THIS INSTURMENT PREPAIRED BY:
HAROLD REEVES ATTORNEY
640 SPENCE LANE
NASHVILLE TN 37217

BOOK 6637 PAGE 746

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

TOWNHOUSE VILLA

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IDENTIFICATION REFERENCE

AUG 23 2 32 PM '85

FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY, TN

RUSH

ARTICLE I PROPERTY SUBJECT TO DECLARATION

ARTICLES II DEFINITIONS

"Association"
"Common Area"
"Declarant"
"Lot"
"Owner"
"Properties"

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

ARTICLE IV PROPERTY RIGHTS

Owners' Easements of Enjoyment
Delegation of Use

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Creation of Lien
Purpose of Assessments
Maximum Annual Assessment
Special Assessments
Notice and Quorum
Uniform Rate of Assessment
Date of Commencement of Assessments
Effect of Nonpayment; Remedies
Subordination of Lien to Mortgages

ARTICLE VI ARCHITECTURAL CONTROL

ARTICLE VII EXTERIOR MAINTENANCE

ARTICLE VIII GENERAL PROVISIONS

Enforcement
Severability
Amendment
Annexation
FNMA/FHLMC Approval
Information
Management
Transfer of Control
Reserves for Replacement
Working Capital
Lender's Notices
Insurance and Fidelity Bonds
Metropolitan Nashville Zoning Ordinance

BOOK 5637 PAGE 747

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS BOOK 6637 PAGE 748

THIS DECLARATION, made on the date hereinafter set forth by Joel A. Hoffman, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Article I of this Declaration and desires to create thereon a residential community with permanent open spaces for the benefit of such community; and

WHEREAS, Declarant desires to provide for the perservation of the values and amenities in said community and for the maintenance of said open spaces and, to this end, desires to subject the real property described in Article I to the covenants, restrictions, easements, charges and liens hereinafter set forth; and

WHEREAS, Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an entity to which to delegate and assign the maintenance and administration of the community properties and enforcement of the covenants and restrictions, and collection and disbursement of the assessments and charges hereinafter created; and

WHEREAS, Declarant has caused to be incorporated under the law of the State of Tennessee, as a non-profit corporation, TOWNHOUSE VILLA ASSOCIATION, INC. (the "Association"), for the purposes aforesaid.

NOW, THEREFORE, the Declarant declares that the real property described in Article I hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "Covnenats, Conditions and Restrictions") hereinafter set forth.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Davidson County, Tennessee, and is more particularly described as follows:

LAND in Davidson County, Tennessee, being .943 acres, more or less, known as Lot No. 2, Joel A. Hoffman Subdivision, as of record in Plat Book 6250, page 72, said Register's Office. Being part of the same property conveyed to Joel A. Hoffman, by deed recorded in Book 5343, page 340, said Register's Office. Also known as Townhouse Villa as of record in Plat Book 6250, page 587, Register's Office of Davidson County, Tennessee.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Townhouse Villa Association, Inc. its successors and Assigns.

Section 2. "Common Area" shall mean all real property designated as such on the plat of record owned by the Association, or by the Owners as tenants in common, for the common use and enjoyment of the Owners.

Section 3. "Declarant" shall mean and refer to Joel A. Hoffman, his successors and assigns.

Section 4. "Lot or Lots" shall mean and refer to the respective numerically designated parcels of land shown upon the recorded plat of the properties, with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 6. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Every Owner of a Lot which is subject to assessment as provided hereinafter shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

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

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility or the construction or maintenance of utility service, and access thereto, and subject to such conditions as may be agreed to by the members.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS BOOK 5637 PAGE 750

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deeds, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys'fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys fees, shall also be the personal obligation of the Owner or Owners of such Lot at the time of such assessment. The personal obligation, as distinguished from the lien, for delinquent assessments shall not pass to successors in title unless expressly assumed by such successors. No Lot owned by the Declarant shall be subject to any assessment hereunder until conveyance of such Lot to a third party which is not an affiliate of Declarant.

Section 2. Purpose of Assessment. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. The Board of Directors shall from time to time fix the annual assessment at an amount not in excess of the maximum provided below. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be ONE HUNDRED EIGHTY ——— ($ 180.00) Dollars per Lot. The maximum annual assessment may be increased by the Board of Directors of the Association each calendar year not more than five percent (5%) above the maximum assessment for the previous year. The maximum annual assessment may be increased above five percent (5%) annually only by a vote of two-thirds (2/3) of the votes of members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Acres, 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 members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty six percent (66%) of all the votes of the members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. 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.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the status of assessments on a specified Lot.

Section 8. 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 property. 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 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure, including material changes in the landscaping of each Lot, shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding sturctures and topography by the Declarant, or after completion of initial construction on each Lot by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Declarant, the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and construction in accordance with such submitted will be deemed approved. Prior to the election of the Board of Directors of the Association, Declarant shall control the provisions set forth in this Section.

Section 2. In order to provide an orderly plan of construction and protect the common interest of the Lot Owner, the following listed restrictive covenants are hereby agreed upon and shall be covenants running with the land and shall be binding upon the Declarant and all subsequent Owners thereof, in any capacity whatsoever:

1. No Lot shall be used except for residential purposes.

2. No residential structure on any Lot shall be designed, constructed, or used for more than (1) family.

3. No Lots or Lot as shown hereon shall again be subdivided, altered or changed so as to produce less area than hereby established, unless otherwise approved by the Metopolitan Planning Commission, and under no condition shall such Lot or Lots be made to produce less area than prescribed by this covenant. No more than one (1) residential building may be constructed or maintained on any one (1) Lot.

4. No noxious or offensive operations shall be conducted or maintained on any Lot, and nothing shall be done on any Lot which may constitute a nuisance or unreasonable annoyance to the neighborhood.

5. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time; provided, however, this shall not preclude the keeping of dogs, cats, or other household pets, as such, provided further, however, that nothing shall permit the keeping or raising of dogs, cats or other animals for commercial purposes. All animals shall be restrained from running loose.

6. No trailer, basement, tent, shack, garage, barn or other outbuilding 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 similar vehicle shall be stored on premises. No vacation trailer or camper can be stored on the premises, and such cannot be used as a residence, temporarily or permanently.

7. No building shall be constructed or maintained on any Lot other than inside the building envelope, as shown on the recorded plat; provided open porches, either covered or uncovered, bay windows, steps or terraces, shall be permitted to extend in front and back of the envelope, so long as the remaining portion of the structure does not violate the envelope. The Declarant expressly reserves the right, with the approval of the Metorpolitan Planning Commission, to amend or alter the minimum envelope as shown on said plat.

8. A perpetual easement is reserved for each Lot, as shown on the recorded plat, for the construction and maintenance of utilities, such as electricity, gas, water, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.

9. Overhang easements, as shown on the recorded plan, shall be for the purpose of permitting overhead wires and cables of public utilities, such as electric, telephone, telegraph, etc.

10. Drainage easements as shown on the recorded plat shall be for the purpose of construction, maintaining, opening or widening storm drains, and open ditches.

11. The right is expressly reserved to the Declarant and the Owners of this subdivision, their representatives, heirs, successors and assigns, to construct all streets, roads, alleys or other public ways as now, or hereafter may be, shown on the plat of record, at such grades or elevations as they, in their sole discretion, may deem proper and to dedicate same for public use; and, for the purpose of constructing such streets, roads, alleys or public ways.

ARTICLE VII

EXTERIOR MAINTENANCE

It shall be the Lot owners responsibility for exterior maintenance within the guidelines of the architectural control and restrictive covenants contained herein, the Association being responsible for only maintenance of "The Common Areas".

ARTICLE VIII

GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by persons or firms representing not less than sixty six percent (66%) of the votes attributable to Owners of Lots, and thereafter by an instrument signed by not less than fifty percent (50%) of the Lots attributable to Owners of Lots. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of votes of members entitled to vote.

Section 5. FNMA/FHLMC Approval. Notwithstanding anything to the contrary contained in this Declaration of Covenants, Conditions, and Restrictions, all terms, conditions and regulations which are now existing, or which may be amended from time to time, by the Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association (FNMA") pertaining to developments of the nature described herein are hereby incorporated as terms and conditions of the Declaration of Covenants, Conditions, and Restrictions, and such shall be governing upon the Properties, the Declarent, and the Association, so long as such terms or conditions are not inconsistent with the laws of the State of Tennessee.

Section 6. Information. The Owners Association is required to make available to lot owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the declaration, bylaws, other rules concerning the project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 7. Management. The Declarant shall not enter into a management contract, as this right is reserved to the Association after control is received from Declarant.

Section 8. Transfer of Control. The Declarant is required to transfer control of the Association to the lot owners, no later than the earlier of the following events:

a. Four months after 75% of the lots in the project have been conveyed to lot purchasers; or

b. Three years following conveyance of the first lot.

The term "control" means the rights of the declarant to control the Association, the Association Board, the project, or the lot owners in any manner except through votes allocated to lots it owns on the same basis as votes pertaining to sold lots.

Section 9. Reserves for Replacement. The Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common area and those limited common areas which the Association may be obligated to maintain. The fund is maintained out of regular assessments for common expenses.

Section 10. Working Capital. A working capital fund is required for the initial months of the project's operation equal to at least two months' assessments for each lot. Each lot's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each lot and maintained in an account for the use and benefit of the Association. (The purpose of the fund is to insure that the Association board will have cash available to meet unforseen expenditures, or to acquire additional equipment or services deemed necessary or desireable. Amounts paid into the fund are not to be considered as advance payment of regular assessments.)

Section 11. Lender's Notices. Upon written request to the Owners Association, identifying the name and address of the holder, insurer or guarantor and the lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

a. Any condemnation or casualty loss that affects either a material portion of the project or the lot securing its mortgage.

b. Any 60-day delinquency in the payment of assessments or charges owed by the owner of any lot on which it holds the mortgage.

c. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners' association

d. Any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 12. Insurance and Fidelity Bonds. The constituent documents provide a duty by the Owners Association to maintain in effect casualty and liability insurance and fidelity bond coverage as specified in the FNMA Lending Guide, Chapter Three, Part 5, Insurance Requirements.

Section 13. Bylaws. Rules and Regulations governing the use and enjoyment of common areas may be promulgated and enforced when ratified under the procedures called for in Article V, Section 5.

Section 14. Metropolitan Nashville Zoning Ordinance. Common open space and public facilities.

(a) The metropolitan planning commission and the metropolitan county council may require that the landowner provide for and establish an organization for the owner ship and maintenance of any common open space, and such organization shall not be dissolved nor shall it dispose of any common open space, by sale or otherwise (except to an organization conceived and established to own and maintain the common open space), without first offering to dedicate the same to the metropolitan government of Nashville and Davidson County and the said dedication be the metropolitan planning commission. However, the conditions of any transfer shall conform to this development plan.

(b) In the event that the organization established to own and maintain common open space, or any successor organization, shall at any time after the establishment of this planned unit development fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the planned unit development and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the common open space for a period of one year. When the zoning administrator determines that the organization is not prepared for the maintenance for the common open space such agency shall continue maintenance for yearly periods.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this 12th day of July, 1985.

DECLARANT:

Joel A. Hoffman

Joel A. Hoffman

STATE OF TENNESSEE
DAVIDSON COUNTY

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named Joel A. Hoffman, the bargainors, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the within instrument for the purpose therein contained.

Witness my hand and offical seal at Nashville, Tennessee, this 12th, day of July, 1985.

Commission Expires: 4-19-87

Notary Public

THIS INSTRUMENT PREPARED BY:
HAROLD REEVES ATTORNEY
640 SPENCE LANE
NASHVILLE, TENNESSEE 37217

BY-LAWS

OF

TOWNHOUSE VILLA ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Townhouse Villa Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4106 Gallatin Road, Nashville, Tennessee 37216, 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 II

DEFINITIONS

Section 1. "Association" shall mean and refer to Townhouse Villa Association, Inc., its successors and assigns.

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

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Joel A. Hoffman, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the

Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of The Register of Deeds of Davidson County, Tennessee.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock, P.M. If the day for 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 of the votes of the Class A membership.

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

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership constitute a

quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all 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: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board 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 director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

Section 5. Action Taken Without a Meeting. The directors shall have the right to take 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 Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members or non-memebers.

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

ARTICLE VI

MEETINGS OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guest 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 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 theses By-Laws, the Articles of Incorporation, 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; and

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

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

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

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

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

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(f) cause all officers or employees having fiscal responsibilites to be bonded, as it may deem appropriate;

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

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

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

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

President

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

Vice-President

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

Secretary

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

Treasurer

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

ARTICLE IX

COMMITTEES

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

ARTICLE X

BOOKS AND RECORDS

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

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse 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 Articles of Incorporation and these By-Laws, the Articles shall control; and in the case 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 the Townhouse Villa Association, Inc., have hereunto set our hands this 12th day of July, 1985.

Glen Nabors

Nancy Brush Nabors

Joel A. Hoffman

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared, Glen Nabors, Nancy Brush Nabors and Joel A. Hoffman, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged themselves to be the Directors of the Townhouse Villa Association, Inc., a corporation, and that they as such Directors, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by themselves as Directors.

Commission Expires 4-19-87

Notary Public

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Townhouse Villa Association, Inc., a Tennessee corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 12th day of July, 1985.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of said Association this 12th day of July, 1985.

Secretary