

THIS INSTRUMENT PREPARED BY:
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WATERFORD

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter sometimes referred to as the "Declaration") is made and published this 5th day of November, 1987, by and between Murray Lane Associates, a joint venture composed of Zaring National Corporation, an Ohio corporation, and WRF Development Company, a Tennessee corporation, (hereinafter sometimes referred to as "Developer") and any and all persons, firms or corporations hereafter acquiring any of the within described property:

WITNESSETH:

WHEREAS, Developer is the Owner of a subdivision in the County of Williamson, State of Tennessee, known as Waterford, which is shown upon a plat of record in Plat Book 11, page 71, Register's Office for said County (hereinafter referred to as the "Plat"); and

WHEREAS, it is in the best interest of Developer, as well as to the benefit, interest and advantage of each and every person or other entity hereafter acquiring any of the within described property that certain covenants, conditions and easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land; and

WHEREAS, Developer desires to provide for the preservation of the values and the desirability and attractiveness of the real property in the Waterford community; and for the continued maintenance and operation of such recreational and common areas as may be provided;

NOW, THEREFORE, in consideration of the premises, the Developer agrees with any and all persons, firms, corporations or other entities hereafter acquiring any of the property hereinafter described, that the same shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens (all hereafter collectively referred to as "Restrictions") relating to the use and occupancy thereof, said Restrictions to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and which shall inure to the benefit of each Owner thereof. Every person or other party hereafter acquiring any of the within described properties made subject to this Declaration, by acceptance of a deed to any interest in or to said property, shall take such property interest subject to this Declaration and to the terms and conditions hereof and shall be deemed to have assented to same.

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:

1.1. "Association" shall mean and refer to the Waterford Homeowners Association, a Tennessee unincorporated association, its successors and assigns.

1.2. "Bylaws" shall mean and refer to the Bylaws of the Waterford Association Homeowners attached hereto as Exhibit "B".

1.3. "Common Area(s)" shall mean and refer to any and all real property owned by the Association, or such other property to which the Association may hold legal title whether in fee or for a term of years, for the non-exclusive use, benefit and enjoyment of the members of the Association subject to the provisions of the Declaration, such Common Areas to include, without limitation, the entrance way and any signage constructed thereon.

1.4. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions applicable to the properties and which shall be recorded in the Office of the Register of Deeds for Williamson County, Tennessee.

1.5. "Developer" shall mean and refer to Murray Lane Associates, a joint venture comprised of Zaring National Corporation, an Ohio Corporation and WRF Development Company, a Tennessee corporation, having a principal place of business in Cincinnati, Ohio, its successors and assigns.

1.6. "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.

1.7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Site which is a part of Waterford, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.

1.8. "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.

1.9. "Site" or "Lot" shall either mean and refer to any plot of land to be used for single-family residential purposes and so designated on the subdivision plat or survey of Waterford, which shall be of public record.

1.10. "Waterford" shall mean and refer to that certain residential community known as Waterford which is being developed on real property now owned by Developer in Brentwood, Williamson County, Tennessee, as shown on the Plat referred to hereinabove.

1.11. "Umbrella Association" shall mean and refer to the Murray Lane Properties Common Facilities Association, Inc., a non-profit corporation which may be

organized by the Developer, in the Developer's sole discretion under the laws of the State of Tennessee, and if so organized all Members of the Waterford Homeowner Association unless otherwise indicated in the deed in the initial conveyance of a Lot by the Developer, shall automatically be members.

ARTICLE II

PROPERTIES SUBJECT TO THIS DECLARATION

The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Williamson County, Tennessee, and is more particularly described and shown on Exhibit "A" attached hereto and made a part hereof by this reference. Waterford consists of twenty-eight (28) sites and an entrance way as shown on Plat.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every person or entity who is the Owner of record of a fee interest in any Site within the Properties shall be a member of the Association, subject to and bound by the Association's Bylaws and rules and regulations. The foregoing is not intended to include persons or entities who hold an interest in any Site merely as security for the performance of an obligation. Ownership of such Site shall be the sole qualification for membership. When any Site is owned of record in tenancy by the entireties or tenancy in common or by some other legal entity, membership as to such Site(s) shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only as stipulated in Section 3.2 herein below.

3.2. Loss of Rights and Privileges. During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to the use of any recreational facilities as may be administered by the Umbrella Association may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a member of any rules or regulations established by the Board of Directors, such member's voting and use rights may be suspended by the Board after a hearing at which the general requirements of due process requirements shall be observed. Such hearing shall only be held by the board (or a committee thereof) after giving such member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of violation shall be made by a majority vote of the Board or the Committee thereof. Provided, however that nothing contained herein shall be construed as to limit the Umbrella Association's right to operate any recreational facilities and to promulgate rules and regulations in relation thereto which may also provide for limitations on access for any owner in violation thereof.

3.3. Membership Fees. No membership or initiation fee shall be charged, nor shall Members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments and special assessments levied upon each Member's Lot as specified in the Declaration, the Bylaws, or as the Developer or the Directors of the Association may from time to time hereafter adopt.

3.4. Voting and Voting Rights. (a) The voting rights of the membership shall be appurtenant to the ownership of the Site. There shall be two classes of Sites with respect to voting rights:

1. Class A. Class A Sites shall be all Sites except Class B Sites as the same are hereinafter defined, and the Owner(s) of each such Class A Site shall be entitled to one (1) vote.

When two or more persons hold an interest (other than a leasehold or security interest) in any Site, all such persons shall be Members. The vote for such Site shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Site and in no event shall more than one (1) vote be cast with respect to any Site.

2. Class B. Class B Sites shall be all Sites owned by Developer which have not been converted to Class A Sites as provided below. Developer shall be entitled to four (4) votes for each Class B Site which it retains. The Class B Sites shall cease to exist and shall be converted to Class A Sites when 80% of the total lots in Waterford are improved by owner-occupied residences, provided that the Class B Sites shall not, in any event, cease to exist until the expiration of five (5) years from the date hereof.

(b) Any Member who is delinquent in the payment of any charges duly levied by the Association against a Site owned by such Member shall not be entitled to vote until all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, have been paid.

(c) Members shall vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the Member of his Site. No proxy shall be valid unless promulgated by the Board of Directors as an official proxy. A corporate Member's vote shall be cast by the President of the Member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation.

(d) Voting on all matters except the election of directors shall be by voice vote or by show of hands unless a majority of the Members of each Class present at the meeting shall, prior to voting on any matters, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the Members, the official solicitation of proxies for such elections may be conducted by mail.

(e) The Developer may, at the Developer's election have at least one (1) representative on the Board during the first ten (10) years after the date hereof.

(f) The first regular annual meeting of the Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board of Directors; provided, however, that the first meeting shall be held no later than the earlier of the following events: (a) four months after all of the Sites have been sold by the Developer; or (b) three years following conveyance of the first Site by the Developer.

(g) There shall be established a working capital fund equal to One Hundred Dollars (\$100.00) for each Site. Each Site's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each Site and maintained in an account for the use and benefit of the Association. Amounts paid into the fund shall not be considered as advance payment of regular

assessments. The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire services deemed necessary or desirable by the Board of Directors.

3.5. Acceptance of Development. By the acceptance of a deed to a Site, any purchaser of a Site shall be deemed to have accepted and approved the entire plans for the Waterford development, and all improvements constructed by that date, including, without limitation, the utilities, drains, roads, sewers, landscaping, and all other improvements as designated on the Plat

ARTICLE IV

COMMON AREA PROPERTY RIGHTS

4.1. Entrance way. The only contemplated common area to be constructed within the Waterford Development shall be the entrance way together with such signage or landscaping appurtenant thereto as may be constructed by the Developer. Additionally, Owners may be entitled to certain use rights of facilities owned by the Umbrella Association in the event the Developer elects to create such an entity. Any such common recreational facilities as may be operated by the Umbrella Association shall be made available to the Owners at Waterford and the costs of the operation thereof shall be assessed against the Waterford Owners ratably with the owners of such other participating developments as more fully set forth in Section 4.2 below.

4.2. Umbrella Association.

(a) Purpose. In the event the Developer determines in its sole discretion that it would be feasible to establish certain recreation facilities to be owned and operated for the benefit of the Waterford Owners, as well as the owners of certain additional developments constructed by Developer on other real property located in the immediate vicinity of Waterford, then the Developer may create a Tennessee non-profit corporation which shall be called the Murray Lane Properties Common Facilities Association (subject to name availability). The Owners of Waterford shall automatically become members of the Umbrella Association without further action or consent. However, the developer reserves the right to exempt Site(s) from the Umbrella Association by specific reference in the deed used in the initial conveyance of such Site(s).

(b) Extent of Facilities. The Developer warrants that in the event that Developer should elect to construct recreational facilities to be operated by the Association, such facilities shall be limited to a swimming pool, club house, tennis courts or the like or a combination thereof.

(c) Other Persons Entitled to Use. Purchasers of lots or sites in other developments constructed by Developer shall be entitled to the use of the facilities; provided, that the entirety of any such development shall be deemed to be entitled to such right of use or no such owner shall be entitled, it being acknowledged that the right of exemption set forth above in Section 4.2(a) is limited to Waterford. In no event shall the number of such site or lots exceed 350, nor the number of such constituent homeowners associations exceed seven (hereinafter referred to as "Constituent Associations").

(d) Costs. The costs of operations shall be borne equally by all site owners in any development entitled to such use. The Board of Directors of the Umbrella Association as hereinafter designated shall be responsible for the establishment of an annual budget and each Constituent Association shall be responsible for the payment

of its proportionate share of such budgeted amount quarterly in advance, which proportionate share shall be determined by the ratio that the number of sites in a given Constituent Association bears to the total number of Sites which are members of the Umbrella Association (hereinafter referred to as the Umbrella Association Percentage Interest).

(e) Umbrella Association Board of Directors. Each Constituent Association shall be entitled to one representative who will serve on the Umbrella Association Board of Directors. The president or the equivalent officer of each Constituent Association shall be deemed to be the representative. Unless otherwise specified in the Charter and Bylaws of the Umbrella Association the votes of each member of the Board of Directors of the Umbrella Association shall be the equivalent of this Umbrella Association Percentage Interest allocated to each constituent Association.

(f) Default in Payment of Operating Costs. In the event the Waterford Association should fail to pay its proportionate share of the operating costs as outlined above, the Waterford Association shall certify to the Umbrella Association the identity of any Site Owner who has failed to pay such assessments and shall remit the balance of such funds excluding only such defaulting Owners share. Thereafter, the Umbrella Association upon ten (10) days notice to the Waterford Association shall succeed to the Association powers of enforcement and lien rights created hereby and may proceed directly against any such defaulting Owner and shall be entitled to all the remedies available to the Waterford Association created pursuant to this Declaration, including, but not limited to, the right to place a lien on such Site, to deny access to the recreational facilities, to bring suit for such amount and to recover any and all costs of collection thereof, including attorney's fees.

4.3. Common Areas. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area, subject to the provisions of this Declaration and the Bylaws of the Association, including, but not limited to, the following:

(a) Limitation of Access. The right of the Association to limit the use of the Common Area to Owners, their families, and guests;

(b) Suspension of Voting Rights. The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his Site remains unpaid, or for any infraction of the Association's published rules and regulations.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

5.1. Quarterly or Annual Assessment for Maintenance Fund. For each Class A Site owned within the Properties, every Owner covenants, and each subsequent Owner of any such Site, by acceptance of a deed therefor, whether or not it is so expressed in such deed, is deemed to covenant and agree to pay to the Association quarterly or annual assessments or charges for the creation and continuation of a maintenance or operating fund in the amount hereinafter set forth, which may be levied by the Board of Directors of the Association.

5.2. Purpose of Assessments. The assessments levied by the Association shall be used to provide funds for such purposes as the Association may determine are for the benefit of its Members, which purposes shall include maintenance, landscaping and beautification of the Common Area. Funds may also be used to provide the

repair, replacement and additions to the Common Areas; the payment of taxes assessed against the Common Area; the employment of attorneys, accountants and other personnel whom the Directors may determine to be useful. In addition, the Association shall be responsible for the collections of funds necessary for the operation of recreational facilities by the Umbrella Associates, and the Association shall assess the membership all reasonable costs so incurred.

5.3. Creation of the Lien and Personal Obligation of Assessment. In order to secure payment at and after due date, as each assessment becomes due there shall arise a continuing lien and charge against each Site, the amount of which shall include costs and reasonable attorney's fees to the extent permissible by law. Each such assessment, together with such interest, costs and reasonable attorneys' 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, such personal obligation shall not pass to successors in title unless expressly assumed by them, provided such assumption shall not relieve such Owner of such obligation if the same is not paid when due by the successor assuming it.

5.4. Exempt Property. The assessments, charges and liens created under this Article V shall not apply to the Common Area. Any Site which Developer may hereafter designate for common use as part of the Common Area or otherwise shall be exempt from the assessments and charges created herein. In addition, all property dedicated to and accepted by a local public authority, all land granted to or used by a utility company shall be exempt from such assessments.

5.5. Special Assessments. In addition to the quarterly or annual assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only, provided that such assessment shall have affirmative votes of not less than a two-thirds (2/3) majority of a meeting of the Members, held after not less than five (5) days' notice in writing. In the event that a special assessment is necessary to fund a shortfall between cash receipts and expenditures for items otherwise contained in the budget for the then current year, notwithstanding the procedures set forth in the preceding sentence, the Board of Directors of the Association shall be entitled to establish a special assessment for the purpose of funding that shortfall and to give notice to all of the members in writing of the amount of such assessment. The notice of such special assessment shall include a written response form, indicating ratification or rejection of the proposed special assessment. Unless fifty-one percent (51%) of the members reject the special assessment so proposed, within fifteen (15) days of the date of such notice, the special assessment will be deemed to have been approved and the Association may precede with billing the members for said amount and shall be entitled to all further rights with respect to the collection thereof as are contained in the further provisions hereof.

5.6. Date of Commencement of Annual or Quarterly Assessment Due Dates: Certificate of Payment. Annual or quarterly assessments provided for herein shall commence as to all Sites on the first day of January, 1989, or when Developer turns over control to the Association, whichever occurs first. At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each Site and in the event the Board elects not to fix such assessment rate as herein provided, the amount of the prior year's annual assessments shall be the fixed amount. Written notice of any changed assessment rate shall be sent to every Owner. The due dates for the payment of annual and special assessments 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 Site have been paid to date.

Any assessment not paid within the due date shall bear interest at the maximum legal contract rate and to the extent allowed by law. The Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Site to which the assessment relates, and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. Furthermore the Association shall be entitled to accelerate the balance of the Assessments for the then current budgetary year upon ten (10) days notice to such defaulting owner and should such Owner not pay any such delinquent amounts within the notice period, then such accelerated balance shall be deemed to be similarly delinquent. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

5.7. Effect of Non-Payment of Assessment Remedies of the Association.

The liens provided for herein shall be subordinate to the lien of any deed of trust (sometimes hereinafter called "mortgage") of any Site. Sale or transfer or any Site shall not affect any assessment lien. The sale or transfer of any Site which is subject to any mortgage, pursuant to a foreclosure thereof, or under a power of sale or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer, but the Association shall have lien upon the proceeds from foreclosure or sale junior only to the said foreclosed first mortgage but senior to the equity of redemption of the mortgagor or trustor. No sale or transfer shall relieve such Site from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL, MAINTENANCE AND USE RESTRICTIONS

6.1. Role of Developer. Anything in this Declaration to the contrary notwithstanding, the Developer shall have the right to enforce the restrictions set forth in this Article until all of the residences are owned and occupied, including the right to approve initial design and construction of all improvements on the sites. After all residences have been constructed and are occupied, the Board of Directors of the Association shall assume and be responsible for the enforcement hereof. For so long as the Developer shall be responsible for the enforcement of the provisions of this Article VI, the Developer shall be deemed to have complied with such standards and procedures as to its own actions, it being acknowledged that the Developers may acknowledge its decisions that its actions are consistent with the provisions hereof without the necessity of any formal submittal called for herein. References in this Article to the Developer shall, therefore, apply to the Association after it has been incorporated and has assumed the enforcement of these restrictions.

6.2. Substantive Restrictions. The following architectural, maintenance and use restrictions shall apply to each and every Lot now or hereafter subjected to this Declaration.

(a) Approval of Plans and Architectural Committee. No construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, path or other improvement of any nature shall be constructed without

obtaining the prior written approval of the Developer as to the location of the same and as to its plans and specifications. For this purpose, the Developer shall establish a confidential Architectural Committee which shall have full authority to review and act upon requests for approval of plans. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, one (1) complete set of building plans must be submitted to the Developer for approval. The Architectural Committee shall be the sole arbiter of the same and may withhold approval for any reason, including purely aesthetic considerations. Upon approval being given, construction shall commence within ninety (90) days, and shall be prosecuted to completion promptly and in strict compliance with the approved plans, otherwise the approval shall be void. The failure of the Developer to act upon any set of plans within thirty (30) days from the date of the submission of the same shall constitute the approval of such plans. A reasonable fee, not exceeding One Hundred Dollars (\$100.00), may be charged by the Developer to defray its costs incurred in considering and acting upon any proposed plans and requiring changes to secure approval. All plans of proposed residences to be constructed in Waterford must be of a architectural style as specified in subsection (b) hereof, and the Architectural Committee may refuse approval of any plans which in its sole judgment, are inconsistent with the overall purpose and aesthetic values of Waterford or the architectural standard described in subsection (b) hereof.

(b) Improvement, Setback and Use Restrictions.

1. Styles. All structures must be of architectural styles acceptable to the Developer in Developer's sole discretion and built to comply with the approved Site plan and plans and specifications therefor. Before any house may be occupied it must be completely finished. The owner of any residence must complete landscaping prior to assuming occupancy unless otherwise approved in writing by the Developer.

2. Walls. Without prior approval of the Architectural Committee, no walls, other than retaining walls may be constructed along the front Lot line or perimeter boundary of any Site; no retaining wall shall extend to a height greater than three (3) feet above the earth being retained, unless approved by Developer; no boundary wall, nor any wall enclosing a patio or courtyard, shall extend to a height greater than eight (8) feet from ground level (except) with the consent of all adjoining Site Owners. All boundary and retaining walls or fences must be of brick, stone, stucco or material acceptable to the Architectural Committee and all such structures must be aesthetically constructed with the Waterford development.

3. Pools. Unless otherwise approved by Developer, swimming pools must be located to the rear of the main dwelling and shall be no nearer than five (5) feet to any Site line.

4. Mailboxes. Developer reserves the right to establish a uniform mail box and mail box location system, including the designation of materials for construction.

5. Firewood. All Site owners shall be entitled to keep no more than two (2) cords of neatly stacked firewood on each Site at any time.

6. Building Material. No lumber, brick, stone, block, concrete or other building materials, nor any other thing used for building purposes shall be stored on any Site except for the purpose of construction on such Site, and

then only for such length of time as is reasonably necessary for the construction of the improvements then in progress.

7. Antennas. No outdoor television antennas or satellite dishes may be installed.

8. Excavation. No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of surrounding Site except to the extent that fill may be required on certain Sites as shown on the recorded plan. All fill shall be subject to the approval of the Architectural Committee, as to the nature of the fill employed and as to the manner and methods of installation.

9. Clotheslines. Outside clothesline and clothes hanging devices shall not be permitted.

Amended
10. Garage Sales. Sales of personal property on the premises by "garage sales," "patio sales" and similar sales to the general public are prohibited, unless approved by the Board of Directors.

11. Construction Damage. Any builder or Owner who makes a curb cut or damages any public areas in any way shall be responsible for repairing the same at his sole expense.

12. Driveways. All driveways shall be constructed of exposed aggregate concrete for uniform appearance and must be installed before occupancy, unless prior written approval is received from Developer.

13. Trees. No trees in excess of 4" in diameter may be removed from any Site without the prior written approval of the Association.

14. Square Footage. All homes must contain 2,700 square feet of living space, excluding garages, patios or carports.

15. Drainage. Unless waived by the Developer, all homes must comply with a uniform system of drainage design as may be required or suggested by the governmental agencies or Developer's engineer. Information on such drainage system will be provided by the Developer.

6.3. Maintenance.

(a) Owner Obligations. All Sites, together with the exterior of all improvements located thereon shall be maintained in a neat and attractive condition by their respective Owners.

(b) Common Area. The Developer shall contract with a landscape service to provide maintenance services for the Common Area. The cost of such maintenance shall be treated as a Common Area charge for all areas.

(c) Failure to Maintain. In the event any Owner shall fail to complete his residence according to the approved plans or to maintain the improvements situated upon his or her Lot in a manner satisfactory to the Association, including any landscaping, the Association may, upon the vote of two-thirds (2/3) of the Association's Directors, and after ten (10) days notice in writing to the Site Owner, and his continued failure to commence the correction of the matter in issue, enter

upon said Site and complete, repair, or maintain such improvements or landscaping and the costs attributable thereto shall be added to and become a part of the assessment to which such Site is subject and the Owner shall be personally liable for the cost so incurred. Provided, however, only three (3) days notice shall be required for nonperformance of routine landscape maintenance.

6.4. Residential Use. Unless otherwise designated on the recorded plan, each Site shall be used only for private, single family, owner occupied, residential purposes and not otherwise. Provided, however, the foregoing shall not be deemed to prohibit occupancy by a contract purchaser pending review of any loan applications and other matters pertaining to closing.

6.5. Parking of Automobiles. A minimum of two (2) off-street parking spaces for each residence must be provided by such Site Owner. Additional parking will be permitted at the front of the residence for guests of residents.

6.6. Hobbies and Activities. 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 pyrotechnic devices of any type of size, and other such activities shall not be pursued or undertaken on any part of any Site or upon the Common Areas without the consent of the Association.

6.7. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any Site, except household pets which shall be kept thereon in reasonable numbers as pets for the sole pleasure of the occupants, but not for any commercial purpose or use.

6.8. Nuisances and Unsightly Materials. No house or other structure on any Site shall be used for any commercial or business purpose. Each Owner shall refrain from any act or use of his Site which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No noxious, offensive or illegal activity shall be carried on upon any Site. Boats and recreational vehicles may be stored on the property, but may not be visible from neighboring Lots, streets, roads or open areas.

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

6.10. Rules and Regulations. The Board of Directors may establish reasonable rules and regulations from time to time, all of which shall be binding upon every Owner.

ARTICLE VII

EASEMENTS

7.1. General. Each Site now or hereafter subjected to this Declaration shall be subject to all easements shown or set forth on the recorded plat(s) or survey upon which such Lot is shown. No structure(s) of any type shall be erected or placed upon any part of a Lot or Common Areas which will interfere with the rights and use of any and all easements shown on said recorded plat.

7.2. Emergency. There is hereby reserved without further assent or permit, a general easement to all policemen and security guards employed by Developer, firemen, ambulance personnel and all similar persons to enter upon the properties or any portion thereof which is now or hereafter made subject to this Declaration in the performance of their respective duties.

ARTICLE VIII

WATERFORD HOMEOWNERS ASSOCIATION

8.1. PURPOSES. The purposes for which the corporation is organized are:

(a) To operate, manage, maintain and administer the affairs of the Waterford, a twenty-eight (28) site development in Williamson County, Tennessee.

(b) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of Waterford as set forth herein.

8.2. APPURTENANCE. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his site.

8.3. Votes. Each Owner shall be entitled to a vote in accordance with the Lot classification set forth in Section 3.4 hereof.

8.4. Proof of Ownership. No Owner other than the Developer shall be entitled to vote at any meeting of the corporation until he has presented evidence of ownership of a Lot in Waterford to the Association. The vote of each Owner may only be cast by such Owner or by a proxy given by such Owner to his duly authorized representative. If title to a Lot shall be in the name of two or more persons as Owners, any one of such Owners may vote as the Owner of the Lot at any meeting of the Association and such vote shall be binding on such other Owners who are not present at such meeting until written notice to the contrary has been received by the corporation, in which case the unanimous action of all such Owners (in person or by proxy) shall be required to cast their vote as Owners. If two or more of such Owners are present at any meeting of the Association, then unanimous action shall also be required to cast their vote as Owners.

8.5. Directors.

(a) Number. The number of Directors of the Association shall be fixed by the Bylaws of the Association but shall not be less than three (3). The Directors of the corporation shall be appointed by the Developer until the first annual meeting. After such time, the Directors shall be elected by the Members at the annual meeting of Members as provided in the Bylaws of the Association to serve in accordance with the terms of office established in such Bylaws.

(b) Action by Consent. Directors may take any action which they are required or permitted to take without a meeting on written consent, setting forth the action so taken, signed by all of the Directors entitled to vote thereon.

ARTICLE IX

GENERAL PROVISIONS

9.1. Duration. The foregoing restrictions shall be construed to be covenants running with the land and shall be binding and effective until December 31, 2039, at which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by the vote of a majority of the then Owners of the above described property to change, amend or revoke the restrictions in whole or in part. 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 Declaration may be extended as provided in this Article.

9.2. Amendment. The covenants and restrictions of this Declaration may be amended by the Developer, without joinder of any Site Owner, for a period of eight (8) years from the date hereof. 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.

9.3. Enforcement. If any person, firm or corporation shall violate or attempt to violate any of these restrictions, it shall be lawful for any other person, firm or corporation owning any property within Waterford to bring an action against the violating party at law or in equity for any claim which these restrictions may create in such other Owner or interested party either to prevent said person, firm, or corporation from so doing such acts or to recover damages for such violation. The provisions of this Paragraph are in addition to and separate from the rights of the Association to collect Association fees. Any failure by Developer or any property Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. 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 voided 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. Should any aggrieved Owner employ counsel to enforce any of the foregoing covenants or restrictions, the prevailing party in any legal action shall be entitled to recover from the losing party the attorneys fees and expenses incurred in such action.

9.4. Headings and Binding Effect. Headings are 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 Developer and all persons claiming by, through or under Developer.

9.5. Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Developer or its successors reserves the right (by and with the mutual written consent of the Owner or Owners for the time being of such Lot) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular Lot.

**AMENDMENTS TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WATERFORD**

I.

6.2 (b) Improvement, Setback and Use Restrictions.

10. Garage Sales. Waterford homeowners will be permitted to have one-day, individual yard sales on specified days each spring and fall, the dates to be set at the annual homeowners meeting in March. In addition, any homeowner who is moving from the neighborhood will be allowed to have a one-day, individual sale prior to the move. Only Waterford homeowners will be allowed to participate in yard sales. Sales should not begin before 8 a.m. nor end later than 4 p.m. No yard sales are permitted on Sundays.
(Amended November 30, 1993)

EXHIBIT A

A tract of land in the Seventh Civil District of Williamson County, Tennessee. Being Parcel (14) on Tax Map 12 R.O.W.C. Tennessee, and being more particularly described as follows:

Beginning at a point in the center line of Murray Lane, said point being the southwesterly corner of herein described tract and the northeasterly corner of W. B. McClanahan property, recorded Book 98, page 225, R.O.W.C. Tennessee; Thence

1. With the center line of Murray Lane, North 20 degrees 04' 56" West, 641.00' to a point, common corner of herein described tract and Williamson County Board of Education property recorded Book 251, Page 379 R.O.W.C.; Thence
2. Leaving the center line of Murray Lane with the common line of herein described tract and Williamson County Board of Education property, North 69 degrees 55' 04" East, passing an iron pin at 40.00', a total distance of 624.38' to an iron pin; Thence
3. Continuing with the common line of herein described tract and Williamson County Board of Education property, South 79 degrees 19' 56" East, 437.92 to an iron pin; Thence
4. Continuing with the common line of herein described tract and Williamson County Board of Education property North 79 degrees 08' 45" East, 602.62' to an iron pin, common corner of herein described tract and Elizabeth M. Mayfield property recorded Book 207, page 23, R.O.W.C.; Thence
5. With the common line of herein described tract and Mayfield property, the following calls; North 79 degrees 08' 45" East, 161.29' to an iron pin;
6. North 67 degrees 50' 45" East, 240.35' to an iron pin; Thence
7. North 46 degrees 16' 01" East, 709.42' to an iron pin, common corner of herein described tract and Belle Rive Subdivision; Thence
8. With the common line of herein described tract and Belle Rive subdivision South 73 degrees 26' 21" East, 200.61' to an iron pin; Thence
9. Continuing with the common line of herein described tract and Belle Rive Subdivision South 72 degrees 11' 39" East, 202.41' to an iron pin, common corner of herein described tract and Charles A. Wheeler, Jr. property recorded Book 180, page 198, R.O.W.C.; Thence
10. With the common line of herein described tract and Wheeler property the following calls; South 04' 52' 09" East, 186.68' to an iron pin; Thence
11. South 21 degrees 03' 40" West, 193.25' to an iron pin; Thence
12. South 10 degrees 51' 35" West, 141.56' to an iron pin; Thence
13. South 27 degrees 21' 03" West, 77.43' to an iron pin; Thence
14. South 23 degrees 01' 55" West, 72.61' to an iron pin; Thence

15. South 44 degrees 58' 07" West, 51.70' to an iron pin; Thence
16. South 22 degrees 29' 54" West, 74.78' to an iron pin; Thence
17. South 38 degrees 32' 21" West, 299.28' to an iron pin; Thence
18. South 43 degrees 02' 58" West, 56.59' to an iron pin; Thence
19. South 49 degrees 31' 55" West, 96.64' to an iron pin; Thence
20. South 24 degrees 05' 34" West, 18.27' to an iron pin; Thence
21. South 43 degrees 44' 01" West, 188.65' to an iron pin; Thence
22. South 50 degrees 49' 38" West, 84.55' to an iron pin, common corner of herein described tract and W. B. McClanahan property recorded Book 98, page 225 R.O.W.C.; Thence
23. With the common line of herein described tract and McClanahan property the following calls, North 50 degrees 28' 25" West, 798.81' to a corner post; Thence
24. South 68 degrees 35' 41" West, 277.45' to an iron pin; Thence
25. South 67 degrees 46' 50" West, 321.39' to an iron pin; Thence
26. South 66 degrees 07' 02" West, 346.31' to an iron pin; Thence
27. South 67 degrees 18' 00" West, passing an iron pin at 466.21', a total distance of 506.25' to the point of beginning and containing 40.593 acres more or less, as shown on plat of survey, dated 12/3/86, prepared by Alley, Young & Baumgartner, Inc.

Being a portion of the same property conveyed to Murray Lane Associates, a Tennessee joint venture composed of Zaring National Corporation, an Ohio corporation, and WRF Development Company, a Tennessee corporation, by Quitclaim Deed from WRF Development Company of record at Book 693, page 148, Register's Office for Williamson County, Tennessee.

EXHIBIT "E"
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OF
BYLAWS

OF

WATERFORD HOMEOWNERS ASSOCIATION

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BYLAWS

OF

WATERFORD HOMEOWNERS ASSOCIATION

ARTICLE I: DEFINITIONS

The words defined in the Declaration of Covenants, Conditions and Restrictions for Waterford (the "Declaration") recorded in Book _____, Page _____, Register's Office for Williamson County, Tennessee, shall have the same meanings ascribed to them in these Bylaws.

ARTICLE 2: OFFICES

2.01 Registered Office. The Association may have offices at such places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the Association may require.

ARTICLE 3: MEMBERS

3.01 Membership. Each Owner shall be a member of the Association and no other person or entity shall be entitled to membership. No member shall be required to pay any consideration whatsoever solely for his membership in the Association.

ARTICLE 4: MEETINGS OF MEMBERS

4.01. Place of Meetings. Meetings of the members of the Association may be held at any location determined by the Board of Directors within Williamson County, Tennessee.

4.02. Annual Meeting. An annual meeting of the members of the Association shall be held each year on the second Thursday of the third month following the close of the fiscal year, if not a legal holiday, and if a legal holiday, then on the next secular day following, at 7:00 p.m., at which time the members shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting. Provided, however, the Directors may reschedule such meeting if notice of an alternate date is delivered to the members no less than fifteen (15) days prior to the date contemplated herein.

4.03. Special Meeting. Special meetings of the members, for any purpose or purposes, may be called by the President, the Board of Directors, or by members constituting not less than twenty-five (25%) percent of the total of those votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of such meeting.

4.04. Notice. Written or printed notice stating the place, day and hours of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each member of the corporation entitled to vote at such meeting.

4.05. Quorum. The presence in person or by proxy of more than twenty-five (25%) percent of those votes entitled to be cast at a meeting of the

members shall constitute a quorum at all meetings of the members for the transaction of business. If, however, the members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted at which might have been transacted at the meeting as originally notified.

4.06. **Majority Vote; Withdrawal of Quorum.** When a quorum is present at any meeting, the vote of more than fifty (50%) percent of the votes entitled to be cast by members qualified to vote and present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of these Bylaws, or the Declaration, a different vote is required, in which case such express provisions shall govern and control the decision of such question. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

4.07. **Method of Voting; Proxies.** Each member shall be entitled to the vote allocated to the Lot or Lots owned by such member as set forth in the Declaration. No member, other than the Developer, shall be entitled to vote at any meeting of the corporation until such member has presented evidence of ownership of a Lot in Waterford to the Board of Directors. The vote of each member may only be cast by such member or by a proxy given by such member to his duly authorized representative bearing a date not more than eleven months prior to such meeting. Such proxy shall be filed with the Secretary of the Association prior to or at the time of the meeting. If title to a Lot shall be in the name of two or more persons as Owners, all of such persons shall be members of the Association and are referred to herein as "Joint Owners." Any one of such Joint Owners may vote at any meeting of the members of the Association and such vote shall be binding upon such other Joint Owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint Owners (in person or by proxy) shall be required to cast their vote as members. If two or more of such Joint Owners are present at any meeting, their unanimous action shall also be required to cast their vote as members of the Association.

4.08. **Cumulative Voting Denied.** Cumulative voting for Directors shall not be permitted.

ARTICLE 5: DIRECTORS

5.01. **Management.** The business and affairs of the Association shall be managed by its Board of Directors who may exercise all such powers of the Association and do all such lawful acts and things as are not by these Bylaws, or the Declaration directed or required to be exercised or done by the members.

Amended
5.02. **Number; Qualifications; Election; Term.** The Board of Directors shall consist of five (5) directors, each of whom shall be a member of the Association or an employee of the Developer, or its subsidiaries or affiliates; provided, however, the Board may consist of fewer than five Directors, during the period of Developer control. The members of the initial Board of Directors shall serve terms of one year. Each Director elected to replace an original Director upon the expiration of his term of office shall serve for a term of office ending with the annual meeting of members following his election and until his successor shall be elected and shall qualify. The

Directors shall be appointed by the Developer during the period of Developer control as specified in the Declaration. Directors shall serve without compensation.

5.03. **Removal; Change in Number; Vacancies.** Any Director may be removed either for or without cause, at any special meeting of the members of the Association by the affirmative vote of a majority of the members present in person or by proxy at such meeting and entitled to vote, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of members called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of members or at a special meeting of members called for that purpose.

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

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

5.06. **Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

5.07. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on a three (3) days' notice to each Director, either personally or by mail or by telegram; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by these Bylaws, or the Declaration, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

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

5.09. **Committees Having Board Authority.** The Board of Directors may, by resolution passed by a majority of the whole Board, designate one (1) or more committees to consist of two (2) or more of the Directors of the Association. Any such committee, to the extent provided in said resolution, shall and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Association, except where action of the full Board of Directors is required by the Declaration.

5.10. **Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President

thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not, be limited to Directors or members of the corporation.

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

5.12. Managing Agents. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to the development as the Board of Directors shall authorize.

ARTICLE 6: NOTICES

6.01. Method. Whenever notice is required to be given to any Director or member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or member at such address as appears on the records of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mail as aforesaid.

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

ARTICLE 7: OFFICERS

7.01. Number; Titles. The officers of the Association shall be elected by the Directors from among the members of the Board of Directors and shall be a President, a Secretary and a Treasurer. Any two (2) or more offices may be held by the same person except the offices of President and Secretary shall not be held by the same person.

7.02. Election. The Board of Directors at its first meeting after each annual meeting of members shall choose a President, a Secretary, and a Treasurer, all of whom shall be members of the Board.

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

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

7.05. Term of Office; Removal. Each officer of the Association shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer become vacant for any reasons, the vacancy may be filled by the board of Directors.

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

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

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

ARTICLE 8: MISCELLANEOUS PROVISIONS

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

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

8.03. **Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors and unless otherwise specified shall be the calendar year.

8.04. **Indemnification.** The Association shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the Association, against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer or employee (whether or not a Director, officer or

employees at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suits, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The Association may also reimburse to any Directors, officer or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the Association that such settlement be made and that such Director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights or indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer or employee may be entitled by law or under bylaw, agreement, vote of members or otherwise.

8.05. Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.06. Amendment of Bylaws. These bylaws may not be altered, amended or repealed except by the affirmative vote of more than fifty percent (50%) of those votes entitled to be cast by members qualified to vote.

8.07. Table of Contents, Headings. The table of contents and headings used in these bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

AMENDMENTS TO
WATERFORD HOMEOWNERS ASSOCIATION
BYLAWS

1.

5.02 Number; Qualifications; Election; Term. The Board of Directors shall consist of three (3) directors, each of whom shall be a member of the Association. Each Director shall serve for a term of office ending with the annual meeting of members, three years after his/her election and until his/her successor shall be elected and shall qualify. (The exceptions will be the Directors elected at the 1993 meeting, one of whom will serve one year, another two years, and the third three years, so that Directors will thereafter move on and off the Board in staggered fashion, thereby assuring leadership continuity.) Directors shall serve without compensation. (Amended March 9, 1993)
2.

10. Garage Sales. Waterford homeowners will be permitted to have one-day, individual yard sales on specified days each spring and fall, the dates to be set at the annual homeowners meeting in March. Additionally, any homeowner who is moving from the neighborhood will be allowed to have a one-day, individual sale prior to the move. Only Waterford homeowners will be allowed to participate in yard sales. Sales should not begin before 8 a.m. nor end later than 4 p.m. No yard sales are permitted on Sundays. (Amended November 30, 1993.)
3.

6.2 (b) Improvement, Setback and Use Restrictions.

7. Antennas and Satellite Dishes. No outdoor television antennas may be installed, satellite dishes which are 24 inches or less in diameter may be installed, subject to the approval of the Architectural Committee. (Amended March 30, 1995.)
4.

6.2(a) Approval of Plans and Architectural Committee. OUTBUILDINGS Any detached structure with fixed walls and/or roof shall be considered an outbuilding and will be prohibited from placement by residents. (Amended August 31, 1995)

Amendments to the Watford HOA Bylaws

The following language was voted on and approved March 18, 2004 in addition to the previous amendment dated August 31, 1995.

6.2(a) Approval of the Plans and Architectural Committee

Outbuildings: Any detached structure with fixed walls and/or roof shall be considered an outbuilding and will be prohibited from placement by residents. (August 31, 1995)

Going forward, children's temporary play structures shall be acceptable given that plans for the same are submitted to the architectural committee for approval and said structure is located behind the main residence; is aesthetically appropriate to the neighborhood; and is maintained per article 6.3(a) as prescribed below. (Amended March 18, 2004)

The Architectural Review Committee shall be comprised of three (3) homeowners from different households within the homeowners association (HOA), with the exception that the Committee shall not include members of the households of the current President, Vice President, or Treasurer of the HOA. Members of the Committee will serve three year terms, and their terms will be staggered so that a member will leave the Committee and a new member will be selected to the Committee each year. At the conclusion of each annual meeting of the HOA, the Vice President will select at random, in the presence of the President and Treasurer, an eligible household from the HOA and will subsequently request that one of the homeowners of that household serve as the new member of the Committee. If all homeowners of that household refuse to serve on the Committee, the selection process will be repeated at the earliest opportunity until the position is filled. The identity of the three Architectural Review Committee members is to be confidential and should not be revealed by any past or present Committee members or officers of the HOA. The Vice President shall serve as the liaison between any homeowner wishing to submit a request to the Architectural Review Committee and the Committee itself. The Vice President will not vote on any request before the Committee unless a) one or more members of the Committee is unavailable for an extended period, leaving the Committee unable to respond to the homeowner's request in a timely fashion; or b) the request before the Committee has been submitted by a member of the Committee. (Amended March 18, 2004)