


Prepared By:
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Davidson County REST
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HALLMARK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter referred to as "Declaration") made and published on or as of the date hereinafter set forth, by and between Jerry Butler Builders, LLC (hereinafter collectively referred to as "Developer"), and all persons firms, corporations and other entities hereinafter acquiring any of the within described property.

WITNESSETH:

WHEREAS, Developer is the Owner of certain real property located in Davidson County, Tennessee, described by Deed of record as Instrument No. 20011231-0144900 and as described in Exhibit "A", and Developer desires to create thereon, a residential development known as Hallmark, (the "Development") with common areas or open spaces for the mutual benefit of the future residents of the Development; 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 property within the Development that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed, set forth and declared to be covenants running with the land, and

WHEREAS, the Developer desires to make provisions concerning the maintenance and Ownership of the common areas and open spaces located therein; and

WHEREAS, the Developer has deemed it desirable, for the efficient preservation of the values and amenities in said development, and to fulfill the foregoing objects, purposes and requirements, to create an Owners Association to be delegated and assigned the powers of maintaining and administering the common areas or open spaces, managing the affairs of the residential development, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused, or will cause, to be incorporated under the laws of the State of Tennessee a non-profit corporation having as its members Owners of Lots within the Development for the purpose of exercising the aforementioned functions.

NOW THEREFORE, for and in consideration of the foregoing premises, and the terms, conditions and restrictions hereinafter set forth, the Developer declares that the real property hereafter described is and shall be held, transferred, sold, conveyed and occupied subject to the following restrictions, covenants, conditions, easements, assessments and liens all of which are to be construed as covenants running with the land and which shall be binding on all parties having or acquiring any right, title or interest in the herein described property 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 property 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 the same.

ARTICLE 1

DEFINITIONS

- Section 1. "Association" shall mean and refer to Hallmark Owners Association, Inc. a Tennessee not-for-profit corporation, its successors and assigns.
- Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as a security for the performance of an obligation.
- Section 3. "Property" shall mean and refer to all of that certain real property described on the Plat(s) of Hallmark for the property described by Exhibit "A".
- Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and designated as open space, utility and drainage easement, pond or buffer on the Plat(s).
- Section 5. "Lot" shall mean and refer to any numbered plot of land shown upon the Plat(s).
- Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.
- Section 7. "Board" means the Board of Directors of Hallmark.
- Section 8. "By-Laws" means the By-Laws of Hallmark as adopted by the Board and as amended from time to time. All provisions contained in the body of this Declaration dealing with the Administration and Maintenance of the Property shall be deemed to be a part of the By-Laws.
- Section 9. "Plat" means the plat(s) of the property of Hallmark as of record in the Register's Office for Davidson County, Tennessee, and such other Plat(s) as shall be subsequently filed showing the number of each Lot. The Plat may be amended by Declarant in order to grant necessary utilities and drainage easements and provide for the orderly development of the Property.
- Section 10. "Majority" means the Owners of more than fifty percent (50%) of the undivided membership in the Association, present and then eligible to vote. Any specific percentage of Lot Owners mean that percentage of Lot Owners who in the aggregate own such specific percentage of the entire undivided membership in the Association, present and then eligible to vote.
- Section 11. "Residence" shall mean and refer to any building constructed on a Lot and designed and intended for use and occupancy as a residence by a family.

ARTICLE II

PROPERTY RIGHTS

- Section 1. Owner's Easements of Enjoyment. Every Owner shall have 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 establish rules and regulations for the use

of the Common Area.

- (b) The right of the Association to dedicate, convey, mortgage or transfer all or any part of the Common Area to any public agency, authority, utility or other entity 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 agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded.

Section 2. Declaration of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area to the Members of his family, his tenants, or contract purchasers who reside on the Lot. Membership in the Association may not be conveyed separate from Ownership in the Lot.

Section 3. Association's Right to Entry. The authorized representative of the Association or the Board shall be entitled to reasonable access to the individual Lots as may be required in connection with the preservation of any individual Lot or any improvements located thereon or in the event of an emergency, or connection with maintenance of, repairs or replacement within the Common Area, or any equipment, facilities or fixtures affecting or serving other Lots or Common Area, or to make any alteration required by any governmental authority.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot.

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

Class A. Class A Members shall be all Owners, with the exception of 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 determine among themselves, but in no event shall more than one (1) vote be cast with the respect to any Lot.

Class B. The Class B Member shall be Declarant and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease upon the earlier of (1) when seventy-five (75) percent of the lots are deeded to Homeowners; or (2) January 1, 2010.

Section 3. Organizational Meeting. The Association membership shall hold an organizational meeting at the call of the Declarant or within ninety (90) days following the date the Class B Membership ceases, whichever is earlier, at which time the membership shall elect the Board, as provided in the By-Laws, and establish procedures for the proper functioning of the Association.

ARTICLE IV

MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

- (a) The Declarant, for every Lot, hereby covenants, and each Owner by acceptance of a deed for a Lot, whether or not expressed in the deed, is deemed to covenant and agree to pay the Association the special and/or annual assessments or charges, together with interest, costs, and reasonable attorney fees, all of which shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.
- (b) Each assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of the Lot 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.

- (a) The assessments shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property or for the use and enjoyment of the Common Area, including but not limited to, the costs of repairs, replacements, and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with this instrument and the By-Laws; the employment of attorneys or management agents to represent the Association when necessary, for the improvement and maintenance of the Common Area, performance of obligations, improvements and maintenance as may be required by the terms of any storm water detention agreement(s) applicable to the common area..

Section 3. Initial and Annual Assessments.

- (a) Assessments shall be charged for each Lot. The initial assessment shall be fixed by the Board and shall not exceed \$150.00 per lot. Subsequent assessments shall be on an annual basis due on January 1 of each year. All funds collected for the Association shall be held in an escrow account and will be used only for maintenance and other Association expenses as provided herein.
- (b) The Board may provide that assessments be payable monthly.
- (c) The Declarant shall not be exempt from assessments. Assessments due from Declarant shall be paid to the Association at the rate and frequency established by the board upon the completion and occupancy of a dwelling upon any Lot.

Section 4. Maximum Annual Assessment.

- (a) From and after January 1, 2006, the maximum annual assessment may be increased each year but no more than ten percent (10%) above the maximum assessment for the previous year without the approval by vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (b) The Board shall fix the annual assessment at an amount not in excess of the maximum.

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 to pay in whole or in part, the cost of

any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, 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 the Association members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized under Article IV.
Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, and shall state the purpose of such meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60) of all votes of each respective class of membership shall constitute a quorum for such respective class of membership. If the required quorum is not present, another meeting may be called by announcement or written notice, and the required quorum at the subsequent meeting shall be one half (½) of the required quorum at the proceeding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. The books and records for the Association will be kept in such a manner that it is possible to determine and ascertain such sums as are expended for what purposes.

Section 8. Date of Commencement of Annual Assessments; Due Dates; Transfer Fee.

- (a) The annual assessments provided for herein shall commence at the request of the Board as provided in Article IV, Section 3. Thereafter, the board shall fix the amount of the annual assessment against each Lot so assessed 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 for the payment of the assessment shall be established by the Board.
- (b) 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.
- (c) The Board may establish a Transfer Fee on improved Lots not to exceed fifty (50) percent of the annual assessment which shall be payable by the purchaser on Lot re-sales to defray the cost of providing the Lot Owners copies of the association By-Laws, Rules and Declarations. Such fee shall be subject to the same terms and conditions as assessments.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association.
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 Lot. Interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 10. Subordination of the Lien to Mortgagees. The lien for assessments and fees payable by an Owner shall both be subordinate to the lien of a recorded first mortgage or Deed of Trust of the interest of such Owner, regardless whether the first mortgage or Deed of Trust was recorded before or after this instrument, except for the amount of the proportionate share of assessments which become due and payable from and after the date on which the mortgagee or beneficiary accepts a conveyance of any interest therein (other than as security) or forecloses its mortgage or Deed of Trust. While the lien for assessments may be extinguished by foreclosure, the personal indebtedness therefore shall remain and be the personal obligation of the Owner who owned the Lot when the assessment came due. Any delinquent assessments (after lien extinguishment) may be reallocated and assessed among all Lots as a common expense. This Section 10 shall not be amended, changed, modified or rescinded to adversely affect the priority of first mortgages or beneficiaries of record, without the prior written consent of all first mortgagees and beneficiaries. No mortgage holder shall be required to collect assessments.

ARTICLE V MISCELLANEOUS RESTRICTIONS

Section 1. Except as otherwise provided in this declaration, each Building Site shall be used only as a single-family residence and shall be constructed and maintained in accordance with this use.

The Owner(s) of each Building Site shall be responsible for the maintenance of and shall maintain the exterior of their dwelling units in a clean, sanitary and attractive condition. The Owner of each Building Site shall keep his dwelling free from rubbish, litter and noxious weeds: maintain, cultivate and keep in good condition or repair all shrubs, trees, grasses or other plants, shrubs, trees or landscaping of same or similar type.

Section 2. No sign or billboard of any kind shall be displayed to the public view on any Building Site except for:

- (a) Directional signs established by the Board and Developer and promotional signs advertising homes and/or financing programs, established by the Board and Developer. Promotional size, location and number of signs are to be determined by the Board and Developer.
- (b) "For sale signs" not exceeding two (2) feet in height and three (3) feet in length for each building site may be placed thereon by the Owner of the particular Building Site for the purpose of advertising the Building Site for sale and contain only the name, address and phone number of the real estate agency or Owner to contact for information concerning the property.
- (c) Signs advertising garage sales may be posted only on the Building Site of the Owner conducting the garage sale provided the signs are erected no more than three (3) days prior to the date of the garage sale and are immediately removed when the garage sale is completed. Developer and its successors or assigns retain the right to advertise the properties for sale or lease as long as the Declarant owns a Building Site.
- (d) The Board or Developer shall have the right to remove any such unapproved sign, advertisement, billboard or structure that is placed on said Lots and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

- (e) No communication, writing, drawings, sign, painting, or displays of any kind except as described in paragraph 3 (b) and 3 (c), shall be painted, published, posted, or communicated by any person or entity on any improvement thereon or lot in said subdivision. Recognizing that monetary damages are difficult to prove, as a result of such violation the violating party will pay to the prevailing party \$100.00 per day as liquidated damages for each day the sign remains on any lot or improvements. Any party violating the above restrictions shall pay all costs, including attorney fees and court costs in enforcing the above restrictions.

Section 4. No incinerators for garbage, trash or other refuse shall be permitted to be erected or placed on any Building Site. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles placed on any Building Site, whether temporary or permanent, shall be concealed from public view, unless otherwise directed by governmental authorities. Plans for all screening walls and enclosures must be approved by the Board or Developer.

Section 5. No noxious or offensive activity shall be carried on upon any Building Site or any part of the Properties, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective site or which shall in any way increase the rate of insurance.

Section 6. No animals, reptiles, rodents or livestock of any kind may be kept on any lot, for any purpose. No animals of any kind shall be kept on any lot except a domestic cat and/or dog. No more than two such animals shall be kept on any lot, whether two cats, two dogs, or one of each.

Section 7. No towers, antennas or satellite dishes shall be erected and maintained or permitted to be erected and maintained on any Building Site by installation inside of structures constructed on said Building Site or by underground conduits, unless approved by the Board or Developer. All other types of appliances or installation of solar panels upon the roofs or sides of any dwelling situated upon a Building Site shall not be permitted unless prior approval is obtained from the Board or Developer.

Section 8. All rubbish, trash and garbage shall be regularly removed from the properties and shall not be allowed to accumulate thereon. Disabled vehicles, machinery and equipment shall be prohibited upon any Building Site.

Section 9. The restrictions set forth in this Article shall not apply to Declarant, its agents or employees during the course of Construction or sale of improvements on the properties to the extent that they would interfere with such Construction or sale.

Section 10. The minimum livable area of any single dwelling, exclusive of open porches, terraces, garages, basements, carports, etc., build upon any Lot shall not be less than 650 square feet on the main floor for a story and a half or a two-story house and not less 1000 square feet for a one-story house.

Section 11. No fence(s) or barricade of any kind shall be erected in the front or side yards of any lot.

Section 12. No trailers, basement, tent, shack, garage, barn, or other outbuildings shall

at any time be used as a residence temporarily or permanently, nor shall any residence of a temporary character be permitted. Further, no house trailer or such vehicle shall be stored on the premises or be permitted. Further, only one vacation type trailer or camper may be stored on any lot, but cannot be used as a residence, temporarily or permanently.

- Section 13. All vehicles will be parked in the driveway(s) of the Owners of the lot to which the vehicles belong. No vehicle, trailer, camper or boat shall be left parked on any street or on grass at any time, except that visitors may park on the street for no longer than 12 hours without such approval. The Board or Developer shall have the right and authority to have any vehicle(s) towed which is in violation of these restrictions and the expense therefore, shall be paid by the Owner of the lot for which the violation occurs. In such event neither the Declarant nor the Builder shall be held subject to any liability for trespass or other tort in connection therewith or arising from such removal.
- Section 14. No decorative items, or items of any kind shall be hung on the sides or front of the houses or from shrubbery, trees or any other object except temporary Christmas lights and decorations, which shall not remain longer than a period of thirty (30) days during December.
- Section 15. No accumulated clutter of any kind shall be permitted on any porch or lot at any time. No statuary, bird baths, furniture, fences, planters, wind chimes or objects of any kind shall be placed in the front and side yards of any lot without prior written approval from the Board or Developer.
- Section 16. Without prior written approval from the Board or Developer, no lot shall contain more shrubs or greenery than the following: One corner shrub at each corner of the house which has a maximum height of five feet, plus a maximum number of twelve shrubs, no more than two feet in height, located within three feet of the house and down the sidewalk and driveway.
- Section 17. No Homeowner shall allow his grass or lawn to become overgrown and uncared for. The Board and Developer shall have the right and authority to have any lawn or grass cut or weeded which is in violation of these restrictions and the Owner of the lot for which the violation occurs therefore, shall pay the expense. In such event neither the Developer nor the Builder shall be held subject to any liability for trespass or other tort in connection therewith or arising from such lawn cutting, weeding, or maintenance to yard.
- Section 18. No food of any kind shall be raised or grown in the front or side yards of any lot.
- Section 19. Any Owner of the lot in this development who violates any of these restrictions or causes or permits violation by any other person including, but not limited to, guests, invitees, repairmen and/or children shall pay attorney fees and costs involved in prosecuting or otherwise stopping the violation, including payment of tow-in of any vehicle parked in violation of these restrictions, and including any payment for lawn or grass cutting, including weeding, in violation of these restrictions. Such cost shall be a lien upon the lot of the Homeowner and may be enforced in the same manner as assessments.
- Section 20. **Jerry Butler Builders, LLC** reserves the right to amend the provision of Article V until such time as the Developer/Builder no longer own any lots in said subdivision. Once the Developer ceases to own any property, any

provision authorizing the Developer or requiring the Developer's approval should be interpreted to mean the Board.

ARTICLE VI

USE RESTRICTIONS

- Section 1. Rules for common Area. The Board is authorized to adopt rules for the use of the Common Area and such rules shall be furnished in writing to the Owners. There will be no violations of these rules.
- Section 2. Solar Panels. The use of solar panels on any Residence or any other structure on any Lot shall be permitted only if the solar panels are not visible from the streets on which said Lot fronts.
- Section 3. Sight Distance at Intersections. On corner Lots adjoining two streets, no fence, wall, hedge, planting, or structure between a height of two and one-half (2 ½) feet and ten (10) feet above the center line grades of the intersecting streets shall be erected, placed, or maintained within the triangular area formed by the Lot lines abutting such streets and a straight line joint such Lot lines at points that are ten (10) feet distant from the intersection thereof as measured thereon.
- In the case of a rounded corner at intersecting streets, such measurement shall be made from the point of intersection of the tangents of the curve constituting the rounding. On any Lot having a driveway, no fence, wall, hedge, planting, or structure between a height of two and one-half (2 ½) feet and ten (10) feet above the center line grades of the adjoining street and the driveway shall be erected, placed, or maintained within the triangular area formed by the Lot line abutting the adjoining street and the driveway and a straight line joining such Lot line and driveway at points that are ten (10) feet distant from the point of intersection thereof as measured thereon. In the case of a rounded corner at the intersection of street and driveway, such measurement shall be made from the point of intersection of the tangents of the curve constituting the rounding.

ARTICLE VII

INSURANCE

- Section 1. Casualty Insurance on Insurable Area. The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the Owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property

which may have been damaged or destroyed.

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

Section 3. Liability Insurance. The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each residence Owner, mortgage of record, if any, the Association, its officers, directors, Board and employees, the Declarant, and the managing agent, if any, from liability in connection with the Common Area. The premiums for such insurance shall be a common expense.

Section 4. Fidelity Bonds.

- (a) If required by Federal Housing Administration ("FHA") or the Veteran's Administration ("VA"), blanket fidelity bonds will be maintained by the Association for all officers, directors, trustees, and employees of the Association handling, or responsible for the funds of, or administered by the Association. Further, in the event the Association delegates some or all of the responsibility for the handling of funds or administered on behalf of the Association such person or entity shall be bonded if the Board deems appropriate.
- (b) The total amount of fidelity bond coverage shall be based upon the best business judgment of the officers of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event shall the aggregate amount of such bond be less than a sum equal to three (3) month's aggregate assessment on all the Lots plus reserve funds.
- (c) All such fidelity bonds shall:
 - (i) name the Association as an obligee;
 - (ii) contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and
 - (iii) shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior notice to the Association.
- (d) Premiums on all such fidelity bonds (except premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Association as a common expense.

ARTICLE VIII
EASEMENTS

Section 1. Platted Easements.

- (a) Easements for installation and maintenance of utilities and drainage facilities are reserves as shown on the 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 or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.
- (b) Easements are reserved as shown on any plat and as otherwise shown by the public records for the purpose of permitting overhead or underground wires or cables of public utilities, such as electric, telephone, telegraphs, cable televisions, etc.
- (c) Each Owner shall grant such easements upon his Lot as are necessary to serve the property for water, sewer, telephone, gas, electricity and other utilities, and the erection and maintenance of the necessary poles and other equipment, wires and conduits, sewer and water lines, on, above or below any Lot; provided, however, no Owner shall be required to grant any easement which would interfere with the use and enjoyment of his Lot or residence and any easement granted hereby shall impose on the grantee of said easement the obligation to: (a) maintain said easement so that the use thereof will not interfere with the use and enjoyment of any Lot or residence and (b) repair and restore that portion of any Lot upon which the easement is located to its original condition or as near as possible to its original condition.

Section 1. Easements Reserved by Declarant.

- (a) Until completion of intended development of the Property, an easement is reserved to Declarant and Assigns for ingress and egress generally across the Property and any Lot, at reasonable places, for the purpose of completing Declarant intended development of the Property and any Property, provided that said easement shall be reasonable and shall not interfere with the construction of improvements on a Lot nor the use and enjoyment of a Lot by a Lot Owner.
- (b) Until completion of Declarant intended development of the Property, an easement is reserved to Declarant and Assigns to enter the Common Area and to maintain thereon such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the intended development of the Property by Declarant, including without limitation, a business office, sales office, storage area, construction yards, signs and model units.

Section 3. Easements Reserved for the Association. An easement is granted and reserved to the Association, its officers, agents, employees, including employees or any management company having a contract with the Association, over and upon the Common Area to perform the duties of maintenance and repair of the Common Area, to maintain any utilities for which an easement has been granted, and to prevent damage to the Common Area or any Lot or Residence situated thereon.

ARTICLE IX
NOTICE TO MORTGAGEES, ETC.

- Section 1. Notices. Upon written request to the Association identifying the name and address of the holder, insurer, or guarantor or any Deed of Trust lien on the Property, or a Lot located herein, and, in the case of a Lot, the Lot number or address, any such lienholder or eligible insurer or guarantor shall be entitled to timely written notice of:
- (a) any condemnation loss or any casualty loss which affects a material portion of the Property or a Lot located therein on which there is a first Deed of Trust Lien held, insured, or guaranteed by such eligible Deed of Trust lienholder or eligible insurer or guarantor, as applicable;
 - (b) any delinquency in the payment of assessments or charges owed by an Owner subject to a first Deed of Trust lien held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;
 - (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
 - (c) any proposed action which would require the consent of a specified percentage of Deed of Trust lienholder.

ARTICLE X

MISCELLANEOUS PROVISIONS

- Section 1. Enforcement. The Association, the Declarant, 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, the Declarant, 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 judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.
- Section 3. Amendment. Unless canceled, altered, or amended under the provisions of this Article, the covenants and restrictions of this Declaration shall run with the land for a term of thirty (30) 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 thirty (30) year period by an instrument signed by not less than ninety (90%) percent of the Lot Owners, and thereafter by an instrument signed by not less than seventy five (75%) percent of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be recorded.
- Section 4. Non-Liability of the Directors, Board and Officers. Neither the Directors, Board, nor the Officers of the Association shall be personally liable to the Lot Owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, Officers or Declarant, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The Lot Owners shall indemnify and hold harmless each of the Directors, Board, or Officers and

their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

- Section 5. Board's Determination Binding. In the event of any dispute or disagreement between any Owners relating to the Property or any questions or interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Owners.
- Section 6. Notices. Notices provided for in the Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board at 2572 Murfreesboro Road, Nashville, TN 37217 or any Owner, as the case may be, at any Owner's Lot number address, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Owners. Any Owner may designate a different address for notices to him (other than to his or her Lot) by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person upon written acknowledgment of the receipt thereof.
- Section 7. Rights and Obligations.
- (a) Each Grantee of the Declarant, by the acceptance of a Deed of Conveyance accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Owners and occupants shall be subject to and shall comply with the provisions of this Declaration by reference. All rights, benefit and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every Deed of Conveyance or Contract for Conveyance.
 - (b) All present and future Owners, tenants and occupants of a Lot shall be subject to and shall comply with the provisions of the By-Laws referred to herein as they may be amended from time to time. The acceptance of a Deed of Conveyance devise or of a lease to a Lot, or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the said By-Laws and any Rules and Regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Owner, tenant or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every Deed, Conveyance or Lease, thereof.
 - (c) The terms and conditions of the Declaration, By-Laws, and Rules and Regulations may be incorporated by reference in, and become part of, the agreement between any first mortgagee and any present or future Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of the Declaration, By-Laws, and Rules and Regulations may be considered as a default by the first mortgagee, whereupon first mortgagee, after exercising its option to declare a default, shall then have all rights and privileges arising as a result of a default under its agreement with said Owner.

Section 8. Enforcement. In the event the Association, or any successor organization, shall at any time fail to maintain the Common Area in reasonable order and condition in accordance with the adopted final master development plan for the Development approved by the Planning Commission for the Metropolitan Government of Nashville, Tennessee, the Zoning Administrator for Metropolitan Government of Nashville may serve written notice upon such organization and/or the Owners of residents for the Development and hold a public hearing. If such deficiencies and maintenance of the Common Area in question are not corrected within thirty (30) days, then the Zoning Administration shall have the right to call upon any public or private agency to maintain the Common Area in question for a period of one (1) year. Thereafter, if the Zoning Administrator determines that such organization is not prepared for the maintenance of the Common Area in question, such agency shall continue maintenance for yearly periods. The cost of such maintenance by such agency shall be assessed proportionately against the Lots within the Development that have the responsibility for such maintenance of the Common Area in Question and shall become a lien on said Lots.

Section 9. FHA/VA Approval As long as there is a Class B membership in the Association, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; annexation properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

DECLARANT:
Jerry Butler Builders, LLC

By: [Signature] chief manager

STATE OF TENNESSEE
COUNTY OF ~~DAVIDSON~~ Rutherford

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Jerry Butler with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself/herself to be the Manager of the Jerry Butler Builders a corporation, and that he/she as such manager foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as

Manager.
Witness my hand and official seal at Nashville, Tennessee, this the 27th day of October, 2005.

[Signature]
Notary Public

Commission expires: 11-24-08

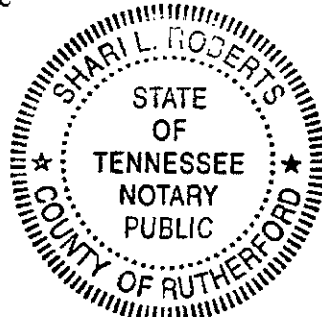


Exhibit "A"

Property Description
10/26/05

Land in the 1st Civil District of Davidson County, Tennessee and being more particularly described as follows:

Beginning at iron rod set in the easterly right of way of Pin Oak Drive; said rod being the northwesterly corner of Lot 38, Weatherstone Subdivision of record in Instrument number 20020926-0117440 R.O.D.C., TN; and also being in the southerly line of the herein described property;

Thence, North $81^{\circ}02'03''$ West a distance of 50.00 feet to an iron rod set in the westerly right of way of Pin Oak Drive, said rod also being the northeasterly corner of Lot 37 of the aforementioned Weatherstone Subdivision;

Thence, with the northerly line of the Weatherstone Subdivision, North $81^{\circ}15'49''$ West a distance of 206.44 feet to an iron rod found;

Thence, North $81^{\circ}15'15''$ West a distance of 414.81 feet to an iron rod found, said rod also being the northwesterly corner of Weatherstone Subdivision;

Thence, with the westerly line of Weatherstone Subdivision, South $01^{\circ}28'57''$ West a distance of 87.31 feet to an iron rod found, said rod also being the northeast corner of the William C. Troupe property of record in Instrument number 20050502-0048490 R.O.D.C., TN;

Thence, with the northerly line of the Troupe property, North $85^{\circ}17'20''$ West, passing the northeast corner of the William C. Troupe property of record in Deed Book 2961, Page 199 R.O.D.C., TN, at approximately 166 feet, in all a distance of 315.73 feet to an iron rod found, the northwest corner of the Troupe property and the northeast corner of the Bernice N. Duvall property of record in Instrument number 20000111-0003924 R.O.D.C., TN;

Thence, with the northerly line of the Duvall property, North $85^{\circ}11'42''$ West a distance of 209.87 feet to a concrete monument found at the northeast corner of the Zack E. Avant property of record in Deed Book 4800, Page 583 R.O.D.C., TN;

Thence, with the northerly line of the Avant property, North $76^{\circ}07'36''$ West, passing the northeast corner of the Marion B. King property of record in Deed Book 8630, Page 502 R.O.D.C., TN, at approximately 178 feet, in all a distance of 356.64 feet to an iron rod found, the northwest corner of the King property and the northeast corner of the Idella M.L. Patton property of record in Instrument number 20010816-0088396 R.O.D.C., TN;

Thence, with the northerly line of the Patton property, North $77^{\circ}11'32''$ West a distance of 359.14 feet to an iron rod found, the northwest corner of the Patton property and the

northeast corner of the David Lee Hampton property of record in Deed Book 5162, Page 451 R.O.D.C., TN;

Thence, with the northerly line of Hampton, North $82^{\circ}01'05''$ West a distance of 204.94 feet to an iron rod found, the northwest corner of Hampton and in the easterly line of the William B. Kincaid property of record in Deed Book 11483, Page 238 R.O.D.C., TN;

Thence, with the easterly line of Kincaid, North $08^{\circ}38'50''$ East a distance of 660.40 feet to a threaded rod found, the northeast corner of Kincaid and in the southerly line of Section One: Lakewalk Subdivision of record in Instrument number 20050128-0010429 R.O.D.C., TN;

Thence, with the southerly line of Lakewalk Subdivision, South $87^{\circ}04'11''$ East, passing the southeast corner of Section One: Lakewalk Subdivision at approximately 258 feet, in all a distance of 699.62 feet to an iron rod found, the southwest corner of Jack Williams Construction Co. Inc. of record in Instrument number 20030403-0044220 R.O.D.C., TN;

Thence, with the easterly line of Jack Williams Construction Co. Inc, North $08^{\circ}28'46''$ East a distance of 266.38 feet to fence corner found in the easterly line of the Jack Williams Construction Co. Inc property, the southwest corner of the Giacchino Spiezio property of record in Deed Book 4281, Page 954 R.O.D.C., TN;

Thence, with the southerly line of Spiezio, South $80^{\circ}23'27''$ East, passing the southeast corner of Spiezio at approximately 483 feet, in all a distance of 713.20 feet to an iron rod found in the southerly line of the Kenneth W. Meroney property of record in Deed Book 10087, Page 657 R.O.D.C., TN;

Thence, with the southerly line of Meroney, South $82^{\circ}02'23''$ East a distance of 295.14 feet to an iron rod found, the southeast corner of the Meroney property and the southwest corner of the T.F. Homes, LLC property of record in Instrument number 20040416-0043249 R.O.D.C., TN;

Thence, with the southerly line of T.F. Homes, LLC, South $83^{\circ}34'38''$ East a distance of 309.87 feet to an iron rod found;

Thence, South $81^{\circ}59'54''$ East a distance of 509.22 feet;

Thence, South $80^{\circ}53'38''$ East a distance of 366.31 feet to an iron rod found;

Thence, South $81^{\circ}58'23''$ East a distance of 116.24 feet to an iron rod found, the southeast corner of T.F. Homes, LLC and in the westerly line of Section One: South Shore Subdivision of record in Instrument number 20020624-0075604 R.O.D.C., TN;

Thence, with the westerly line of Section One: South Shore Subdivision, South $06^{\circ}21'08''$ West a distance of 527.59 feet to an iron rod found, the northeast corner of Randall Robertson of record in Deed Book 7549, Page 313 R.O.D.C., TN;

Thence, with the northerly line of Robertson, North $81^{\circ}39'28''$ West a distance of 517.18 feet to an iron rod found, the northwest corner of Robertson;

Thence, with the westerly line of Robertson, South $13^{\circ}12'37''$ West a distance of 412.02 feet to an iron rod found, the southwest corner of Robertson, the northwest corner of Randall Robertson of record in Instrument number 20041124-0140666 R.O.D.C., TN, and the northeast corner of Weatherstone Subdivision of record in 20020926-0117440 R.O.D.C., TN;

Thence, with the northerly line of Weatherstone Subdivision, North $81^{\circ}08'19''$ West a distance of 373.11 feet to the Point of Beginning containing 57.73 acres more or less.

Being a portion of the same property conveyed to Jerry Butler Builders, LLC. as recorded in Instrument number 20011231-0144900, R.O.D.C., TN.

BYLAWS
OF
HALLMARK OWNERS ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

The following words, when used herein, shall have the following meanings.

Section 1. "Association" shall mean Hallmark Owners Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns, which has its members all owners of Lots in the Property. "Charter" shall mean the Articles of Incorporation of the Association as filed with the Office of the Secretary of State for Tennessee.

Section 2. "Board of Directors" shall mean the Board of Directors of the Association as described in Article IV hereof.

Section 3. "Declaration" shall mean the instrument headed "Declaration of Covenants, Conditions and Restrictions," recorded in the Register's Office for Davidson County, Tennessee, including amendments or restatements filed hereafter.

Section 4. "Developer" shall have the meaning given it in the Declaration.

Section 5. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Common Area" shall have the meaning given it in the Declaration.

Section 7. "Lot" shall have the meaning given it in the Declaration.

Section 8. "Lot Owner" shall have the meaning given it in the Declaration.

Section 9. "Plat" shall have the meaning given it in the Declaration.

Section 10. "Property" shall have the meaning given it in the Declaration.

ARTICLE II
NAME AND LOCATION

The name of the Association is Hallmark Owners Association, Inc. The principal office of the Association shall be located at 5068 Murfreesboro Road, LaVergne, TN 37086, but meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first meeting of the Members may be held within one year from the date of the incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held within fifteen (15) days of the anniversary of the first regular annual meeting each year thereafter, at the hour of 7:30 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 Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all 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 fifteen (15) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, 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, forty percent (40%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as shall be present or represented. The quorum required at the subsequent called meeting shall be twenty (20) percent of the vote of each class of membership.

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

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors of the Association shall consist of three (3) persons, who need not be Members of the Association, who shall be appointed by the Developer and who shall serve until transfer of maintenance and control to the members and provided in the Charter and Declaration and their successors are duly elected upon assumption of maintenance and control by the members of the Board of Directors, shall consist of three (3) directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one (1) director for a term of two years and one (1) director for a term of three years. Thereafter, at each annual meeting the Members shall elect directors for a term of three (3) years for the vacancies that are to be filled.

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, or in the case of the initial Board, by the Developer. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board, or in the case of the initial Board, by the Developer, and shall serve for the unexpired term of his predecessor.

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

Section 5. Action Taken Without a Meeting. The director 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.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. **Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination 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 appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

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

ARTICLE VI

MEETING OF DIRECTORS

Section 1. **Regular meetings.** Regular meetings of the Board of Directors shall be held at intervals established by the Board 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. The Board shall meet at least quarterly for the first year and thereafter at least semi-annually.

Section 2. **Special Meeting.** 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 of each director.

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

ARTICLE VII

POWERS AND DUTIES

Section 1. 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 quest thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the 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 sixty (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 or the Declaration;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs and 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 of a vote;

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

© 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 Lot 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 dates or to bring an action at law against the Lot Owner personally obligated to pay the same.

(c) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of the issuance of these certificates. If a certificate states an assessment has been paid, the certificate shall be conclusive evidence of payment;

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

(e) cause of all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration;

(f) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be 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 the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period,

have such authority, and perform such duties as the Board may, from time to time, determine.

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

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

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

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

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

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

SECRETARY

© The secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board and the Members; serve notice of meeting of the Board and of the Members; keep appropriate current records showing the Members of the Association

together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(c) 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 accounts; cause an annual audit of the Association's books to be made by public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEE

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records, papers of the Association and the Declaration, Charter and By-Laws shall be available for inspection by any Member or to the holder, guarantor or insurer of any first mortgage at the principal office of the Association, during normal business hours where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid

when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the date of delinquency at the maximum rate allowed by applicable by law. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Lot Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

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, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

ARTICLE XIII

MISCELLANEOUS

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.

IN WITNESS WHEREOF, WE, BEING ALL OF THE DIRECTORS OF
HALLMARK OWNERS ASSOCIATION, INC., HAVE HEREUNTO SET OUR
HANDS THIS THE 27th DAY OF October, 2005.

Jerry Butler, chief manager
Jerry Butler, Chief manager
