

DECLARATION

036345

OF

INSTRUMENT NO. \_\_\_\_\_

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR THE

CARLTON MANOR TOWNHOUSES, A PLANNED UNIT DEVELOPMENT

This declaration, made and entered into this 21st day of June, 1988, by John L. Carlton and wife, Nora J. Carlton, hereinafter referred to as "Declarant."

WITNESSETH:

Whereas the Declarant is the owner of certain property located and being situated in the SIXTH (6th) Civil District of the County of Knox, State of Tennessee, being more particularly described as follows, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION, its' successors or assigns.

Section 2. "Owners" 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 hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the properties, exclusive of any designated common areas and the joint permanent easement as shown on the recorded plat.

Section 5. "Declarant" shall mean and refer to John L. Carlton and wife, Nora J. Carlton, their successors and assigns. Declarant and developer are synonymous for the purposes of this declaration.

COUNTERSIGNED.

"Member" shall mean and refer to those persons en-



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titled to membership as provided in the Declaration.

Section 7. "Lender" as used herein shall mean and be defined as any lender; whether institutional investor, bank, savings and loan association, or loan broker, whose loan is secured by a lot in the Development and shall include, without limitation, the Federal Housing Administration (FHA) and the Veterans Administration (VA).

Section 8. "Common Areas" as used herein shall mean all real property, including the improvement or therefore owned by the Association for this common use and enjoyment of the owners, and as designated on the recorded plat, and as legally described in EXHIBIT "B" attached hereto and made a part hereof.

Section 9. "Joint Permanent Easement" as used herein shall mean and refer to the JOINT PERMANENT EASEMENT as shown on the recorded plat of the development, as the same appears of record in Map Cabinet K, Slide 366B, in the Register's Office of Knox County, Tennessee, to which reference is here made and incorporated herein, and dedicated of record in Deed Book 1942, Page 922 in the Register's Office of Knox County Deed and attached hereto and made a part hereof as EXHIBIT "C".

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easements and Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area 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 charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to be the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2. Delegation of use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners with the



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exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event the Declarant, its successors and assigns, has a lot leased or rented, the Declarant shall be entitled to one vote for each such Lot or Dwelling Unit and one vote for each Lot retained by it upon the termination of Class B membership.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot Owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) Four (4) months after seventy-five percent (75%) of the Lots in Development have been conveyed to Lot purchasers; or
- (b) Five (5) years following the conveyances of the first lot.

#### ARTICLE IV

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not is shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessments is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the common areas situated within the development, including, but not limited to costs of repairs, maintenance, replacements, additions, management, and insurance maintained in accordance with the By-Laws and employment of attorneys to represent the Association when necessary or when the need arises.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be THREE HUNDRED AND 00/100\*\*\*\*\*Dollars (\$300.00) per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year, without a vote of the Members, if such increase is not in excess of the increase in consumer price index as established by the index as established by the Department of Labor and published the July preceding the increase.

(b) From and after January 1 of the year immediately follow-



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ing the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year above that established by the consumer price index by the vote of the Members, by a two-thirds (2/3) vote of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose as provided in Section 5 herein.

(c) The Board of Directors may fix the annual assessment at an amount not in the excess of the maximum subject to the provisions of Section 6 and 7 herein.

Section 4. Replacement Reserves. The Association shall maintain in a separate bank account funds for replacement reserves to maintain, improve and preserve common areas and non-exclusive joint permanent easements. The replacement reserves shall be a part of and collected from lot owners by the Association as regular assessments in an amount determined and established in the annual Association budget.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Joint Permanent Easement, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly. The capital improvement fund shall be maintained in a separate bank account in the name of the Association as the Capital Improvement Fund.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at the uniform rate for all Lots and may be collected on a monthly basis.

Section 8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of the Common Area and Joint Permanent Easement to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the association as to the status of Assessments on a lot is binding upon the Association as of the date of its issuance. Notwithstanding any provision to the contrary, the assessment on any Lot(s) whose ownership is retained by the developer shall



commence on the first day of the month of occupancy of any such Lot(s) and shall not terminate thereafter.

Section 9. Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of Ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot or non-use of the Common Area.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lien thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All property dedicated to, and accepted by a local public authority and all properties owned by charitable and nonprofit organizations assessments herein. However, in any event, no land or improvements devoted to dwelling use shall be exempt from said assessments.

#### ARTICLE V

##### ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Provided, that nothing herein contained shall be construed to permit interference with development of the properties by Declarant so long as said development follows the general plan of development.

#### ARTICLE VI

##### PARTY WALLS

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

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

Section 3. Destruction by Fire of Other Casualty. If a party wall



is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

#### ARTICLE VII

##### EXTERIOR MAINTENANCE

In addition to maintenance upon the joint permanent easement, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees.

Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair of a lot or the improvements thereon is caused through the willful or negligent acts of its owners, or through the willful or negligent acts of the family, guests, or invitees of the owner of the lot needing such maintenance or repair, the costs of such exterior maintenance shall be added to and become a part of the assessment to which such lot is subject.

#### ARTICLE VIII

##### RESTRICTIONS ON USAGE

Section 1. Land use and building types. No lot shall be used except for residential purposes. In the event that in future annexation or development, certain plots of land are designated as "commercial areas" on recorded plats, then such plots may be used for any commercial purposes permitted by applicable municipal and zoning ordinances.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and provided further that the Association may regulate the keeping and maintaining of household pets.

Section 4. Outside Antennas. No outside radio or television an-



tennas, including but not limited to satellite dishes, shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 5. Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Section 6. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste and shall not be kept except in sanitary containers. All equipment for the storage of such material shall be kept in a clean and sanitary condition. Incinerators or other disposal equipment shall not be allowed on any lot.

Section 7. Lawful Use. No immoral, improper, offensive, noxious or unlawful use shall be made of the Lots and Living Units, nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 8. Commercial Business. No commercial business may be maintained in the Living Units.

Section 9. Sports Apparatus and Equipment. No basketball standards or fixed sports apparatus shall be attached to any Living Units or garage or be erected on the Lot of any Unit.

Section 10. Vehicles and Parking. No vehicles of any type shall be permanently or semi-permanently parked on the Properties or in the vicinity of any Living Unit for the purpose of accomplishing repairs thereto, or the reconstruction thereof, except as permitted by the Rules of the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being operated.

Section 11. Garages. Each Owner shall keep his garage area in a neat and orderly condition with all storage areas completely enclosed.

Section 12. Recreation Vehicles. There shall be no parking of recreational vehicles, including, but not limited to, camping trailers, boats, motor homes, and the like except in areas specifically designated for this purpose by the Association.

Section 13. Commercial Vehicles. The Association shall have the power to adopt Rules and Regulations concerning the parking of all commercial vehicles on the Properties or individual Lots.

## ARTICLE IX

### EASEMENTS

Section 1. Utilities and Drainage. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct, alter, or retard the flow of water through drainage channels in the easements.

Section 2. Access. Easements to each individual lot for ingress



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and egress shall be provided each property by the joint permanent easements as shown on the recorded plat.

Section 3. Maintenance. Easements for repair and maintenance of exterior surfaces of each Lot are reserved for the completion of necessary repairs as determined by the homeowners' association to be required to perpetuate the architectural continuity of the development and preserve residential structures therein. The Association has a reasonable right of entry upon any lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Development.

The Association has a right to grant permits, licenses and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development.

#### ARTICLE X

##### DISCLOSURE

Section 1. Owners and Lenders. The Declarant during the period of development and the Association thereafter shall make available to lot owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the Development and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Financial Disclosure. Any lender and holder of a first mortgage on any lot in said Development is entitled, upon request, to a financial statement for the immediately preceding fiscal year.

Section 3. Notice of Lender. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- a) Any condemnation or casualty loss that affects either a material portion of the project or the lot securing its mortgage;
- b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner on which it holds the mortgage;
- c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- d) Any proposed action that requires the consent of a specified percentage of mortgage note holders.

#### ARTICLE XI

##### INSURANCE

Section 1. Insurance required by the Association. The Association shall obtain and maintain casualty and hazard insurance on all improvements within the Development common areas, public liability insurance for the Common Areas and the Joint Permanent Easement within Development, and fidelity bonds on all officers and directors of said Association responsible for handling, receipting for, and managing the funds of said Association. The Association is hereby empowered to assess each lot ratably for an amount equal to the sum of the current premium for said blanket



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hazard and casualty insurance based on the valuation of the improvements within the Common Areas. Such premiums shall be held in a separate account and accumulated from monthly assessments as collected for the specific purpose of paying the premiums on such insurance as they becomes due.

## ARTICLE XII

### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the lot Owners. Any amendment must be recorded. As long as there is a Class B membership in the Association any amendment of this instrument shall only be effective with the prior written approval of the Veterans' Administration and the Federal Housing Administration.

Section 4. Annexation. Additional residential property may be annexed to the Properties by the Declarant within five (5) years of the sale of the first Lot provided that the Federal Housing Administration and the Veteran's Administration determine that the annexation is in accord and conformity with the general plan heretofore approved. As long as there is a Class B membership in the Association any amendment of this instrument shall only be effective with the prior written approval of the Veterans' Administration and the Federal Housing Administration.

Section 5. Dedication of Additional Common Areas. As long as Class B membership exists in the Association additional Common areas within the property shall not be dedicated without the prior written consent of the Veterans' Administration and the Federal Housing Administration.

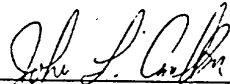
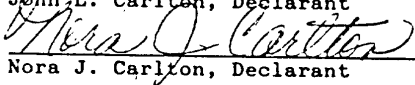
Section 6. Encroachments. It is understood that the Living Units which adjoin each other and have a party wall built as a part of the original construction of the homes which is placed upon the dividing line between adjoining Lots may encroach on such adjoining Lots due to construction or other reasons. Accordingly, an easement is reserved for such encroachments as are contained in the buildings, whether the same now exist or may be caused or created by construction, settlement, or movement of the building, or by permissible repairs, construction, or alteration. With regard to any differences which may exist on the Plat entitled CARLTON MANOR TOWNHOUSES, A Planned Unit Development, as shown of record in Map Cabinet K, Slide 366B, in the Register's Office of Knox County, Tennessee, or in any other lands which may be platted or annexed thereto, and the actual party walls and Lot lines which exist on the Properties, the Lot lines, and party walls, which actually exist shall control over discrepancies in



such plats.

**Section 7. Contracts.** The Association, prior to passage of the Declarant's control period, is not bound either directly or indirectly to contracts or leases, including management contracts, unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control from Declarant upon not more than ninety (90) days notice to the other party.

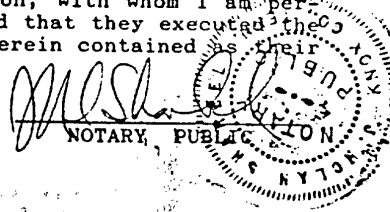
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set their hand the day and year first above written.

  
\_\_\_\_\_  
John L. Carlton, Declarant  
  
\_\_\_\_\_  
Nora J. Carlton, Declarant

State of Tennessee, County of Knox:ss

On this 21st day of June, 1988, before me personally appeared John L. Carlton and wife, Nora J. Carlton, with whom I am personally acquainted and who acknowledged that they executed the foregoing instrument for the purposes therein contained as their free act and deed.

My Commission Expires: 18 February, 1991



THIS INSTRUMENT PREPARED BY:  
J. Nolan Sharbel, Attorney  
7814A Kingston Pike  
Knoxville, Tennessee 37919

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EXHIBIT "A"

LOCATED and being situated in the SIXTH (6th) Civil District of the County of Knox, State of Tennessee, and being more particularly described as follows, to wit:

BEGINNING at an iron pin, said iron pin being located in the northwestern margin of the right-of-way of George Williams Drive 155.0 feet, more or less, from the point of intersection of the right-of-way of George Williams Drive with Continental Road; thence, from said beginning point and leaving the northwesterly margin of the right-of-way of George Williams Drive, North 26 deg. 26 min. West 322.70 feet to a concrete monument; thence North 61 deg. 11 min. 30 sec. East 494.11 feet to an iron pin; thence South 29 deg. 28 min. East 52.36 feet to an iron pin; thence South 38 deg. 05 min East 4.48 feet to an iron pin; thence South 34 deg. 08 min. East 174.96 feet to an iron pin; thence South 33 deg. 54 min. East 125 feet to an iron pin in the easterly margin of the right-of-way of George Williams Drive; thence, with the easterly margin of the right-of-way of George Williams Drive, South 60 deg. 30 min. West 45.91 feet to an iron pin; thence, with a curve to the right with a radius of 230.0 feet, a chord bearing South 79 deg. 52 min. 40 sec. West, a chord distance of 179.20 feet, a distance of 184.08 feet to an iron pin; thence, continuing with the northwestern margin of the right-of-way of George Williams Drive, South 56 deg. 57 min. West 321.36 feet to the point of BEGINNING, according to the survey of Jim Sullivan, dated March 14, 1988.

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EXHIBIT "B"

LOCATED and being situated in the SIXTH (6th) Civil District of the County of Knox, State of Tennessee, and being known and designated as two common areas on a recorded plat of Carlton Manor Townhouses, A Planned Unit Development as shown of record in Map Cabinet     K    , Slide 366B, to which reference is here made, and being more particularly described in two tracts as follows:

TRACT 1:

BEGINNING at a point, said point being located in the westerly margin of a 40' joint permanent easement and marking the common corners of Lot 7 in said Planned Unit Development and the hereinafter described Common Area, said point being located North 26 deg. 26 min. West 201.0 feet from a point in the northwestern margin of the right-of-way of George Williams Drive, said point in the northwestern margin of the right-of-way of George Williams Drive being located 235.54 feet from the point of intersection of the right-of-way of George Williams Drive with Continental Road; thence, from said beginning point and with the northerly boundary of Lot 7 in said Planned Unit Development, South 63 deg. 34 min. West 80.0 feet to a point; thence North 26 deg. 26 min. West 112.45 feet to a concrete monument; thence North 61 deg. 11 min. 30 sec. East 71.92 feet to a point marking the common corner of the Common Area with the northwesterly corner of Lot 8 in said Planned Unit Development; thence, with the westerly boundary of Lot 8 in said Planned Unit Development, South 32 deg. East 83.81 feet to a point in said 40' joint permanent easement; thence, with the westerly margin of said 40' joint permanent easement, South 26 deg. 26 min. East 32.02 feet to the point of BEGINNING; and

TRACT 2:

BEGINNING at a point in the northwestern margin of the right-of-way of George Williams Drive at the point of intersection of the right-of-way of George Williams Drive with the easterly margin of a 40' joint permanent easement, said beginning point being located 275.81 feet, more or less, in a northeasterly direction from the point of intersection of the right-of-way of George Williams Drive with Continental Road; thence, from said beginning point and leaving the northwestern margin of the right-of-way of George Williams Drive and with the 40' joint permanent easement as shown on the recorded plat of Carlton Manor Townhouses, A Planned Unit Development, North 26 deg. 26 min. West 39.53 feet to a point marking the southwesterly corner of Lot 46 in said Planned Unit Development; thence North 63 deg. 34 min. East 96.97 feet to a point marking the southeasterly corner of said Lot 46; thence North 28 deg. 48 min. West 9.37 feet, more or less, to a point marking the southwesterly corner of Lot 33 in said Planned Unit Development; thence, with the southerly boundary of said Lot 33, North 61 deg. 12 min. East 90.0 feet to a point in the westerly margin of a 40' joint permanent easement shown on the recorded plat of said Planned Unit Development and marking the southeasterly corner of Lot 33 in said Planned Unit Development; thence, with said 40' joint permanent easement, South 28 deg. 48 min. East 11.43 feet to a point; thence North 61 deg. 12 min. East 55 feet to a point; thence North 28 deg. 48 min. West 20 feet to a point in the Southerly margin of Lot 32 in said Planned Unit Development; thence, with the southerly margin of said Lot 32, North 61 deg. 12 min. East 73.25 feet to a point marking the southeasterly corner of said Lot 32; thence, North 28 deg. 48 min. West 74.75 feet to a point marking the common corners of Lots 30, 26, and 25 in said Planned Unit Development; thence, with the southerly boundary of Lot 25 and Lot 24 in said Planned Unit Development, North 61 deg. 12 min East 83.41 feet to a point; thence South 34.0 deg. 08 min. East 47.19 feet to an iron pin; thence South 34 deg. 54 min. East 125.0 feet to an iron pin in the northerly margin of the right-of-way of George Williams Drive; thence, with the northerly margin of the right-of-way of George Williams Drive, South 60 deg. 30 min. West 45.91 feet to an iron pin; thence, following a curve to the right with a radius of 235 feet a chord bearing of South 79 deg. 52 min. 40 sec. West, a chord distance of 179.20 feet, a distance of 184.08 feet to an iron pin; thence South 56 deg. 57 min. West 200.55 feet to the point of BEGINNING, according to the survey of Jim Sullivan, dated March 14, 1988.

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EXHIBIT "C"

THIS INSTRUMENT PREPARED BY:

J. Nolan Sharbel, Attorney  
7814-A Kingston Pike  
Knoxville, Tennessee 37919

INSTRUMENT NO. 024676

DECLARATION OF JOINT PERMANENT EASEMENT

This declaration made and entered into this 6<sup>th</sup> day of April, 1988 by John L. Carlton and wife, Nora J. Carlton, of Knox County, Tennessee, hereinafter referred to a Grantor.

WITNESSETH:

That the Grantor for good and valuable consideration in hand paid, does hereby declare, grant, convey and bargain a joint permanent easement for access for ingress and egress to Carlton Manor Townhouses, A Planned Unit Development, as shown of record in Map Cabinet \_\_\_\_\_, Slide \_\_\_\_\_, in the Register's Office of Knox County, Tennessee, to which reference is here made for the benefit of the homeowners in said planned unit development, said joint permanent easement being more particularly described in Exhibit "A", attached hereto and made a part hereof.

Grantor, for themselves, their successors and assigns, covenants that they are the owners of the property on which this easement is granted; that they have a good right to grant this easement; that said property is free and clear of all encumbrances, except those of record, and that they, their successors and assigns will forever warrant and defend the said rights, privileges and premises against the lawful claims of all persons whomsoever, claiming by, through, or under the Grantor.

Wherever applicable, words used herein in the plural shall include the singular, and words used in the masculine shall include the feminine and the neuter.

IN WITNESS WHEREOF, Grantor has executed or caused this easement to be executed by persons properly authorized to do so on or as of the day and year first above written.

John L. Carlton  
JOHN L. CARLTON

Nora J. Carlton  
NORA J. CARLTON

STATE OF TENNESSEE  
COUNTY OF KNOX

On this 6<sup>th</sup> day of April, 1987, before me personally appeared JOHN L. CARLTON, to me known to be the person described, in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

My Commission Expires:

2/16/91  
STATE OF TENNESSEE  
COUNTY OF KNOX

[Signature]  
Notary Public  
KNOX COUNTY, TENNESSEE

WITNESSED AND SUBSCRIBED

JUN 22 1988  
[Signature] (Parkey) STRADER  
COUNTY ASSESSOR

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BOOK 1949 PAGE 1045



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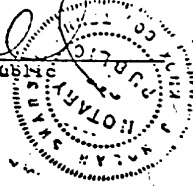
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On this 6<sup>th</sup> day of April, 1987, before me personally appeared NORA J. CARLTON, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

My Commission Expires:

2/18/91

*M. J. ...*  
Notary Public



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BOOK 1942 PAGE 0923

RECEIVED FOR  
REGISTRATION  
APR 6 1 17 PM '88  
NOTARY PUBLIC  
CITY HALL

PLANNED UNIT DEVELOPMENT MAP  
NO. 198806220020765  
SIXTH (6TH) CIVIL DISTRICT OF THE COUNTY  
OF KNOX, STATE OF TENNESSEE

EXHIBIT "A"

LOCATED and being situated in the SIXTH (6th) Civil District of the County of Knox, State of Tennessee, and being known and designated as follows, to wit:

A 40' joint permanent easement as shown on the plat of Carlton Manor Townhouses, a Planned Unit Development, being more particularly described as follows:

BEGINNING at a point, said point being located in the northwesterly margin of the right-of-way of George Williams Drive 235.54 feet, more or less, in a northeasterly direction from the point of intersection of the right-of-way of George Williams Drive with Confederate Drive; thence, leaving the northwesterly margin of the right-of-way of George Williams Drive, North 26 deg. 26 min. West, 232.99 feet to a point marking the common corner of Lot 8 and a common area in said Planned Unit Development; thence North 58 deg. East, 174.26 feet to a point marking the common corners of Lots 14 and 15 in said Planned Unit Development; thence North 61 deg. 12 min. East, 246.46 feet to a point; thence South 34 deg. 08 min East, 60.26 feet to a point; thence South 61 deg. 12 min. West, 28 feet to a point; thence North 28 deg. 48 min. West, 20 feet to a point; thence South 61 deg. 12 min. West, 139 feet to a point, said point marking the northwesterly corner of Lot 29 of said Planned Unit Development; thence South 28 deg. 48 min. East, 144.75 feet to a point marking the southwest corner of Lot 32 in said Planned Unit Development; thence North 61 deg. 12 min. East, 15 feet to a point; thence South 28 deg. 48 min. East, 20 feet to a point; thence South 61 deg. 12 min. West, 55 feet to a point; thence North 28 deg. 48 min. West, 164.75 feet to a point marking the northeast corner of Lot 37 in said Planned Unit Development; thence South 63 deg. 09 min. West, 29.58 feet to a point marking the common corners of Lots 37 and 38 in said Planned Unit Development; thence South 58 deg. West, 87.75 feet to a point; thence, following a curve to the left with a radius of 70 feet, a chord bearing South 54 deg., 44 min. West, a chord distance 7.9 feet to a point; thence, continuing with said curve, a chord bearing South 15 deg. 47 min. West, a chord distance of 94.08 feet to a point; thence South 26 deg. 26 min. East, 128.75 feet to a point in the northwesterly margin of the right-of-way of George Williams Drive; thence, with the northwesterly margin of the right-of-way of George Williams Drive, South 56 deg. 57 min. West, 40.27 feet to the point of BEGINNING, according to the survey of Jim Sullivan, dated March 14, 1988.



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BOOK 1842 PAGE 0924

198806220020765

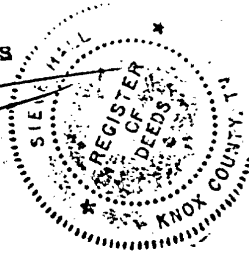
REGISTER OF DEEDS OFFICE KNOXVILLE, TENNESSEE

I, STEVE HALL, REGISTER OF DEEDS FOR KNOX COUNTY TENNESSEE  
DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE CERTIFIED COPY OF  
THE <sup>Permanent Easement</sup> ~~Declaration of Joint~~ FROM <sup>Mrs J. Carlton</sup> ~~John L. Carlton and wife~~  
TO <sup>Carlton Moral Trust</sup> AS APPEARS ON RECORD IN BOOK 1948  
PAGE 1972 OF SAID REGISTER'S OFFICE.

WITNESS MY HAND AT OFFICE THIS THE 21 DAY OF June 19 88

STEVE HALL, REGISTER OF DEEDS

*John Wells*  
*Register*



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EXHIBIT "D"

CHARTER

OF

CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION

The undersigned natural persons, having the capacity to contract and acting as the incorporators of a not for profit, mutual benefit corporation under the Tennessee Nonprofit Corporation Act, adopts the following charter for said corporation:

ARTICLE I

The name of the corporation is CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION of Knoxville, Tennessee, hereinafter called the ASSOCIATION, being a corporation organized and existing under the laws of the State of Tennessee.

ARTICLE II

The Initial Registered Office and the Principal office of the ASSOCIATION is located at CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION, 9217 George Williams Road, Knoxville, Knox County, Tennessee 37922; and its' initial registered agent at this office is John L. Carlton.

ARTICLE III

The Incorporators of the not for profit, mutual benefit corporation are John L. Carlton and Nora J. Carlton, whose principal place of business is 9217 George Williams Road, Knoxville, Knox County, Tennessee 37922.

ARTICLE IV

The ASSOCIATION is a not for profit, mutual benefit corporation, and does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to provide for the maintenance, preservation, and architectural control of the residence lots within that certain tract of property described as follows, to wit:

LOCATED AND BEING SITUATED in the Sixth (6th) Civil District of the County of Knox, State of Tennessee, and being known and designated as follows:  
CARLTON MANOR TOWNHOUSES, A PLANNED UNIT DEVELOPMENT, as shown of record in Map Cabinet K, Slide 366B, in the Register's Office of Knox County, Tennessee, to which reference is here made for a more particular description and being more particularly described in EXHIBIT "A" attached hereto and made a part hereof;

and to promote the health, safety, and welfare of the residents within the above described property and any addition thereto as may hereafter be brought within the jurisdiction of the ASSOCIATION, and for this purpose to:

A. exercise all powers and privileges and to perform all of the duties of the ASSOCIATION as setforth in that certain DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, hereinafter called the "DECLARATION", applicable to the property and to be recorded in the Office of the Register of Deeds of Knox County, Tennessee, and as the same may be amended from time to time as therein provided, said DECLARATION being incorporated herein as

COUNTERSIGNED

JUN 22 1988. fix, levy, collect, and enforce payment by any lawful  
MARK M. (Parkey) STRADER

KNOX COUNTY  
PROPERTY ASSESSOR

ah



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means, all charges and/or assessments pursuant to the terms of the DECLARATION; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the ASSOCIATION, including all licenses, taxes, and/or governmental charges levied or imposed against the property of the ASSOCIATION;

C. acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real and/or personal property in connection with the affairs of the ASSOCIATION;

D. borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its' real and/or personal property as security for money borrowed or debts incurred;

E. participate in mergers and consolidations with other mutual benefit, non-profit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of each class of members;

F. dedicate, sell, transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by 2/3rds of each class of members, agreeing to such dedication, sale or transfer.

G. have and to exercise any and all powers, rights, and privileges, which a mutual benefit, not for profit corporation organized under the Tennessee Nonprofit Corporation Act by law may now or hereafter have or exercise.

#### ARTICLE V

Every person or entity who is an owner of public record of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment by the Association.

#### ARTICLE VI

The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) Four (4) months after seventy-five percent (75%) of the Lots in Development have been conveyed to Lot Purchasers; or

(b) Five (5) years following the conveyances of the



first Lot.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of seven (7) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

John L. Carlton  
9217 George Williams Road  
Knoxville, Tennessee 37922;

Nora J. Carlton  
9217 George Williams Road  
Knoxville, Tennessee 37922.

At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, two (2) directors for a term of two (2) years and two (2) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect the requisite number of directors for the appropriate term of each respective directorship.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership, provided that, as long as a Class B membership exists in the Association, any of the following actions will require the prior written consent of the Veterans' Administration and the Federal Housing Administration: annexation of additional properties into the planned unit development, mergers and consolidations of the planned unit development with any other development, and/or mortgaging of the common areas and joint permanent easement, dedication of additional common areas, dissolution and amendment of this charter.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Tennessee, we, the undersigned, constituting the incorporators of this not for profit, mutual benefit Association, have executed this Articles of Incorporation.



poration this 21st day of June, 1988.

John L. Carlton, Incorporator

Nora J. Carlton, Incorporator

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EXHIBIT "E"

BY-LAWS

OF

CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION

Name and location: The name of the corporation is CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION of Knoxville, Tennessee, A Planned Unit Development, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9217 George Williams Road, Knoxville, Tennessee, 37922, but meetings of the members and directors may be held at such places within the State of Tennessee, County of Knox, as may be designated by the Board of Directors.

DEFINITIONS

Section 1. "Association" shall mean and refer to CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION of Knoxville, Tennessee, A Planned Unit Development, its' successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision map of the Properties with the exception of the Common Areas and the Joint Permanent Easement as shown on said recorded plat.

Section 4. "Owner" shall mean and refer to the record owner whether one or more persons or entities, of the 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 any obligation.

Section 5. "Declarant" shall mean and refer to John L. Carlton and wife, Nora J. Carlton, their successors and assigns if such successors or assigns should acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Knox County, Tennessee.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Lender" as used herein shall mean and be defined as any lender, whether institutional investor, bank, savings and loan association, or loan broker, whose loan is secured by a lot in the Development and shall include, without limitation, the Federal Housing Administration (FHA), the Veterans Administration (VA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation.

COUNTERSIGNED

JUN 22 1988

K.M. (P) STRADIR



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Section 9. "Common Areas" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common areas to be owned by the Association at the time of the conveyance of the first lot is described as shown on "Exhibit A" attached hereto.

#### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter of the Association 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 power to adjourn the meeting from time to time without notice other than announcement at the meeting, until 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.

#### DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of seven (7) directors, who need not be members of the Association.

Section 2. Term in Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, two (2) directors for a term of two (2) years and two (2) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect the requisite number of directors for the appropriate term of each respective directorship.

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/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of



his/her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her 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 though taken at a meeting of the directors.

Section 6. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as they shall in their discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members of non-members.

Section 7. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in the 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.

Section 8. Meetings. Regular meetings of the Board of Directors shall be held monthly 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. 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. 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.

Section 9. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the common area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) suspend the voting rights and right to use of the common recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) 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 Charter, of the Declaration:

(d) declare the office of a member of the Board of Direc-



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tors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

Section 10. 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 meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote.

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

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

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

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

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or 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 for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the exterior of the dwellings to be maintained.

#### OFFICERS

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be nonvoting members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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 they shall sooner resign, or shall be removed, or otherwise be 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. Officers' Duties.

(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.

(b) The vice-president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, required of him/her by the Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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.

(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.

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.

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 Charter of the As-



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sociation, 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.

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 Six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclosure the 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 nonuse of any Common Area or abandonment of his Lot.

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; provided that, as long as a Class B membership exists in the Association, any amendment of these by-laws shall be approved in writing by the Veterans' Administration and the Federal Housing Administration.

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

MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first 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.

Section 2. The Association shall not have a corporate seal.

IN WITNESS WHEREOF, we, the sole interim directors of CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION of Knoxville, Tennessee, A Planned Unit Development, have hereunto set our hand this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION of Knoxville, Tennessee, A Planned Unit Development

By: \_\_\_\_\_  
John L. Carlton, Declarant

By: \_\_\_\_\_  
Nora J. Carlton, Declarant



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CERTIFICATION

I, the undersigned, do hereby certify:

That I am the acting secretary of CARLTON MANOR TOWNHOUSES HOMEOWNERS' ASSOCIATION, A Planned Unit Development, of Knoxville, Tennessee, whose principal office is in Knox County, Tennessee; and

That the foregoing By-Laws constitute the original By-Laws of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 1988.

IN WITNESS WHEREOF, I have hereto subscribed the name of the corporation by signing my name thereto as secretary this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

\_\_\_\_\_  
Nora J. Carlton, Secretary

NOTE BOOK  
STEVE HALL

JUN 27 3 22 PM '88

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EXHIBIT "A"

LOCATED and being situated in the SIXTH (6th) Civil District of the County of Knox, State of Tennessee, and being known and designated as two common areas on a recorded plat of Carlton Manor Townhouses, A Planned Unit Development as shown of record in Map Cabinet K, Slide 366B, to which reference is here made, and being more particularly described in two tracts as follows:

TRACT 1:

BEGINNING at a point, said point being located in the westerly margin of a 40' joint permanent easement and marking the common corners of Lot 7 in said Planned Unit Development and the hereinafter described Common Area, said point being located North 26 deg. 26 min. West 201.0 feet from a point in the northwestern margin of the right-of-way of George Williams Drive, said point in the northwestern margin of the right-of-way of George Williams Drive being located 235.54 feet from the point of intersection of the right-of-way of George Williams Drive with Continental Road; thence, from said beginning point and with the northerly boundary of Lot 7 in said Planned Unit Development, South 63 deg. 34 min. West 80.0 feet to a point; thence North 26 deg. 26 min. West 112.45 feet to a concrete monument; thence North 61 deg. 11 min. 30 sec. East 71.92 feet to a point marking the common corner of the Common Area with the northwesterly corner of Lot 8 in said Planned Unit Development; thence, with the westerly boundary of Lot 8 in said Planned Unit Development, South 32 deg. East 83.81 feet to a point in said 40' joint permanent easement; thence, with the westerly margin of said 40' joint permanent easement, South 26 deg. 26 min. East 32.02 feet to the point of BEGINNING; and

TRACT 2:

BEGINNING at a point in the northwestern margin of the right-of-way of George Williams Drive at the point of intersection of the right-of-way of George Williams Drive with the easterly margin of a 40' joint permanent easement, said beginning point being located 275.81 feet, more or less, in a northeasterly direction from the point of intersection of the right-of-way of George Williams Drive with Continental Road; thence, from said beginning point and leaving the northwestern margin of the right-of-way of George Williams Drive and with the 40' joint permanent easement as shown on the recorded plat of Carlton Manor Townhouses, A Planned Unit Development, North 26 deg. 26 min. West 39.53 feet to a point marking the southwesterly corner of Lot 46 in said Planned Unit Development; thence North 63 deg. 34 min. East 96.97 feet to a point marking the southeasterly corner of said Lot 46; thence North 28 deg. 48 min. West 9.37 feet, more or less, to a point marking the southwesterly corner of Lot 33 in said Planned Unit Development; thence, with the southerly boundary of said Lot 33, North 61 deg. 12 min. East 90.0 feet to a point in the westerly margin of a 40' joint permanent easement shown on the recorded plat of said Planned Unit Development and marking the southeasterly corner of Lot 33 in said Planned Unit Development; thence, with said 40' joint permanent easement, South 28 deg. 48 min. East 11.43 feet to a point; thence North 61 deg. 12 min. East 55 feet to a point; thence North 28 deg. 48 min. West 20 feet to a point in the Southerly margin of Lot 32 in said Planned Unit Development; thence, with the southerly margin of said Lot 32, North 61 deg. 12 min. East 73.25 feet to a point marking the southeasterly corner of said Lot 32; thence, North 28 deg. 48 min. West 74.75 feet to a point marking the common corners of Lots 30, 26, and 25 in said Planned Unit Development; thence, with the southerly boundary of Lot 25 and Lot 24 in said Planned Unit Development, North 61 deg. 12 min East 83.41 feet to a point; thence South 34.0 deg. 08 min. East 47.19 feet to an iron pin; thence South 34 deg. 54 min. East 125.0 feet to an iron pin in the northerly margin of the right-of-way of George Williams Drive; thence, with the northerly margin of the right-of-way of George Williams Drive, South 60 deg. 30 min. West 45.91 feet to an iron pin; thence, following a curve to the right with a radius of 235 feet a chord bearing of South 79 deg. 52 min. 40 sec. West, a chord distance of 179.20 feet, a distance of 184.08 feet to an iron pin; thence South 56 deg. 57 min. West 200.55 feet to the point of BEGINNING, according to the survey of Jim Sullivan, dated March 14, 1988.



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