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BOOK 6541 PAGE 199

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GLENDALE GARDEN, A PLANNED UNIT DEVELOPMENT

This Declaration of Covenants, Conditions and Restrictions, made and entered into by Accent Properties, a Tennessee partnership composed of J. R. Elizer, Steve R. Wherry, Douglas U. Kirk and Craig Medlin (hereinafter "Developer")

W I T N E S S E T H:

WHEREAS, Developer is the legal title holder of the real estate located in Davidson County, Tennessee and described more particularly as set forth in Exhibit A attached hereto; and

WHEREAS, Developer intends to and does hereby submit the above described real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon whether now existing or constructed hereafter and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property") to the provisions of this Declaration; and

WHEREAS, Developer further desires to establish for its own benefit and for the mutual benefit of all future owners and occupants of the Property or any part thereof and intends that all future owners, occupants, mortgagees and any other persons hereinafter acquiring any interest in the Property shall hold said interest subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, Developer, as the legal title holder of the real estate hereinbefore described, and for the purposes above set forth, declares as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Association" means the Glendale Garden Homeowners' Association, a Tennessee not-for-profit corporation.

(b) "Board" means the Board of Directors of the Association.

(c) "Buildings" means the buildings and structures to be located on the Parcel and forming part of the Property and contained within the Lots.

(d) "By-Laws" means the By-Laws of the Glendale Garden Homeowners' Association, attached hereto as Exhibit B and made a part hereof as amended from time to time.

(e) "Common Elements" means all of the Property except for the Lots, and, without limiting the generality of the foregoing, shall include those items shown as "Common Space" or "Common Open Space" on the Plat, including the following:

1. All walls and columns, entrances and exits or communication ways to, through and from the Parcel, medians or dividers within roadways, roadways and all buffer strips and screening, as shown on the Plat; or located on "Common Space" or "Common Open Space," on the Plat.

2. Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Lot and serving only such Lot).

3. All parking areas, sewers, and all other services of a public nature not inside a Lot.

4. All other elements desirable or rationally of common use or necessary to the existence, upkeep, and saftey of the planned unit development established by this Declaration.

(f) "Declaration" means this Declaration of Covenants, Conditions and Restrictions, as hereinafter provided, and such Declaration as amended from time to time.

(g) "Developer" means Accent Properties, a Tennessee partnership composed of J. B. Elizer, Steve R. Wherry, Douglas U. Kirk and Craig Medlin, their successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

(h) "Lot" means a lot as described and shown on the Plat.

(i) "Lot Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Lot, but Lot Owner shall not mean the mortgagee or beneficiary of a recorded mortgage or deed of trust which holds a lien solely for security purposes and does not have possession of the Lot. Unless specifically provided otherwise herein, the Developer shall be deemed a Lot Owner so long as it is the legal title holder of any Lot.

(j) "Majority" or "majority of the Owners" means the holders of more than fifty (50%) percent of the total votes in the Association.

(k) "Occupant" means a person or persons in possession of a Lot, regardless of whether said person is a Lot Owner.

(l) "Parcel" means the parcel or tract of real estate, described above in this Declaration.

(m) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(n) "Plat" means the Plat of survey of the Parcel of record in Book 6250, page 434, Register's Office for Davidson County, Tennessee, and which may be amended from time to time to show where Lots are located, and showing the number of each Lot and other data necessary for identification.

(o) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including each Building and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Lot Owners.

(p) "Record" or "Recording" refers to the record or recording in the office of the Register of Davidson County, Tennessee.

2. Submission of Property to Declaration and By-Laws. The Developer, as the legal title holder in fee simple of the Parcel, expressly intends to, and by recording this Declaration does hereby, submit and subject the Parcel and the Property to the provisions of this Declaration and By-Laws.

3. Lots. The legal description of each Lot shall consist of the identifying number or symbol of such Lot as shown on the Plat. Every deed, lease, mortgage, deed of trust or other instrument shall legally

describe a Lot by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes. Except as provided by vote of two-thirds (2/3) of the votes of the Owners (including the affected Owner), and the agreement in writing of the Developer and the consent in writing of all mortgagees of Lots, no Owner shall by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Lot to be separated into tracts or parcels different from the whole Lot as shown on the Plat.

4. (a) Association of Lot Owners and Administration and Operation of the Property. There has been or will be formed an Association having the name "Glendale Garden Homeowners' Association," a Tennessee corporation, which Association shall be the governing body for all of the Lot Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit B and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of Lot Owners in accordance with the provisions of the Declaration and By-Laws. Each Lot Owner shall be a member of the Association so long as he is a Lot Owner. A Lot Owner's membership shall automatically terminate when he ceases to be a Lot Owner. Upon the conveyance or transfer of a Lot Owner's ownership interest to a new Lot Owner, the new Lot Owner shall simultaneously succeed to the former Lot Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be sixteen (16).

(b) Management of Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, provided, however, that such contract shall not exceed a period of three (3) years, and shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in Section 9 hereof.

(c) Use by Developer. During the period of sale by Developer of any Lots, Developer, and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of Lots. While Developer owns any of the Lots and until each Lot sold by it is occupied by the Purchasers, Developer and its employees may use and show one or more of such unsold or unoccupied Lots as a model Lot or Lots and may use one or more of such unsold or unoccupied Lots as a sales office, and may maintain customary signs in connection therewith. During the period of construction of any Lots or development of any Common Elements, Developer shall have the right to keep and maintain on the Common Elements and on any Lot owned by Developer, one or more trailers and storage facilities for use as construction offices and for the storage and maintenance of equipment and supplies, and shall have the right to store and maintain equipment and supplies in open and uncovered areas on the Common Elements, and in Lots the possession of which have not been delivered to purchasers.

(d) Non-Liability of the Directors, Boards and Officers. Neither the Directors, Board, nor the officers of the Association, shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such

Directors, Board, or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. The 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.

5. Board's Determination Binding. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of 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.

6. Ownership of the Common Elements. Developer shall retain ownership and control of the Common Elements until seventy-five (75%) percent of the Lots have been sold, at which time Developer shall contribute and convey the Common Elements to the Association. Each Lot Owner shall be entitled to a membership in the Association which is equal to a fraction, with the numerator being the number of votes held by that Lot Owner and the denominator being the total votes of all Lots. Said ownership interest in the Association shall be an undivided interest, and the Common Elements shall be owned by the Association in trust for the Owners in accordance with their respective percentages of ownership. The ownership of each Lot shall not be conveyed separate from the percentage of ownership in the Association corresponding to said Lot. The ownership in such Owner's membership corresponding to any Lot shall be deemed conveyed or encumbered with that Lot, even though the legal description in the instrument conveying or encumbering said Lot may refer only to the fee title to that Lot. Each Owner waives any right of court partition or dissolution of such Owner's membership.

7. Use of the Common Elements. Each Lot Owner shall have the right to use the Common Elements in common with all other Owners, as may be reasonably required for the purposes of access, ingress to, egress from, and the use, occupancy and enjoyment of the respective Lot owned by such person. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Declaration, By-Laws and rules and regulations of the Association. In addition, the Association (through the Board) shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

8. Construction of Buildings. All house units erected upon the Parcel shall be for single family occupancy and all architectual design shall be compatible with the general term of "Colonial American." Lots 6, 7, 8, 9, 10, and 11, as designated on the Plat, shall be restricted to two-story residences. All structural exteriors shall be of traditional materials of brick, stucco-type materials, drop-siding, etc. All driveways and sidewalks must be constructed of exposed aggregate concrete, brick, or patterned concrete. For as long as it shall own any Lot, the original Developer (the parties hereto) reserves the right to approve all plans and specifications of the Buildings, to be built upon each Lot, and of any additions, alterations, repairs, or replacements to the Buildings, within thirty (30) days of presentation, and no such Building shall be constructed, added to, altered, repaired, or replaced prior to such approval. For this purpose, Developer shall have the right and option, but not the duty, to appoint from time to time an Architectural Review Committee and to delegate to it the authority granted Developer in this Section. All sets of plans and specifications so submitted to the Developer or to the Architectural Review Committee shall be submitted in duplicate, with one (1) set to be retained by the Developer or Committee and the other set to be returned to the person or persons submitting them at the completion of the review of them pursuant to this Paragraph 8. After the sale by the original Developer of all Lots owned by it, the Board shall have the right to approve such plans and specifications

and in doing so shall take into account the architectural and aesthetic integrity of the Property.

9. (a) Common Expenses. Prior to the transfer of the Common Elements to the Association by Developer, Developer shall be responsible for the maintenance of the Common Elements, with each Lot Owner to be responsible for reimbursing Developer, at such time as notified by Developer, his proportionate share of the maintenance costs based on his percentage ownership in the Association. Thereafter, each Lot Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration or By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate share of the common expenses for each Lot Owner shall be in accordance with his percentage of ownership in the Association. Payment of common expenses including any prepayment thereof required by contract for a sale of a Lot shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Lot Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or enjoyment of the Common Elements or by abandonment of his Lot. If any Lot Owner shall fail or refuse to make any such payment of the common expenses when due, including payments requested by Developer, the amount thereof together with interest thereon at the highest lawful rate after said common expenses become due and payable, shall constitute a continuing lien on the Lot against which the assessment is made, and on the Lot Owner's membership interest in the Association. Each Lot Owner shall be personally liable for his portion of each assessment made while he is the owner of a Lot.

(b) Mortgage and Deed of Trust Protection. The lien for common expenses payable by a Lot Owner shall be subordinate to the lien of a recorded First Mortgage or Deed of Trust on the interest of such Lot Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary thereunder either takes possession of the Lot encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. This subparagraph (b) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees and Beneficiaries of record.

10. Mortgages and Deeds of Trust. Each Lot Owner shall have the right, subject to the provisions herein, to make separate mortgages and deeds of trust for his respective Lot together with his respective ownership interest in the Association. No Lot Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any mortgage, deed of trust or other lien on or affecting the Common Elements or any part thereof, except only to the extent of his own Lot and the respective percentage interest in the Association.

11. Real Estate Taxes. Each Lot Owner shall pay his proportionate share of real estate taxes on the common elements and in accordance with his respective percentage of ownership interest in the Association and such taxes shall be a common expense.

12. Insurance. Each Lot Owner shall obtain insurance for his Lot against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost thereof, and against such other hazards as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the said Lot, or any part thereof to substantially the same condition in which it existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, each Lot Owner and for the holders of mortgages on his Lot if any. The policy of insurance should also contain, if

possible, a waiver of subrogation rights by the insurer against individual Owners. The premiums for such insurance shall be an individual expense.

In the event of damage to or destruction of any Building as a result of fire or other casualty covered by insurance proceeds, each directly affected Lot Owner shall arrange for the prompt repair and restoration of the damaged portions of all Lots, and Buildings substantially in accordance with the original plans and spefications therefor. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by the Lot Owner directly affected by the damage. The affected Owner shall be deemed to be that Lot Owner who suffers damage from the aforementioned casualty.

The Board also shall have the 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 Lot Owner, any mortgagee of record, if any, the Association, its officers, directors, Board and employees, from liability in connection with the Common Elements. The premiums for such insurance shall be separately billed, as part of the Common expenses, to each Owner for his corresponding percentage of ownership in the Association. The Board shall retain in safe-keeping any such public liability policy for ten (10) years after the expiration date of the policy.

The Board also shall have authority to and shall obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a common expense.

All insurance policies obtained by the Board shall provide that they may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage on a Lot.

Each Owner shall be responsible for obtaining his own insurance on his own Lot as well as his additions and improvements thereto, decorations, furnishings and personal property therein, and personal property stored elsewhere on the Property. In addition, in the event a Lot owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Lot Owners as part of the common expenses, as above provided, said Lot Owner may, at his option and expense, obtain additional insurance.

13. Maintenance, Repairs and Replacements. Each Owner at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Lot. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. Notwithstanding the foregoing, any damage to curbs or pavement installed in connection with the access easements as shown on the Plat, which damage was caused by or incurred in connection with the construction or repair of any Building on any Lot shall be the responsibility of the Lot Owner to repair. Developer and the Board reserve the right to enter upon any Lot for the purpose of cutting grass or cleaning such Lot, if such work shall be reasonably required and shall not have been performed by the Lot Owner, and the cost thereof shall be charged to the Lot Owner as a maintenance expense and shall be subject to enforcement in the

same manner as Common Expenses.

14. Alterations, Additions or Improvements. No alterations of any Building, or any addition or improvements thereto, including the erection of any fences or other structures of any type on any Lot shall be made by an Owner without the prior written approval of the Developer, for so long as Developer shall own any Lot, or by the Architectural Review Committee to which Developer may delegate such authority as set forth in Section 8 hereof, and thereafter by the Board. The Developer or Board shall take into consideration the maintenance of the architectural and aesthetic integrity of the Property in determining whether such approval shall be given. Any Lot Owner, without prior written approval of the Developer or Board, may make, within any Building or structure on any Lot, alterations, additions or improvements which do not affect the exterior appearance, design or structure of any such Building or structure. An Owner shall be responsible for any damage to other Lots, the Common Elements, the Property or any part thereof resulting from such alterations, additions or improvements. The Board may authorize and charge as common expenses, alterations, additions and improvements of the Common Elements as provided in the By-Laws.

15. Exterior Decorating, Trees and Shrubs. Any exterior decorating and maintenance, and the use of exterior surfaces shall be subject to the rules and regulations of the Association. Any disturbance or removal on any part of the property, including all Lots and Common Elements, of trees and shrubbery, whether now existing or hereafter planted, shall be subject to the prior review and written approval of the Developer, for so long as Developer shall own any Lot, or by such Architectural Review Committee to which Developer may delegate such authority as set forth in Paragraph 8 hereof, and thereafter by the Board. The Developer or Board shall take into consideration the maintenance of the aesthetic integrity of the Property in determining whether such approval shall be given.

16. Encroachments and Easements.

(a) If any portions of the Common Elements shall actually encroach upon any Lot, or if any Lot shall actually encroach upon any portion of the Common Elements, or if any Lot shall actually encroach upon another Lot, as the Common Elements and Lots are shown by the Plat, there shall be deemed to be mutual easements in favor of the Owners of the Common Elements and the respective Lot Owners and Mortgagees involved, to the extent of such encroachments, so long as the same shall exist. Easements are hereby reserved on the Parcel described above to the extent the same are shown on Plats thereof recorded by Developer. Cross-easements reserved as shown on the Plat and located on the Parcel pertain to drives, public utility service facilities, parking areas, and sidewalks.

(b) In the event that the driveways, or any part thereof, on any adjacent Lots shall be joined and not separated as constructed, a joint- or cross-easement is hereby reserved and granted to the Owners of the adjacent Lots for joint use of the driveways, or part thereof, for ingress and egress purposes to and from their respective Lots.

17. Lease of a Lot. All leases or rental agreements for Lots shall be in writing and shall be subject to the review and approval, in advance, of the Board of Directors. A Lot Owner desiring to lease or rent his Lot shall furnish to the Board, in advance, a copy of the proposed lease or rental agreement, the identity of the proposed lessee or renter, and all other information reasonably required by the Board in order to make its review. The Board shall indicate approval or disapproval by written notice to the Lot Owner within fifteen (15) days from receiving all information required by it. Failure by the Board to give notice of its decision within the fifteen (15) days shall be deemed consent and approval. In addition to any other condition for approval which may be required by the Board, all leases and rental agreements must be subject specifically to the requirements of this Declaration, and shall be for not less than such minimum term

as shall be established by the Board. The lessee under every such lease and rental agreement shall be bound by and be subject to all of the obligations, under this Declaration, of the Lot Owner making such lease or agreement, and the lease or agreement shall expressly so provide. The Lot Owner making such lease shall not be released thereby from any of said obligations.

18. Use and Occupancy Restrictions.

(a) Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than single-family housing and the related common purposes for which the Property was designed and as allowed by municipal or county zoning laws. Each Lot shall be used as a single-family residence or such other use permitted by this Declaration, except that professional and quasi-professional people nevertheless may use their residence (not in violation of municipal or county zoning laws) as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such a manner as to prohibit an Owner from:

1. Maintaining his personal professional library;

2. Keeping his personal business or professional records or accounts; or

3. Handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

(b) The Common Elements shall be used only by the Owners, their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the Lots and for such other purposes incidental to use of the Lots. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part of all of said Common Elements.

(c) No unlawful, noxious or offensive activities shall be carried on in any Lot or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance, or be noxious or offensive, or be dangerous to health, or which shall in the judgment of the Board cause unreasonable noise or disturbance to others. The determination of the Board about the existence of such activities and matters shall be final and conclusive as to all Lot Owners.

(d) Each Lot Owner shall maintain his Lot in good condition and good order and repair, at his own expense, and shall not do or allow anything to be done on his Lot which may increase the cost or cause the cancellation of insurance on other Lots or on the Common Elements. No Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside of the building on his Lot (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of the building on his Lot, or install on his Lot any canopy or awning, or other equipment, fixtures or items of any kind, without the prior written permission of the Board, acting in accord with the Board's direction. The foregoing restrictions as to use and ocupancy shall not be construed to prohibit an Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on any patio appurtenant to his Lot. Except as set forth below, no Owner shall display, hang, store or use any sign on his Lot or which may be visible from the outside of his Lot without the prior written permission of the Board. All outside radio and television antennae, satellite dishes, and transmitters are prohibited, except as may be

approved by the Board. Solar panels must be hidden from street view.

(e) No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof.

(f) Only two (2) domestic pets will be permitted to be kept on any Lot, provided that said pets are not kept for any commercial purpose, and provided that said pets shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that said pets shall not in the judgment of the Board constitute a nuisance. All other animals and fowl are prohibited. Dogs shall not be permitted to roam freely, and they shall be kept on a leash and within the control of their handler.

(g) Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board. No trash receptacles shall be placed in front of any building unless obscured from view from the street, in a manner approved in advance by the Board in writing.

(h) All buildings shall be serviced by underground gas, water, sewer, telephone, cable television, and where possible, electricity. No utility meters shall be placed in front of any building unless obscured from view from the street.

(i) No exposed above-ground tanks or receptacles will be permitted for the storage of fuel, water or any other substance.

(j) Multiple mail boxes of a type approved by the United States Postal Service and consistent with the character of the Property shall be selected and placed by the Developer and shall be maintained by the Association to complement the residences and the neighborhood. No Lot Owner shall be permitted to have an individual mailbox, newspaper delivery tube, or bin on his Lot without the prior written permission of the Board.

(k) Outside clotheslines will not be permitted on any Lot.

(l) No signs shall be erected or maintained on any Lot, except one professional lettered, builder or realtor sign, or sign of the Owner advertising the Lot for sale or rent. Such signs shall not be more than 24 x 36 inches in size.

(m) The Developer and the Board reserve the right to cut grass and weeds on any Lot and on the Common Elements and charge the cost of such cutting to the Lot Owner or to the Association.

(n) Outside lights at eaves and door entrances shall be permitted, but no exterior flashing or high-intensity lights, holiday lights or decorations, floodlights or spotlights on the exterior of any Building shall be permitted except with the written permission of the Board. Without limiting the foregoing, the Board is expressly granted the right to determine the acceptability of holiday lights and decorations, and in the event of any dispute about the same, the Board's determination shall be final and conclusive as to all Lot Owners.

(o) Articles of personal property belonging to any Lot Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall only be stored or kept in the residence of the Lot Owner. There shall be no exterior storage of any camper, boat, recreational vehicle, motorcycle, truck, van, or any inoperable vehicle at any time.

(p) Cars owned by Lot Owners shall be parked only in the Lot Owner's garage and driveway, and not otherwise. Parking places on the perimeter of Glendale Garden Drive as set out and marked by the Developer or by the Board will be for guest parking only and not for use by Lot Owners for parking their own vehicles.

(q) The terms and provisions of the restrictive covenants of Glendale Garden Subdivision, of record in Book 6356, page 222, Register's Office for Davidson County, Tennessee are adopted and incorporated herein by reference as if fully set out.

19. Remedies. In the event of any violation of the provisions of this Declaration, By-Laws or rules and regulations of the Board or Association by any Lot Owner (either by his own conduct or by the conduct of any other occupant of his Lot) the Association, or its successors or assigns, or the Board, or its agent, and any aggrieved Lot Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, By-Laws, or said rules and regulations, or which may be provided for in this Declaration, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Lot Owner and/or others for enforcement of any lien and the appointment of a receiver for the Lot and ownership interest of such Lot owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Lot and to sell the same as provided hereinafter in this Paragraph 19, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate per annum until paid, shall be charged to and assessed against such defaulting Lot Owner, and shall be added to and deemed part of this respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Lot and ownership interest in the Association of such defaulting Lot Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Lot or located elsewhere on the Property, provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Lot Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder either takes possession of the Lot, accepts a conveyance of any interest therein (other than as a security) or files suit to foreclose its mortgage or deed of trust. In the event of any such default by any Lot Owner, the Board shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Lot Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Lots.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration; (a) to enter (without liability to such Lot Owner for such entry) upon the Lot, or upon any portion of the Property upon which, or as to which such violation or breach exists, and by appropriate proceedings to abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take

possession (either peaceably or forceably without liability to such Lot Owner for such entry) of such Lot Owner's interest in the Property and to maintain an action for possession of such Lot in the manner provided by law; or (d) to assess fines against the Owner of the Lot from which the violation occurs or arises.

If any Lot Owner (either by his own conduct or by the conduct of any other occupant of his Lot shall violate any applicable law or ordinance, or any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Lot Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then and thereupon an action in equity may be filed by the Board against said defaulting Lot Owner for a decree of mandatory injunction against such defaulting Lot Owner or occupant, or in the alternative, for a decree declaring the termination of said defaulting Lot Owner's right to occupy, use or control the Lot owned by him on account of said violation, in ordering that all the right, title and interest of said defaulting Lot Owner in and to the Lot and in his membership interest in the Association shall be sold (subject to the lien of a first deed of trust or mortgage) at a judicial sale upon such notice and terms as the Court shall determine, except that the Court shall enjoin and restrain the said defaulting Lot Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against such defaulting Lot Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Lot Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Lot and the Lot Owner's corresponding interest in the Association, and to immediate possession of the Lot sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Lot sold subject to this Declaration.

20. Amendment. Unless otherwise provided in this Declaration, the provisions of this Declaration may be changed, modified, or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Lot Owners owning not less than sixty-seven (67%) percent of the total ownership of the Association and acknowledged, provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the Secretary of the Association certifying to such mailing is made a part of such instrument.

However, if this Declaration or the By-Laws require the consent or agreement of a percentage of Lot Owners or of lien holders for any action specified in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by the requisite percentage of the Lot Owners or lien holders or both as required by this Declaration. The change, modification or rescission, whether accomplished under either of the provisions of the preceding two paragraphs, shall be effective upon recording of such instrument in the office of the Register of Deeds of Davidson County, Tennessee.

21. Notices. Notices provided for in this Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, at c/o Medlin Wherry Companies, 1283 Murfreesboro Road, Nashville, Tennessee 37217, or any Lot Owner, at the Lot Owner's Lot, 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 Lot Owners. Any Lot Owner may designate a different address for notices to him 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 request to the Board, the holder of any recorded mortgage or trust deed encumbering any Lot shall be given a copy of all notices permitted or required by this Declaration to be given to the Lot Owner or Owners whose Lot is subject to such mortgage or trust deed.

22. Severability. If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

23. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall cotinue only until twenty-one (21) years after the death of the survivor of the now living descendants of the Governor of the State of Tennessee, Lamar Alexander.

24. Rights and Obligations. Each Grantee of the Developer, 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 Lot Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By-Laws which are more than administrative in nature such as, but not limited to, reservations and future rights of the Developer are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits 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.

All present and future Lot Owners, tenants, and Occupants of a Lot shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith, 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 this Declaration, and 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 Lot Owner, tenant or Occupant, and all of 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.

25. Trustee as Lot Owner. In the event title to any Lot is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Lot Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Lot. No claim shall be made against any such title holding trustee personally for payment of any lien or obliations hereunder created and the trustee shall not be obligated to sequester funds or trust

property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligations shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Lot.

26. Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, as specifically shown on the Plat, the award made for such taking shall be payable to the Board for and on behalf of the Association. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board does not approve the repair and commence restoration of such Common Elements within one hundred-twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of each Lot's percentage of ownership in the Association. The Board shall represent the Association and the Lot Owners in any condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Elements, or a part thereof.

27. Rights Reserved. The Owner's right of enjoyment in the Property commonly owned by the Association as herein created shall be subject to:

(a) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations, except that there may be no restriction on any Lot Owner's right of ingress and egress to and from his or her Lot, and

(b) The right of the Board to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the individual Lots.

28. Captions. The captions herein are inserted only as a matter of convenience, and in no way define, limit or describe the scope of these provisions or the intent of any provision hereof.

29. Gender. The use of the masculine gender in this Declaration and in the By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

IN WITNESS WHEREOF Developer has executed this Declaration this 5th day of _____, 1985.

Accent Properties, a Tennessee Partnership

By: _____
J. B. Elizer

By: _____
Steve R. Wherry

By: _____
Douglas U. Kirk

By: _____
Craig Medlin

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

Before me, _____, a Notary Public in and for the State and County aforesaid, personally appeared J. B. Elizer, Steve R. Wherry, Douglas U. Kirk and Craig Medlin, with whom I am personally acquainted, and who, upon oath, acknowledged themselves to be the partners of Accent Properties, a Tennessee Partnership, the within named bargainor, and that they as such partners, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the partnership by themselves as partner.

Witness my hand and seal, this ____ day of _____, 19____.

_____
Notary Public

My commission expires: _____

EXHIBIT A

PROPERTY DESCRIPTION

A tract of land in the second Civil District, formerly the 16th Civil District of Davidson County, Nashville, Tennessee, being located on Glendale Lane, east of Granny White Pike, formerly being lots 1, 2, and 3 of P. L. Woodward's Subdivision of part of the Hirsig land as evidenced in Book 547, page 128, Register's Office for Davidson County, and being more particularly described as follows:

Beginning at an iron pin in the southerly margin of Glendale Lane, said iron pin being approximately 668 feet easterly along said southerly margin of Glendale Lane from the easterly margin of Granny White Pike, and also being a common corner of the property described herein and the property conveyed to Joel Griffeth Hardman and wife, as of record in Book 4106, page 979, said Register's Office; thence leaving the margin of Glendale Lane and with the common line of the said Hardman tract south 03° 10' 29" west a distance of 542.23 feet to an iron pin; thence north 87° 21' 11" west 298.78 feet to a point; thence north 03° 00' 17" east 542.02 feet to a point in the southerly margin of Glendale Lane; thence with said margin and with a curve to the right having a radius of 756.27 feet a distance of 122.57 feet to a point; thence continuing with said margin south 85° 30' east a distance of 178.19 feet to the point of beginning, and containing 3.75 acres more or less.

Being the same property conveyed to Accent Properties, a Tennessee partnership by deed from W. A. Anderton, a single man, of record in Book 6366, page 882, Register's Office for Davidson County, Tennessee, and by deed from Edgar A. Jaynes and wife, Era Mae Jaynes, of record in Book 6350, page 550, said Register's Office.

EXHIBIT B

BY-LAWS OF

GLENDALE GARDEN HOMEOWNERS' ASSOCIATION

ARTICLE I

Members

SECTION 1. Eligibility. The members of the Glendale Garden Homeowners' Association, a Tennessee not-for-profit corporation (hereinafter the "Association") shall consist of the respective Lot Owners of the Property known as Glendale Garden, located on Glendale Garden Drive (off Glendale Lane), Nashville, Davidson County, Tennessee (called "Property"), in accordance with the respective percentages of ownership interest in the Association owned by the respective Lot Owners (these and other terms are used in these By-Laws as they are defined in the Declaration of Covenants, Conditions and Restrictions for the Glendale Garden, a Planned Unit Development of record in Book 6250, page 434, Register's Office for Davidson County, Tennessee, and any subsequent amendments or modifications thereto duly made and recorded in accordance with the terms thereof, which Declaration is of record in said Register's Office. The words "member" or "members" as used in these By-Laws mean and shall refer to "Owner" or "Owners," as the case may be, as defined in the Declaration). If a Lot Owner is a trust, then the member shall be a beneficiary of such trust, and if a Lot Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Lot Owner or beneficiary.

SECTION 2. Succession. The membership of each Lot Owner shall terminate when he ceases to be a Lot Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Lot Owner succeeding to such ownership interest.

SECTION 3. Regular Meetings. The first regular annual meeting of Lot Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that the First Meeting shall be held no later than one hundred twenty (120) days after Developer has sold and delivered deeds for at least seventy-five (75%) percent of the Lots. Subsequent to the First Meeting, there shall be a regular annual meeting of Owners held each year within fifteen (15) days of the anniversary of the First Meeting. All such meetings of Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Owners at least ten (10) days prior to the date of such meeting.

SECTION 4. Special Meetings. Special Meetings of the Lot Owners may be called by the President or by a majority of the Directors of the Board, or by Lot Owners having at least twenty (20%) percent of the votes entitled to be at such meeting. Said Special meetings shall be called by delivering written notice to all Lot Owners not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said Special Meeting and the matters to be considered.

SECTION 5. Delivery of Notice of Meetings. Notices of meetings may be deliverd either personally or by mail to a Lot Owner at the address given to the Board by said Lot Owner for such purpose, or to the Lot Owner's Lot if no address for such purpose has been given to the Board.

SECTION 6. Voting. The aggregate number of votes for all Owners shall be sixteen (16) and shall be allocated as follows: one vote per

Lot. If any Lot Owner consists of more than one person the voting rights of such Lot Owner shall not be divided but shall be exercised as if the Lot Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Lot Owner.

No Lot Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote hereunder until he has cured such default. A Lot Owner shall be deemed to be in default if he has not paid his assessments to the Board, or their agent, within fifteen (15) days after receipt of notice of assessment. A Lot Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

SECTION 7. Quorum. A quorum of Lot Owners for any meeting shall be constituted by Lot Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

SECTION 1. Number, Election and Term of Office. The Board of Directors of the Association (sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of the Lot Owners except that until such time as the First Meeting of members is held, the Directors (hereinafter called "Members of the First Board") shall be appointed by Developer. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified. One member of the First Board shall hold office until the first regular annual meeting of Association members, one other member of the First Board shall hold office until the second regular annual meeting of Association members, and one other member of the First Board shall hold office until the third regular annual meeting of Association members. Unless otherwise agreed, if members of the First Board are unwilling to serve beyond the first regular annual meeing of the Lot Owners, their uncompleted terms shall be filled by election at that meeting, with the member of the Board receiving the highest number of votes to serve until the fourth regular annual meeting, the member receiving the next highest number of votes to serve until the third regular annual meeting, and the other member to serve until the second regular annual meeting.

SECTION 2. Qualification. Except for members of the First Board, each Director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Lot Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Lot Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director which he succeeds.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Lot Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each Director,

delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

SECTION 5. Removal. Any Director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Association.

SECTION 6. Compensation. Directors shall receive no compensation for their service as Directors, unless expressly provided for in resolutions duly adopted by the lot Owners.

SECTION 7. Quorum. Two (2) Directors shall constitute a quorum.

SECTION 8. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided;

(b) to administer the affairs of the Association as hereinafter provided;

(c) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(d) to adopt rules and regulations, with written notice thereof to all Lot Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(e) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers;

(f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements;

(g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(i) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Lot Owners their respective shares of such estimated expenses, as hereinafter provided;

(j) to enter into any lease agreement for lease of any Lot owned or leased by the Association upon such terms as the Board may approve;

(k) to exercise any rights and authority granted it in the Declaration.

ARTICLE III

Officers

SECTION 1. Designation. At such regular annual meeting, the Directors present at said meeting shall elect the following officers

of the Association from the Board by a majority vote:

(a) a President, who shall be a Director, and who shall preside over the meetings of the Board and of the Lot Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Lot Owners, and who shall, in general, perform all the duties incident to the office of Secretary;

(c) A Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a Special meeting of said Board. Any person so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a Special Meeting thereof, in which event, a non-Board member may be elected to such office.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Lot Owners.

ARTICLE IV

Assessments

SECTION 1. Annual Budget. After the first regular annual meeting of the Lot Owners, the Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the Lot Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for operating contingencies for the year and a reserve for capital replacements, in reasonable amounts as determined by the Board.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Lot Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year

covered by the annual budget, each Lot Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Lot Owner shall be in accordance with his respective ownership interest in the Association. The Board may determine different allocations with respect to a part of such charges whenever it appears to the Board that such an allocation would be unfair. The allocations shall be applied uniformly to all Lot Owners of like situations. The allocation of the Board shall be final and binding upon all parties. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Lot Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Lot Owner shall pay his monthly assessment on or before the first day of each month to the Board. A Lot Owner's monthly assessment shall conclusively be deemed late if not received by 5:00 p.m. on the 15th day of the month, or if such day is a holiday, by that time on the first business day thereafter. No Lot Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Lot or the Common Elements.

SECTION 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Lot Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the conveyance of the Common Elements by the Developer to the Association, each Lot Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 4. Annual Report. Within sixty (60) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Lot Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

SECTION 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses and limited common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a supplemental assessment shall be made to each Lot Owner for his proportionate share of such supplemental budget.

SECTION 6. Expenditures. The Board shall not approve any expenditure in an amount in excess of ten (10%) percent of the annual budget for the then current year, unless required for emergency repair, protection, or operation of the Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the total votes in the Association.

SECTION 7. Lien. It shall be the duty of every Lot Owner to pay his proportionate share of the common expenses and limited common expenses, as provided in the Declaration of Covenants, Conditions and Restrictions and as assessed in the manner herein provided.

If any Lot Owner shall fail or refuse to make any such payment of the common expenses or limited common expenses when due, the amount thereof together with the interest thereon at the highest lawful rate per annum after said common expenses become due and payable, shall constitute a lien, enforceable by the Board, on the

interest of such Lot Owner in his Lot and the appurtenant interest in the Association, provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Owner, except for the amount of the proportionate share of common expenses which are due and payable from and after the date on which such mortgage owner or holder either takes possession of the Lot, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose its mortgage or deed of trust. The provisions of this paragraph of this Section 7 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record.

The Association or its successors and assigns, or the Board or its agents, shall have the right to enforce such lien or to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees to be fixed by the Court. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration of Covenants, Conditions and Restrictions or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

SECTION 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Association and the Common Elements, specifying and itemizing the common expenses and limited common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days written notice to it or the Association and upon payment of a reasonable fee, furnish to any Lot Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Lot Owner.

SECTION 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Common Elements, rather than a lien against only a particular Ownership. When less than all the Lot Owners are responsible for the existence of any such lien, the Lot Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

SECTION 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Lot Owners in the percentages of the Lot Owners as from time to time existing.

ARTICLE V

Use and Occupancy Restrictions

SECTION 1. General. The restrictions on use and occupancy of the Lots as contained in the Declaration of Covenants, Conditions and Restrictions and any subsequent amendments or modifications thereto duly made and recorded in accordance with the terms thereof, are incorporated herein by reference as if fully set out.

SECTION 2. Rules and Regulations. Lot Owners shall be subject to such further restrictions as may be contained in rules and regulations of the Association concerning the use of Lots and the

Common Elements which may be enacted from time to time by the Board. All such rules and regulations shall be binding rules and regulations of the Association unless rejected by at least seventy-five (75%) percent of the votes of Lot Owners, and copies of such rules and regulations and any amendments or additions thereto shall be furnished to all lot Owners upon request.

ARTICLE VI

Contractual Powers

No contract or other transaction between this corporation and one or more of its Directors or between this corporation and any corporation, firm or association in which one or more of the Directors of this corporation are Directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote csufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

Amendments

These By-Laws may be amended or modified from time to time by action or approval of sixty-seven (67%) percent of the votes of the Association. Such amendments shall be recorded in the office of the Register of Deeds of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

SECTION 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors and officers, each member or any committee appointed pursuant to the By-Laws of the Association, and the Board, against all contractural and other liabilities to others arising out of contracts made by or other acts of such Directors, Board, officers,or committee members, on behalf of the Lot Owners, or arising out of their status as Directors, Board, officers, or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer, Board, or committee member may be involved by virtue of such persons being or

having been such Director, officer, Board, or committee member, provided, however that such indemnity shall not be operative with respect to:

(a) any matter as to which such person shall have been finaly adjudged in such action, suit, or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, or committee member; or

(b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or actual fraud in the performance of his duties as such Director, officer, Board, or committee member.

SECTION 2. Success of Merits. To the extent that a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Lot Owner arising out of any contract made by or other acts of the Directors, Board, officers or members of such committees, or out of the aforesaid indemnity in favor of the Directors, Board, officers, or members of such committees, shall be limited to such proportion of the total liability hereunder as said Lot Owner's percentage of interest in the Association bears to the total percentage interest of all the Lot Owners in the Association. Every agreement made by the Directors, Board, officers, or members of such committees, shall provide that the Directors, Board, officers, or members of such committes, as the case may be, are acting only as agents for the Lot Owners and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Association bears to the total percentage interest of all Lot Owners in the Association. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX

Mortgages

SECTION 1. Notice to Board. A Lot Owner who mortgages his Lot shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and deed of trust or mortgage with the Board; and the Board shall maintain such information in a book entitled "Mortgages of Lots."

SECTION 2. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a mortgagee of a Lot, shall promptly report any then unpaid common charges due from, or any other default by the Lot Owner of the mortgaged Lot.

SECTION 3. Notice of Default. The Board, when giving notice to a Lot Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Lot whose name and address has theretofore been furnished to the Board.

SECTION 4. Examination of Books, Documents, and Records. The Board shall make available for inspection, on request during normal business hours, to Lot Owners, the holders of mortgages and deeds of trust on Lots, and the insurors and guarantors of any first mortgage or deed of trust, copies of the Declaration, By-Laws, rules, and regulations of the Property, and the books, records, and financial statements of the Association.

SECTION 5. Interest of Valid First Mortgagee. The interest of a valid first mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated the terms of these By-Laws, the Declaration and the contract in its Deed of Trust then said first mortgagee may at its option declare a default in its Deed of Trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the Deed of Trust notwithstanding any enforcement instituted by the Board.

ARTICLE X

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration for Glendale Garden, a planned unit development, which Declaration is recorded immediately before these By-Laws in the office of the Register of Deeds of Davidson County, Tennessee.

ARTICLE XI

Conflicts

In the event any of these By-Laws conflict with the provisions of the Declaration of Covenants, Conditions and Restrictions, the provisions of the said Declaration shall control.

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IDENTIF. REFERENCE
APR 29 4 18 PM '85
DAVIDSON COUNTY, TN