the Improvements located within the Development. Said design criteria may be modified as the Committee sees fit. The Declarant and, after the termination of the Class B Membership, the Association, reserves the right to modify and amend the Design Criteria from time to time as it deems appropriate based upon changes and innovations in construction methods and techniques. All construction within the subdivision shall comply with the design criteria.

4. Improvement Plans. During the existence of Class B Membership, all improvement plans must be submitted and approved by the Declarant within Declarant's

sole discretion. Unless waived in writing by the Committee, any Owner desiring to construct Improvements which have not been previously approved by Declarant, or to modify existing Improvements, upon any Lot shall first have detailed plans prepared for such Improvement (the "Plans"), which shall contain, as a minimum, the following:

a. A plot plan drawn on a scale of one inch equals 20 feet, reflecting the following information:

(i) A survey of the Owner's Lot showing the dimensions of the Lot and Lot area, the location of any utilities crossing the lot;

(ii) The relationship of the proposed Improvement to each side Lot line, to the rear property line and to the front property line;

(iii) If the Improvement involves an addition to an existing building, the addition shall be shown in a shaded area with the existing building left unshaded;

(iv) Finished floor elevations of the first floor, garage and basement, if any of all Improvements, together with all exterior color schemes and/or building materials.

(v) Any detached structures, swimming pools, walls and/or fences on the site;

(vi) A landscaping plan of the entire Lot, including all driveways, sidewalks, decks, patios and terraces; and

(vii) Such other information as may be necessary to evidence compliance by the Plans with the Design Criteria if any.

b. A floor plan indicating existing walls, and, if the plan is for an addition or modification to an existing building, indicating any walls to be removed and any proposed walls to be installed.

c. Elevation drawings of the front, sides and rear of any new structure included within the Improvement, together with the overall height of any new buildings to be constructed, measured from the average grade at the front elevation.

5. Limited Effect of Approval of Plans. The approval of the Committee of an Owner's Plans for the construction of Improvements upon any Lot is not intended to be an approval of the structural stability, integrity or design of a completed improvement or the safety of any component therein but is required solely for the purpose of insuring

compliance with the covenants contained herein and further to insure the harmonious and orderly architectural and aesthetic development and improvement of the Lots contained within the Development. Notice is hereby given therefore to any future occupant of any completed Improvement and all invitees, visitors and other persons who may from time to time enter or go on or about such completed Improvements, that no permission or approval granted by the Committee, the Declarant or the Association with respect to the construction of Improvements pursuant to this Declaration shall constitute or be construed as an approval of the structural stability of any building, structure or other Improvement and no liability shall accrue to the Declarant, the Committee or to the Association in the event that any such construction shall subsequently prove to be defective.

6. Drainage. All plans shall comply with and Owners shall be solely responsible for applicable drainage, water conservation, erosion control and stormwater detention requirements. No alteration of existing grade or any planting, fences or other improvements that alter the flow of water shall be permitted without the express consent of the Architectural Review Committee, which approval shall be for the exclusive benefit of the Declarant or Association, as applicable, and shall not remove or alter the responsibility of any Owner or builder for compliance with such requirements. Notwithstanding any other provision of this Declaration, neither the Declarant nor the Association shall have the responsibility to ensure that drainage or grading of Lots is properly accomplished. Each Owner shall be solely responsible to ensure that grading and drainage are in compliance with all applicable laws, codes, regulations and other requirements, including without limitation any easements for drainage, whether or not shown on any recorded plat. After reasonable notice (except in an emergency), the Declarant or the Association shall have the right but not the obligation to enter onto a Lot and correct improper grading or other modification to the Lot which causes drainage problems. Such corrections shall be made at the cost and expense of the Owner of the Lot, who shall promptly reimburse the Declarant or the Association, as applicable. The Lot shall be subject to a lien for the cost if not paid. The Declarant or the Association, as applicable, shall not be required to repair or replace landscaping or other improvements after such action.

ARTICLE VII

IMPROVEMENT, SETBACK AND USE RESTRICTIONS

1. Improvement Restrictions. In addition to the requirements of Article VI above concerning compliance with the architectural review authority of the Committee, the following restrictions apply to Improvements;

a. Minimum setback requirements on the Plat shall be observed. The Declarant reserves the right to approve the location of each residence upon the Lot and to relocate the same, within the setback lines and/or building areas established by the Plat, in such manner as it shall be deemed, in its sole discretion, to be in the best interests of the overall Development and in furtherance of the goals set forth herein.

b. No solar panels which are visible from the street are permitted on any home.

c. The total floor area of the main residential structure; exclusive of open porches, patios, garages and breezeways, shall not be less than One Thousand Six Hundred (1,600) square feet. All houses must be constructed with either brick, stone, fiber cementitious siding, hardy plank siding or similar product, on all exteriors elevations except that vinyl may be used in soffits and fascia. The maximum building height shall not exceed thirty-five (35) feet.

d. No boundary walls or fences may be installed without the prior written approval of the Architectural Review Committee. The fence design as shown in Exhibit "C" or a similar design will be the only fence designs eligible for approval by the Architectural Review Committee. The Architectural Review Committee may further limit the height and design of any fences or walls. All boundary walls, retaining walls, and fences must be of materials approved by the Architectural Review Committee. Any fences, if approved, must be erected behind the front corners of the heated portions of the house unless the house is on a corner Lot in which case any fences on a corner Lot must be within the minimum setback lines applicable to said Lot. No walls other than retaining walls may be constructed along the street on the front of any Lot unless approved by the Architectural Review Committee.

e. No mailboxes within the subdivision are permitted so long as the United States Postal Service requires a common mail kiosk or kiosks for the Development, except for individuals with disabilities for whom the United States Postal Service provides regular mail home delivery. Any such mailboxes must be approved by the Architectural Review Committee prior to installation. All houses are required to have visible street numbers as required by local codes, ordinances, and regulations.

f. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected on any Lot. All garbage cans must have lids and must be kept in the garage or behind the home to not be visible from the street to which the front elevation of the house faces except between 5:00 p.m. on the night prior to the day of trash pickup and 11:00 a.m. on the day following trash pickup. During any construction, Owners must provide either a dumpster or trash receptacle to contain construction debris on each lot. In the event any Owner fails to provide a dumpster or trash receptacle, the

Architectural Review Committee and the Association shall have the right to clean the lot and charge the costs to Owner.

g. No building materials may be stored on any Lot except for the purpose of construction of such Lot, and then only for such length of time as is reasonably necessary for the construction of the Improvements then in progress.

h. Satellite dishes and antennas may not exceed twenty-four inches in diameter and can only be mounted to the rear of any house so that the satellite dish is not visible from the front of the house. The placement of any satellite dishes must receive the prior written approval of the Architectural Review Committee.

i. No Owner shall excavate or extract earth from any of the Lots for any business or commercial purpose, and no elevation changes will be permitted which could materially affect the surface grade of a Lot without the consent of the Declarant or the Committee. Additionally, no owners shall excavate, extract earth from, or perform any other work within any buffer or wetland areas.

j. There shall be no outside clotheslines, clothes hanging devices, or the like upon any Lot.

k. All lots must have a minimum of at least a two (2) car garage which must be attached to the house. Every garage door shall be equipped with a remote-controlled garage door opener, and every garage door shall be kept closed except when the garage is being entered or exited.

l. If one or more contiguous Lots are owned by the same Owner, they may be combined upon the consent of the Declarant for the purpose of placing approved Improvements thereon, but individual Lots may not be re-subdivided so as to create a smaller area than originally deeded to an Owner and as shown on the Plat without the consent of the Declarant.

m. No trailer, basement house, tent, modular home, mobile home or other temporary structure shall be erected or used as either a temporary or permanent residence. However, one dog house per lot may be permitted behind a house in the discretion and upon approval of the Architectural Review Committee if prior approved in writing as to size, style, location and any other factors the Architectural Review Committee desires to review. Notwithstanding the above, a temporary sales trailer or model may be placed on a lot with the prior written consent of the Declarant or the New Home Architectural Review Committee.

n. No fenced dog pens shall be allowed. However, this section does not

prohibit an Owner from constructing a fence so long as the fence complies with Article VII (d) and the fence encloses at least eighty percent (80%) of the rear yard.

- o. No above ground swimming pools shall be allowed.
- p. No propane tanks shall be allowed.
- q. All flag poles and flags must be approved by the Architectural Review Committee.
- r. No signs are allowed except as follows: One real estate "For Sale" sign meeting the requirements of Article IX, one non-illuminated builder name/lot number sign per lot, two or less non-illuminated election related signs no larger than 24" by 30" within thirty (30) days prior to the election and two (2) days after the election for which the sign is posted.
- s. No basketball goals or trampolines shall be allowed except for portable basketball goals with wheels which are kept in the garage or behind the house not visible from the street on which the front elevation of the house faces except during times of active use and which have clear backboards and dark frames. Notwithstanding the same, basketball goals may not be placed next to streets.
- t. Before a certificate of occupancy is issued for a house, the builder of a house on a lot must install one of the following trees outside of the STEP tank easement with a minimum caliper of two (2) inches (2") or a Crepe Myrtle with a caliper of one and one-half inches (1 ½"):

Pin Oak, Tulip Popular, Southern Magnolia, Nuttall Oak, Shumard Oak, Sugar Maple, Overcup Oak, Village Green Zelkova, Ginkgo Biloba (Male Variety Only), Willow Oak, or such other trees approved by the Board.
- u. Any damage to a sidewalk due to construction undertaken by an Owner shall be repaired at the sole cost of the Lot Owner causing said damage.
- v. No vehicles shall park in any manner that blocks a public sidewalk.
- v. Driveways must be broom finished concrete and have a minimum width of sixteen (16) feet.
- w. All frontage yards must be sodded. Lots must be landscaped prior to the issuance of the certificate of occupancy. No sculptures, statuary, statues, above-ground fountains, lawn decorations, or lawn ornamentation may be placed on any lots

without the prior written approval of the Architectural Review Committee. Each home must have foundation landscaping at the base of the front elevation.

x. No Owner may landscape, trim or cut any trees or vegetation within any buffer or vegetation areas denoted to be preserved as shown on Exhibit "D" or any plat recorded in the Registers Office of Rutherford County, Tennessee.

y. Each Owner shall install a minimum of one yard tree if no tree is already installed or located on their Lot and shall maintain or replace such yard trees in healthy condition, including trimming and pruning as may be necessary. No trees may be planted within the STEP tank easement. If an Owner fails to maintain the yard trees on his or her lot as required by this Section, and fails or refuses to perform such maintenance upon request by the Board, the Board shall have the right to perform or have performed such maintenance and levy a Special Assessment against such Owner and such Owner's lot equal to the cost and expenses incurred by the Association in performing such maintenance or having such maintenance performed. Without limiting the foregoing and notwithstanding any other provisions of this Declaration, the Association shall have the right to trim, remove limbs, prune or otherwise modify trees on Lots that overhang or otherwise interfere with any sidewalk.

2. Maintenance

a. All Lots, together with the exterior of all Improvements located thereon, shall be maintained in a neat and attractive condition by their respective Owners.

b. In the event any Owner fails to maintain the Improvements situated upon his Lot in a manner satisfactory to the Association, the Association may upon the vote of at least two-thirds of the Board of Directors and after ten (10) days notice in writing to the offending Owner if during which time said Owner has continued to fail to commence the correction of the matter in question, may enter upon said Lot and perform the maintenance of the Improvements itself. The cost of such maintenance shall be added to and become a part of the assessment to which such Lot is subject and the Owner of such Lot shall be personally liable for the cost thereof.

3. Use Restrictions.

a. No Owner shall use its Lot in such a manner as to create a nuisance. No Owner shall commit waste upon any Lot within the Development.

b. No wrecked vehicle or vehicles in a non-functional condition or vehicles without proper registration shall be parked on any Lot or upon any of the

Common Areas. No commercial vehicles may be parked overnight on any lot or within the Development. No house trailers, mobile homes, or portable buildings shall be permitted within the Development except for temporary sales trailers and models which receive prior written approval of the Declarant or New Home Architectural Review Committee. There shall be no outside parking of recreational vehicles for longer than eight (8) consecutive hours, including, but not limited to, camping trailers, boats, boat trailers, and motor homes on any lot, street, or Common Area unless the same are kept in the garage and the garage door is closed except in times of ingress and egress. Owners, and their tenants, guests, and invitees, are prohibited from parking any vehicle or trailer on any public street within the Development for longer than a twenty-four hour period of time. No person may park in any yard or common area.

c. No animals, livestock, poultry of any kind shall be raised, bred, pastured or maintained on any Lot except household pets which shall be kept in reasonable numbers as pets for the sole pleasure of the occupants, but not for any other purpose or use. A maximum of four dogs and/or cats, or any combination thereof, are allowed on any Lot. No sheep, goats, pigs, horses, cows, chickens or ducks or livestock of any kind are permitted on any Lot or in any house. No owner is permitted to keep any dogs or cats on their lot which exceeds the above-stated maximum. Notwithstanding the above, no household pets are permitted to the extent they become a nuisance to neighboring Lot Owners. No pets shall be permitted outside the boundaries of the Owner's Lot unless accompanied by their owners and on a leash. The Board, or any individual resident, may take appropriate measures to ensure compliance with this provision, including without limitation, having the animal picked up by the appropriate governmental authorities.

d. No Owner shall cause or allow any use of his Lot that results in noise which disturbs the peace and quiet of the Development. This restriction includes, without limitation, dogs whose loud and frequent barking, whining or howling disturbs other Lot Owners, exterior music systems or public address systems, and other noise sources which disturb other Owners' ability to peacefully possess and enjoy their Lots.

e. No Owner shall permit or cause the escape of such quantities of dense smoke, soot, cinders, noxious acids, fumes, dust, or gases as to interfere with the use and enjoyment by other Owners of their Lots.

f. No house or other structure on any Lot shall be used for any business or purpose in violation of local zoning ordinances. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment or discomfort or annoyance to the neighborhood. No noxious, offensive or illegal activity shall be carried out upon any Lot.

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

h. The pursuit of hobbies or other inherently dangerous activities including without limitation the assembly and disassembly of motor vehicles or other mechanical devices, the shooting of firearms, fireworks, or other pyrotechnic devices of any type or size, and other such activities shall not be allowed upon any Lot.

i. No owner shall use its lot for anything other than a single-family residence. Single family is defined as lot owners, their spouses, children, grandchildren, parents, and grandparents. Occupation of a house by extended family Members shall be deemed a violation of this provision.

j. Except during construction of a home, no lot may be used for outside storage of construction materials. Furthermore, no exterior storage of any vehicle, lawn equipment, commercial equipment, sports equipment or equipment of any nature is allowed for longer than four (4) hours.

k. No outdoor play equipment, including, but not limited to jungle gyms, swing sets, and trampolines may be placed on any lot without the prior written approval of the Architectural Review Committee. The Architectural Review Committee reserves the right to require landscape screening or other screening in relation to any outdoor play equipment it considers for approval. If any such outdoor play equipment is approved, it must be located in the rear of the home behind the back elevation corners of the home from the street.

l. During any construction on any lot, the lot shall be well maintained clean and orderly.

m. No mowing, bush-hogging, or cutting in any areas designated on the Plat as wetland areas, buffer areas, or restricted areas is permitted.

n. No Owner shall permit any plant, tree, shrubbery or other similar item to exist upon any portion of such Lot that shall damage or create a nuisance on another Lot. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this paragraph, a particular plant, tree, shrubbery, or other similar item is a nuisance and therefore to be removed from the Development.

o. Any drapes or window treatments in any home which can be seen from the exterior of a home shall be lined or backed with material which is white, off-white or neutral so that no other color other than these hereinabove set out can be seen on the window treatment from the exterior, except as may be approved by the Architectural Review Committee.

p. No private wells may be drilled or maintained on any Lot without the prior written consent of the Architectural Review Committee.

q. No laundry shall be hung from any area within or outside a home if such laundry is within the public view, or hang laundry in full public view to dry, such as on balcony or terrace railings.

r. Discharge of firearms is prohibited; provided, the Board shall have no obligation to take action to prevent or stop such discharge.

ARTICLE VIII

EASEMENTS

1. General. Until termination of the Class B Membership, Declarant reserves an easement for ingress and egress generally across the Development at reasonable places thereon and across the various Lots for the purpose of completing Declarant's intended development. Said ingress and egress easement shall in any event be reasonable and shall not interfere with the construction of Improvements on a Lot nor the use and enjoyment of a Lot by an Owner. Declarant reserves a twenty (20') foot easement along the front of each lot and sides of any corner lot for sidewalks and utilities but Declarant specifically reserves the right to go outside said twenty (20') foot easement for the construction of sidewalks if need be. Declarant reserves the right to require lot purchasers to install broom finished concrete sidewalks on a lot if a builder fails to do so.

2. Emergency. There is hereby reserved without further assent or permit, a general easement to all policemen and security guards employed by Declarant or Association, firemen, ambulance personnel, garbage collectors, mailmen, utility personnel, delivery service personnel and all similar persons to enter upon the Development or any portion thereof which is now or hereafter made subject to this Declaration in the performance of their respective duties.

3. Easements Over Common Areas. The Plat designates certain areas for roads, utilities, drainage, Common Areas, and recreational areas. The easements so designated on the Plat encumber the Lots as shown on the Plat and are hereby established as perpetual and irrevocable easements. Said easements are granted and reserved for the

use and benefit in common of all owners in the Development and their agents, servants, family members and invitees. No Owner shall have the right to restrict, impede or take any action in any way to prohibit or limit the use in common by all Owners of said easements. However, use of the easements and Common Areas shall be subject to and governed by provision of this Declaration and the by-laws, rules and regulations of the Association.

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

5. Common Areas. The Common Area shall be conveyed to the Association in fee simple. Each lot and residence is hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or residence, the Owners of such lot or unit and each of them, and for their respective families, guests, invitees and contract purchasers, for recreation and other appropriate intended purposes and uses and without limiting the generality of the foregoing, for ingress and egress over and through the Common Areas, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual grant deeds and mortgages to each lot may, but shall not be required to, set forth the foregoing easement. Until the termination of Class B membership in the Association, Declarant shall have the right to add, remove, and alter any Common Area without consent of the Association or any owner. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot.

6. Association Functions. There is hereby reserved to Declarant, any successor to Declarant, and the Association, or the duly authorized agents, representatives and managers of the Association, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration and any other Carter's Retreat documents.

7. Ingress and Egress. In addition, there is reserved to Declarant for the use and benefit of any adjoining property that has been added as a new section to Carter's Retreat or is intended to be added as a new section, a right of ingress and egress over the streets, a right to attach to and use sewer and utility easements and such other easements as may be necessary to develop said property.

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

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

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

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

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

ARTICLE IX SALE, SIGNAGE AND LEASING

1. Sales, Resales and Advertising. No signs shall be permitted on any lot after a house is completed thereon except one, non-illuminated builder/realtor sign advertising the house or lot for sale not exceeding four (4) square feet in size or as permitted by Article VII, Section 1(r) without the prior written approval of the Committee. Notwithstanding the above, Declarant shall be allowed to place and maintain any signs for Declarant or builders which Declarant determines appropriate to market the

development and dwellings therein at locations and sizes determined by the Declarant and which are compliant with local sign ordinances. For rent signs shall not be permitted.

2. Leasing. Subject to Owners complying with the terms of this section, it is the specific intent of the Declarant and this Declaration to allow Owners to rent their homes so long as the homes are leased for a term of one (1) year and no more than ten percent (10%) of the homes for which certificates of occupancy have been approved for lease by the Association Board of Directors. Single night or short-term rentals less than one (1) year are not permitted. Owners desiring to lease their home must make application to the Association Board of Directors for approval to the lease their home and provide the Association a copy of the proposed written lease. If no more than ten percent (10%) of the homes for which certificates of occupancy have been issued have been approved for lease by the Association Board of Directors, the Association Board of Directors shall grant the approval to lease the property so long as the lease complies with this Declaration. Any approval to lease a home is only valid for a period of six (6) months. If a home is not leased within six (6) months of the approval by the Association Board of Directors, the approval shall terminate and the owner will have to re-apply for permission to lease if the Owner still desires to lease the home. If more than ten percent (10%) of the homes for which certificates of occupancy have been issued have been approved by the Association Board of Directors to be leased, the Association Board of Directors may only approve additional leases in cases of hardship approved by the Association Board of Directors in its sole discretion, such as loss of employment, relocation for employment, or illness. Once ten percent (10%) of the homes for which certificates of occupancy have been issued have been approved to be leased, the Association Board of Directors shall maintain a waiting list for owners who desire to lease their home and the applications will be granted in chronological order. Owners desiring to renew leases for an additional term must re-apply for permission to lease. Once leased, the Owner must provide the Association with the tenant's contact name, cell phone number and email within thirty (30) days of execution of the lease. The Association may charge a fee not to exceed an amount equal to two (2) months of the Annual Assessments applicable to the Lot subject to the Lease to handle administration related to the lease. All tenants will be subject to the terms of this Declaration and rules of the Association. An Owner is not permitted to lease their home unless the Owner complies with the terms of this section. The Association shall have the right to adopt additional rules and regulation regarding the approval of leases not inconsistent with the terms of this section.

ARTICLE X

INSURANCE

1. Casualty Insurance. The Association shall keep all insurable improvements and fixtures on the Common Area insured against loss and damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all Common Areas with coverage of at least One Million Dollars (\$1,000,000.00) for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees if any. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. All casualty, liability and fidelity bond coverage shall be in such manner and in such amount as required by the Federal National Mortgage Association (FNMA), and their requirements thereto as set forth in Sections 501-504, FNMA Lending Guide, are adopted herein by reference. Any insurance coverage with respect to the Common Area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are common expenses included in the common assessments made by the Association.

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

3. Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, Members of the Board and any standing Committee, tenants or guests, including, but without limitation, workers' compensation, malicious mischief, and performance of fidelity bonds. The Association shall carry Directors and Officers insurance on the Board members and officers of the Association.

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

5. Hazard, Flood, Homeowners and Fire Insurance. Each Owner shall obtain and maintain in effect fire and appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each residence and improvement owned by such Owner, which may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board or Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the properties.

6. Obligation to Repair and Restore.

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

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

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

ARTICLE XI

EXTERIOR MAINTENANCE

1. Common Areas. Perpetual maintenance of, repairs to and replacements to

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

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

2. Houses and Lots. Each lot Owner is responsible for all exterior maintenance on his own lot. Each owner shall repair, maintain or replace all exteriors on any building in a good and workmanlike manner. Additionally, all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc., shall be maintained in a neat, orderly condition and in a good state of repair and maintenance. All vacant lots must be kept mowed and in a neat condition. All exterior maintenance, including painting, shall be done in the color, method and design that is suitable and approved by the Architectural Review Committee. The Architectural Review Committee can base its decisions solely on esthetic considerations.

ARTICLE XII

STEP SYSTEM GUIDELINES

The Development is served by a STEP system which requires certain care to ensure the system's proper functioning. All Owners are required to review and comply with the use and maintenance protocols and items in Exhibit "E".

ARTICLE XIII

ANNEXATION AND/OR ADDITION OF OTHER AREA TO PROPERTY

1. General. Declarant or his successors and assigns, shall be allowed to annex additional property by way of sections to Carter's Retreat without the consent of the Association or its Members over any mortgagees or other lien holders (other than those holding mortgages and liens on the real property being annexed) by the recordation of a supplementary Declaration as provided herein. Upon such annexation, the Association shall take whatever measures are necessary to add such annexed property and lots into the regime on an equal basis with the original property included hereunder.

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

3. Common Area. All Common Areas in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration. The Declarant has the right to use the common area for marketing of the development at no charge. Such use may consist of private marketing events. This use will continue until Declarant no longer owns any lots within the development.

ARTICLE XIV

GENERAL PROVISIONS

1. Duration. The covenants, conditions and restrictions contained herein shall be appurtenant to and run with the land and shall be binding upon all Owners and parties hereinafter having an interest in any of the Development, and all parties claiming under them, until January 1, 2060, at which time they shall be automatically extended for successive periods of ten (10) years each, unless a majority of the votes attributable to Lots in the Development are cast in favor of a proposition to change, amend or revoke the restrictions in whole or in part at a duly called meeting of the Association within the final one (1) year of the term of this Declaration, as it may have been extended. Each purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this section.

2. Amendment. The covenants and restrictions contained in this Declaration may be amended unilaterally by the Declarant, without joinder of any Owner, for a period of twenty-five (25) years from the date hereof, or so long as Declarant owns any Lots in the Development or property to be developed for the Development, whichever is longer. Otherwise, any amendment of this Declaration will require the affirmative vote of at least two-thirds (2/3) of the Votes entitled to be cast by the Members of the Association, (both Class A and Class B) at a duly called meeting of the Association at which a quorum is present. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration by acceptance of a deed or other conveyance therefor, thereby agrees that the covenants and restrictions of this Declaration may be amended as provided herein. Notwithstanding the above, no amendments may be made so long as there is Class B Membership without the Declarant's written approval.

3. Enforcement. All provisions herein may be enforced by Declarant, or by the Association acting by and through its Board, or by the Architectural Review Committee, or by any owner of a lot within Carter's Retreat, by proceeding at law or in equity against the Person violating or attempting to violate any covenant or covenants, either to restrain the violation thereof and/or to recover money damages, together with reasonable attorneys' fees and court costs incurred in said action.

4. Partial Invalidity. Any invalidation of any one or more of these restrictions by judgment, court order, or statute, for failure on the part of Declarant or its successors or assigns to enforce any of said restrictions, shall in no way affect any of the other provisions hereof or be deemed as a waiver of the right to enforce such restrictions at any time after the violation thereof. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void nor the provisions so void in circumstances or applications other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

5. Abatement. In the event that any Owner violates any of the terms or conditions of this Declaration and fails to cure the same within ten (10) days after written notice thereof, then Declarant or Association, in addition to any other rights and remedies provided for herein, shall have the express right, privilege and license to enter upon any Lot to take any reasonable action to cure such violation, and all reasonable costs thereof shall be at the expense of the Owner of such Lot and shall be payable upon demand by Declarant or Association, including reasonable attorney fees.

6. Notice. All notices required or permitted hereunder shall be in writing and

effective when deposited in the U.S. mail, postage prepaid, addressed to any Owner at the address of the Lot owned by such Owner, or if addressed to the Declarant as follows:

LGI Homes- Tennessee, LLC
Attn: Carter's Retreat Manager
c/o Property Solutions of Middle Tennessee
2146 N Thompson Lane
Murfreesboro, TN 37129

or such other address as Declarant may, by amendment to this Declaration or notice recorded in the Register's Office for Rutherford County, Tennessee may designate.

7. Headings and Binding Effect. Headings have been inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Declarant and all persons claiming by, through or under Declarant.

8. Exoneration of Declarant. Each Owner of any Lot in the Development, or any other party having an interest in any portion of the Development, expressly agrees that no duty or obligation is imposed upon Declarant to enforce or attempt to enforce any of the covenants or restrictions contained herein, nor shall Declarant be subject to any liability of any kind or nature whatsoever resulting out of any claim by any third party asserting that Declarant failed to enforce the same.

9. Construction and Sale by Declarant. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to construct, maintain and carry on upon portions of the Property, other than Lots owned by persons other than Declarant, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such residences, including, but not limited to, business offices, signs, Lots, utilities, model units, and sales offices, and the Declarant and its invitees shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots owned by the Declarant as models and sales offices. Declarant may further delegate all of the privileges set forth in this to any Builder or other party in the discretion of Declarant. This Section may not be amended without the express written consent of the Declarant.

10. Use of the Words "Carter's Retreat" No Person shall use the words "Carter's Retreat" or any derivative thereof in any printed or promotional material

without the prior written consent of the Declarant, including, but not limited to any websites, social media pages, or homeowner group websites.

11. Social Media and Websites. Each Owner upon purchasing a lot within the Development agrees that the Association shall have the sole right to set up, sponsor, host, post, or develop a website or social media page for Carter's Retreat and the Association. No Owner shall set up, organize, arrange, host, sponsor, post, develop or establish in any way any social media page or website regarding the Development or the Association.

12. Disclosures. Each Owner acknowledges the following:

a. The Development is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

b. The views from an Owner's lot may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

c. No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

d. No representations are made regarding the schools that currently or may in the future serve the Development or any lot.

e. Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner may find objectionable and that it shall be the sole responsibility of the Owners to become acquainted with neighborhood conditions that could affect the lot.

f. All Owners acknowledge and understand that Declarant and Builders will be constructing/renovating portions of the Development and engaging in other development and construction activities related to the construction of Common Areas and improvement of lots. Such development and construction activities may, from time to time, produce certain conditions in the Development, including, without limitation: noise or sound that is objectionable because of its volume, duration, frequency or shrillness; smoke; noxious, toxic, or corrosive fumes or gases; obnoxious odors; dust, dirt or flying ash; unusual fire or explosion hazards; temporary interruption of utilities; and/or other conditions that may threaten the security or safety of persons on the Development. Notwithstanding the foregoing, all Owners agree that such conditions on the Development resulting from renovation and construction activities shall not be deemed a

nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration.

13. Marketing and Sales Activities. Declarant and builders authorized by Declarant may construct and maintain upon portions of the Development and the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized builders shall have easements for access to and use of such facilities at no charge during construction by such authorized builders.

14. Right to Develop. Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Protective Covenants, Conditions and Restrictions to be duly executed this 28 day of March, 2022.

LGI HOMES- TENNESSEE, LLC

By: David Chase
Title Officer

STATE OF TENNESSEE
COUNTY OF Rutherford

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, David Chase, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his oath, acknowledged himself to be Officer of LGI Homes- Tennessee, LLC the within named Declarant and Declarant, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of LGI Homes- Tennessee, LLC by himself as such Officer.

WITNESS MY HAND and official seal at my office on this the 28th day of March, 2022.

My commission expires: June 23rd, 2025

Christie Lynn Taylor
Notary Public



EXHIBIT "A"

LEGAL DESCRIPTION

Final Plat, Carter's Retreat as shown on the plat of record in Plat 47, page * in
the Register's Office of Rutherford County, Tennessee. 245 - 250

Being a portion of the same property conveyed to LGI Homes-Tennessee, LLC by deed
of record in Record Book _____, page _____, Registers Office of Rutherford County,
Tennessee.

EXHIBIT "B"

BY-LAWS

BY-LAWS
OF
CARTER'S RETREAT HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is CARTER'S RETREAT HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 2146 N Thompson Lane, Suite B, Murfreesboro, TN 37129, but meetings of members and directors may be held at such places within the State of Tennessee, County of Rutherford, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1: "Association" shall mean and refer to CARTER'S RETREAT HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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

Section 3: "Properties" shall mean and refer to that certain real property described in the Declaration of Protective Covenants, Conditions and Restrictions for Carter's Retreat, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Declarant" shall mean and refer to LGI Homes- Tennessee, LLC, a Tennessee limited liability company, its heirs, successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5: "Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Carter's Retreat applicable to the Properties recorded in the Register's Office of Rutherford County, Tennessee.

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

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

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

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of termination of Class B Membership.

Section 2. Special Meetings. After termination of Class B Membership, special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members entitled to cast twenty-five (25%) percent of the votes of the Class A membership. Prior to the termination of Class B Membership, special meetings may only be called by written notice from the Declarant.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by hand-delivery to the member's residence or by mailing a copy of such notice, postage prepaid, at least five (5) days before said meeting to each member entitled to vote thereat. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the general purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, ten (10%) percent of the total votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meeting of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) to five (5) directors as provided below. Directors need not be members of the Association during the existence of Class B membership, but must be members of the Association after the termination of Class B membership.

Section 2. Term of Office. Until the termination of Class B Membership, the Board of Directors shall be appointed by the Declarant and shall consist of three (3) directors which will serve terms of one year each. At the first annual meeting after the termination of Class B Membership or such earlier time as the Declarant determines in writing by notice to the Association, the members shall elect five (5) directors for varying terms as follows: one being elected for a one year term, two being elected for two year terms, and two being elected for three year terms. After said initial election of by the homeowner Members, the term of each subsequently elected director shall be for

a period of three years in order to allow experienced directors to remain on the Board.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. During Class B Membership, the Declarant may remove any Director at any time for any reason within the Declarant's sole discretion.

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

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as being taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Prior to the termination of Class B membership, the Declarant will appoint all Directors and Directors are not required to be residents of the Properties. After the termination of Class B membership, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such

appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members. After the termination of Class B Membership, Directors must be residents within the Properties. Notwithstanding the above, the first nominating committee shall not be formed or begin to undertake its duties until within ninety (90) days of the termination of Class B Membership.

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

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meetings of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment and working capital assessment against

- each Lot at least thirty (30) days in advance of each annual assessment period;
- (2) send written notice of the annual assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (3) establish the due dates of the annual assessments;
- (4) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) may procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained;
- (h) fulfill all other duties of the Association as set forth in the Declaration of Covenants.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

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

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

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

President

- (a) The President shall preside at all meetings of the Board of Directors;

shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In

addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

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

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

ARTICLE XII
CORPORATE SEAL

The Association shall have no corporate seal.

ARTICLE XIII
AMENDMENTS


Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, but during Class B membership, the Class B member must consent to any amendment in writing. These By-Laws may also be amended unilaterally by the Declarant at any time within fifteen (15) years of the date of the execution of these By-Laws.

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

ARTICLE XIV
MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the directors of the CARTER'S
RETREAT HOMEOWNERS ASSOCIATION, INC. have hereunto set our hands this
_____ day of _____, 2022.



DAVID CHASE, Director

DANNY HIERONIMUS, Director

PAT VEDRA, Director

EXHIBIT “C”

FENCE STYLE PERMITTED

WHITE PLANK VINYL FENCING NO TALLER THAN SIX FEET IN HEIGHT
ABOVE GROUND LEVEL, OR SUCH OTHER FENCE MATERIAL AND DESIGN
EXPRESSLY APPROVED BY THE BOARD

EXHIBIT "D"

BUFFER AREAS NOT TO BE DISTURBED

IDENTIFY AREAS ON PLAT

EXHIBIT "E"

STEP SYSTEM OPERATING INSTRUCTIONS AND GUIDELINES MURFREESBORO WATER RESOURCES DEPARTMENT

EFFLUENT COLLECTION SYSTEM

It's important to understand that the first step to a successful sewage treatment and disposal system begins with homeowner education. A knowledgeable homeowner can prevent premature failures and eliminate costly repairs. Your effluent collection system is composed of a STEP tank and plastic pressure mains. All waste from your house flows into the STEP tank where it is digested. The solids settle to the bottom of the tank. The scum floats to the top. The middle portion of the tank remains fairly clear. This liquid, commonly referred to as gray water, is pumped out of the tank into the pressure sewer main.

ITEMS THAT CAUSE PROBLEMS AND FAILURE OF THIS SYSTEM ARE:

1. Excessive scum accumulation or sludge in STEP tank.
2. Excessive water usage.
3. Some fabric softeners and whiteners.
4. Excessive grease and oil from food processing.
5. Hair from hair cutting.
6. Diapers, rags, cigarette butts, feminine products, coffee grounds, plastic and rubber products (condoms), and chemical cleaners.
7. Any non-biologically degradable substances will cause problems in the treatment and disposal for your sewage disposal system.

A properly maintained STEP tank provides a high degree of treatment and yields an effluent that is relatively free of greases and solids that can clog the effluent filter and pump. The best practice is not to discharge anything into a STEP system that is poisonous or that may inhibit the abilities of the friendly critters (bacteria) living and working there. An excellent guideline that should be practiced in every house is not to dispose anything into the STEP tank that hasn't first been ingested with the exception of toilet paper and mild detergents.

The following recommendations and tips list good healthy practices that will help to ensure a long life for your STEP tank system and minimal maintenance.

DO'S

Do call Murfreesboro Water Resources Department at (615) 893-1223 whenever the alarm comes on (sounds like a smoke alarm). The audible alarm can be silenced by pushing the illuminated light located directly above the "PUSH TO SILENCE" label on the front of the electrical control panel. With normal use that tank has a reserve storage capacity good for 48 hours.

Do familiarize yourself with the location of the electrical control panel and note the number on the panel.

Do coordinate the location of new landscaping or permanent structures with Murfreesboro Water Resources Department prior to installation in order to ensure that the integrity of the STEP tank and service lines are not jeopardized.

Do practice water conservation. By reducing the amount of water going into your system, you can extend the life of the system and reduce the power consumption. Wash clothes and dishes only when you have a full load. When possible avoid several loads in one day.

Do be aware that a simple toilet float can hang up and result in over 2,000 gallons per day of wasted water; normal household usage ranges from 300 to 500 gallons per day.

DON'TS

Don't dispose water softener backwash in the tank. The backwash brine contains high levels of chlorides that can destroy the microorganisms and inhibit the biological digestion that occurs in the STEP tank. The brine solution also interferes with the solid's sedimentation that occurs in the tank, and may increase the flow throughout the tank from 25 to 50 percent.

Don't encumber access to the STEP tank with landscaping or fencing.

Don't connect rain gutters or storm drains or allow other surface water to get into your STEP system. This additional water will overload your STEP tank system and cause a premature failure. Your STEP system was designed only for domestic water use.

Don't use excessive quantities of water. Repair leaky toilets, faucets or plumbing fixtures (leaky toilets can result in excess flows at 1 gallon per minute). Use water saving

devices such as low flow showerheads and low volume flush toilets.

Don't flush undesirable substances into the sewer. Flushing flammable and toxic products is dangerous, while other materials such as paper towels, rags, newspaper, cigarettes, coffee grounds, egg shells, sanitary napkins, condoms, flushable wipes, large amounts of hair and cooking grease are a maintenance nuisance and will require frequent pumping of septage from the tank.

Don't dump recreational vehicle (RV) waste into your STEP tank because it will increase the amount of solids entering the STEP tank and the frequency of required septage pumping. Some RV waste may contain chemicals that are toxic or that may adversely affect the biological activity in your tank.

Don't use garbage disposal systems to dispose of non-biodegradable materials because they increase the amount of solids entering the STEP tank and the frequency of required septage pumping. Compost scraps or dispose with your trash.

Don't pour grease down the drain. Collect grease in a container and dispose of in the trash. Pouring grease down the drain is the fastest way to ensure a system failure and expensive repair.

Don't use special additives that claim they will enhance the performance of your tank. Additives do not improve the performance of the STEP tanks. The natural microorganisms and bacteria that form in your system are sufficient. These organisms generate their own enzymes for breaking down and digesting nutrients.

SUBSTITUTES FOR HOUSEHOLD HAZARDOUS WASTE

Replace the following hazardous products with ones less environmentally harmful. The hazardous cleaners are listed in bold face, followed by a suggested substitute.

AMMONIA-BASED CLEANERS: Sprinkle baking soda on a damp sponge. For windows, use a solution of 2 Tbs. white vinegar to 1 qt. water. Place the mixture into the spray bottle.

DISINFECTANTS. Use Borax: ½ cup in a gallon of water; deodorizes also.

DRAIN DECLOGGERS: Use a plunger or metal snake, or clean trap.

SCOURING CLEANERS AND POWDERS: Sprinkle baking soda on a damp sponge or add 4 Tbs. baking soda to 1 qt. warm water or use Bon Ami. It's cheaper and won't scratch.

CARPET/UPHOLSTERY CLEANERS: Sprinkle dry cornstarch or baking soda on, then vacuum. For tougher stains, blot with white vinegar in soapy water.

TOILET CLEANERS. Sprinkle on baking soda or Bon Ami, and then scrub with a toilet brush.

FURNITURE/FLOOR POLISHES: To clean, use oil soap and warm water. Dry with soft cloth. Polish with 1 part lemon juice to 2 part oil (any kind), or use natural products with lemon oil or beeswax in mineral oil.

METAL CLEANERS: Brass and Copper: Scrub with a used half of lemon dipped in salt. Stainless Steel: use scouring pad and soapy water. Silver: rub gently with toothpaste and soft wet cloth.

OVEN CLEANERS: Quickly sprinkle salt on drips, then scrub. Use baking soda and scouring pads on older spills.

LAUNDRY DETERGENT: Choose one with zero phosphate content or use soap flakes with 1/3 cup of washing soda. (Before switching, wash clothes in pure washing soda to remove detergent residues.)