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

This Declaration of Covenants, Conditions and Restrictions, made and entered into by the undersigned "Developer".

WITNESSETH:

WHEREAS, Developer is the legal title holder of the real estate in Davidson County, Tennessee and described more particularly as set forth in Exhibit A, ~~attached~~ not at time of recording 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 person hereinafter requiring any interest in the Property shall hold said interest subject to certain rights, easements ands 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 the 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 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 Glendower Cooperative Corporation.

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

(c) "Buildings" mean the buildings 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 Burlington Cooperative Corporation 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.

(1) All walls and columns, entrances and exits or communication ways to, through and from the Parcel, medians or dividers within 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, and electrical wiring and conduits situated entirely within a Lot and serving only such Lot).

(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 Granny White Developers I, Inc., its successors and assigns, provided such successors and 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 Lot Owners" means the holders of more than fifty (50%) per-cent 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 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_____, Page_____, 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 Deeds in 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 agreement of two-thirds (2/3rds) of the Lot Owners (including the affected Lot Owner), and the agreement in writing of the Developer and the consent in writing of all mortgagees of Lots, no Lot 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 "Glendower Cooperative Corporation", 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 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 twelve (12) and shall be divided and allocated among the respective Lot Owners with 1 vote each for all other Lots.

(b) Non-Liability of the Directors, Board and Officers. Neither the directors, Board, nor the officers of the Association shall be personally liable to the Lot Owners for any mistake 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 Lot Owners shall indemnify and hold harmless each of the directors, Board, or officers, and their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

5. Board's Determination Binding. In the event of any dispute or disagreement between any Lot Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof, the Board shall be final and binding on each and all such Lot Owners.

6. Ownership of the Common Elements. 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 the 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 respective Lot Owners in accordance with their respective percentage 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 Lot 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 Lot Owner waives any right of court partition or dissolution of such Lot Owner's membership.

7. (a) Use of the Common Elements. Each Lot Owner shall have the right to use the Common Elements in common with all other Lot 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.

(b) Developer's Easement. An easement of two (2') feet in width is retained by Developer along the perimeter boundary lines of the Parcel for the purpose of constructing and maintaining perimeter walls and screening, and an additional three (3') feet for a total of a five (5') foot wide easement is retained by Developer along said perimeter boundaries for the purpose of maintaining said perimeter screening, and planting and maintaining any shrubs or trees for screening purposes. This easement shall be included as a part of the common areas and Developer agrees to convey its interests in same to the Association at the time other common areas are conveyed to it.

8. Construction of Buildings. All houses erected upon Lots shall be for single family occupancy. 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 first residences to be built upon each Lot, and no such residence shall be constructed prior to such approval. For this purpose, Developer shall have the right and option 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. Each Lot Owner shall pay Developer a one time fee of Five Hundred ($500.00) Dollars for a water line hook-up and a one time fee of Five Hundred ($500.00) Dollars for a sewer line hook-up, which shall be paid in full on or before completion of the construction of the first residence on each Lot. Each Lot Owner, who upon construction of the first residence of each Lot, shall fail to install a gas heating system or a gas water heater shall be obligated to pay to the Nashville Gas Company a penalty of Three Hundred Ninety-Six and 37/100ths ($396.37) Dollars for each such Lot. Developer shall have the option, but not the duty of paying such penalty to the Nashville Gas Company and then charging same to the Lot Owner obligated thereon. The water line and sewer line hook-up fees owed to the Developer and the penalty, if any, payable to the Nashville Gas Company, if paid by Developer in accordance herewith shall constitute a lien on the interest of such Lot Owner in his Lot and in his membership in the Association, and shall effect the Lot and be enforceable in the same manner as liens for common expenses as set forth in this Declaration. 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 so doing shall take into account the architectural and aesthetic integrity of the Property. Construction of each first residence by persons other than Developer shall commence no later than twenty-four (24) months from the date of the transfer of title of the Lot by Developer, and initial construction of the residence.

9. (a) Common Expenses. 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 exoenses"), 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 the 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, except that commencement of the assessments shall occur upon the conveyance by Developer of the first Lot. 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, 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 a 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 the authority to make, 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 other such hazards as are covered under standard extended coverage provisions for the full insurable replacement cost thereof, and against such other hazards and for such amounts 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 Lot Owners. The premiums for such insurance shall be an individual expense.

In the event of damage 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, Buildings and Common Elements

substantially in accordance with the original plans and specifications 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 Lot Owners shall be deemed to be that Lot Owner who suffers damage from the aforementioned casualty.

The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Lot Owner, any mortgagee or record, if any, the Association, its officers, directors, Board and employees, from liability in connection with the Common Elements. The premium for such insurance shall be separately billed to each Lot Owner for his corresponding percentage of ownership in the Common Elements. 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 shall also have authority to and may 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.

Each Lot Owner shall be responsible for obtaining his own insurance on his own Lot, as well as his additions and improvements thereto, decorating, furnishing 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 other such 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 Lot Owner, at his expense, shall furnish and be responsible for all maintenance or 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 the maintenance of , repairs to and replacement 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 of any building on any Lot shall be the responsibility of the Owner to repair.

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 the Lot 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 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. Lot 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. 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 record 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.

In additions, a Lot Owner having an eight (8) foot side or rear yard setbac k facing a two (2) foot setback on an adjacent Lot is hereby granted an easement for the use of the adjacent two (2) foot setback area, which shall include but not exclusively, open space, patio, and recreation.

17. Architectural Restrictions. The following architectural restrictions shall apply to all constructions of buildings alterations, additions or improvements thereto, and exterior decorating thereof, and shall guide the decisions of and be taken into account by the Developer, the Board, or by any Architectural Review Committee appointed by either in connection with the authority and rights granted to it of them herein:

(a)All residences shall be free-standing single-family dwellings with a minimum of eighteenhundred square feet of heated and cooled living space, and shall be constructed to sell in the one hundred and seventy-five thosand ($175,000.00) dollar price range, with the Lots selling in the forty-five thousand ($45,000.00) dollar price range.

(b)All buildings shall reflect the styles, proportions and detailing of the American, Colonial and Early American and Antebellum Periods in the Eastern and Southeastern United States. Specifically, only the following architectural styles will be permitted: Georgia,Williamsburg, Southern Colonial, Federal, Natchez and Greek Revival.

(c)All residences shall be one, one and one-half or two stories in height and shall be faced in brick compatible with that of which the existing structure on Lot 9 is built. All brick shall be simulated old brick or of a handmade appearance and shall have a color, tone and surface texture compatible with the integrity of the existing residence on Lot 9. All mortar shall be of a buff or sand color.

(d)No block foundation wall may be exposed. If a building is faced with brick, the foundation wall shall be faced to grade with brick.

(e)All weather board shall be of cream. muted or earth tone colors.

(f)All roofs shall be of a dark color or tone, or standing seam metal roofs and buildup roofs where applicable, or shake roofs.

(g)All garage doors visible from any street or thoroughfare within the Parcel shall be of aColonial Panel pattern similar or equal to Crawford door model "Riviera No. 55".

(h)Air-conditioning and heating units on building sides and roofs shall be architecturally screened so as not to be visible from any street.

(i)Cornices and gutter overhangs shall not exceed two (2) feet from the plane of the wall below when contiguous in a zero-lot line.

(j)No operable or transparent windows

may be placed in a wall located on a two (2) foot side or rear yard setback facing an adjacent lot, nor shall any legally required window in a habitable space, which windows faces a side or rear lot line bordering on an adjacent lot, be placedin a wall closer than eight (8) feet from that side or rear lot line. If a driveway is placed within an eight (8) foot setback area from a lot line, no building wall on the lot may be placed nearer than ten (10) feet from such a lot line. Privacy walls may be erected only on a lot line or a setback line, except that no privacy wall may be placed on a lot line between a two (2) foot and an eight (8) foot side or rear yard setback line. A privacy wall perpendicular to a side or rear lot line, nevertheless, may be extended across a setback area, including an adjacent two (2) foot setback area on which the lot owner has a use easement to reach the corner of the building or wall on the adjacent lot.

17. 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 zoning laws. Each lot shall be used as a single-family residence or such other use permitted by this Declaration and for no other purpose, except that professional and quasi-professional people may use their residence (not in violation of municipal 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 manner as to prohibit a Lot 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 telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions or municipal zoning law.

(b) The Common Elements shall be used only by the Lot Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Lots and for such other purposes incidental to the use of the Lots. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interferred with by any Lot 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 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 which shall be in the judgment of the Board cause unreasonable noise or disturbance to others.

(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 in his Lot which may increase the cost or cause the cancellation of insurance on other Lots or on the Common Elements. No Lot Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside of 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 his Lot or install outside his Lot any canopy, awning, or outside radio or television antenna, or C.B. radio transmitter, 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 occupancy shall not be construed to prohibit a Lot Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on any patio or yard area appurtenant to his Lot. Except as set forth below, no owner of a Lot shall display, hang, store or use any sign outside his Lot, or which may be visible from the outside of his Lot without the prior written permission of the Board.

(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) No animals shall be raised, bred or kept on any Lot, except for dogs, household cats and small birds owned as household pets by a Lot Owner provided that said pet is not for any commercial purpose, and provided that said pet 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 pet shall not in the judgment of the Board constitute a nuisance.

(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.

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

(i) Mail boxes of a type consistent with the character of the Property shall be selected and placed by the Owner of each Lot and shall be maintained by the Owner to complement the residences and the neighborhood.

(j) Outside clotheslines will not be permitted.

(k) 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 sign shall not be more than 24 x 36 inches in size.

(l) The Board reserves the right to cut grass and weeds on any Lot or Common Element and charge the cost of such cutting to the Lot Owner involved or to the Association depending upon the ownership of the same.

(m) Outside lights at eaves and door entrances shall be permitted, but no exterior flashing or high-intensity lights, flood-lights or spotlights on the exterior of any building shall be permitted except with the written permission of the Board.

(n) Artciles 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. No storage of boats, trailers, mobile homes, or large trucks shall be permitted on the Property.

(o) Cars owned by Lot Owners shall be parked only in the Lot Owner's garage, driveway of those places particularly designated therefor on the Plat, and not otherwise.

18. 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 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 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 provided hereinafter in this Paragraph 18, 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 deemed added to and deemed part of his 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 saidmortgage or deed of trust owner or holder either takes possession of the Lot, accepts a conveyance or 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, cummulatively 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, ot 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.

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 in 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 and 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.

19. 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 recission, signed by the Lot Owners owning not less than sixty-seven per-cent (67%) 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 recission, 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 required 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 recission, whether accomplished under either of the provisions of the preceeding 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 4424 Granny White Pike, Nashville, Tennessee 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 Owner or Owners whose Lot is subject to such mortgage or trust deed.

21. Severability. If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, orthe 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 provisions, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration of the By-Laws shall be construed as if such invalid part was never included therein.

22. 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 continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States,

Ronald Reagan.

23. 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, benefit and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though 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 to be 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.

24. 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 obligations 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.

25. 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 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 Unit 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.

25. Rights Reserved. The Lot 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 ingrtess and egress to and from his or her Lot; and

(b) The right of the Board to dedicate or transfer all or any part of the Common Elements to any public agency of authority for such purposes and subject to such conditions as may be agreed to by a majority of the Board and subject to the approval of 67% of Lot Owners and 75% of the first mortgagees (based on one vote for each mortgage owned), and

(c) 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.

27. Working Capital Fund. A working capital fund shall be established containing an amount equal to two (2) months estimated common expense charges to each Lot. Each Lot's share of the working capital fund shall be collected at the time of the closing of the sale by the Developer of each Lot, transferred to the Association, and maintained in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold Lot shall be paid to the Association in sixty (60) days after the date of the conveyance by Developer of the first Lot, and the Developer shall be reimbursed by buyers of Lots for such contribution made by Developer in connection with unsold Lots. Amounts paid in the working capital fundby any person are not to be considered as advance

payments of any regular assessments for common expenses.

28. Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Regulations. Notwithstanding anything to the contrary contained in this Declaration, or in the By-Laws which are attached hereto, all terms, conditions and regulations which are now existing, or which may be amended from time to time, by the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation pertaining to the planned unit developments are hereby incorporated as terms and conditions of the Declaration and By-Laws and such shall be governing upon the Property, and the Association, so long as such terms and conditions are not inconsistent with the laws of the State of Tennessee, as amended.

Specifically, without limitation upon the foregoing, the following declarations shall be fully effective and controlling over any terms of the Declaration or By-Laws which are in conflict with this paragraph, or any portion of the regulations of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank Board, or the Federal Savings and Loan Insurance Corporation pertaining to planned unit developments, are hereby deleted and such regulations are substituted therefor. The following rights of mortgagees and others are itemized as follows:

(a) Any mortgagee of a Lot and any insuror or guarantor thereof, at his or its request, is entitled to written notification from the Association of (1) any default by the mortgagor of such lot in the performance of such mortgagor's obligations under this Declaration or the By-Laws which is not cured within thirty (30) days. (2) any condemnation loss or any casualty loss or any Lot as to which such mortgage applies, (3) any lapse, cancellation, or mutual modification of any insurance policy or fidelity bond maintained by the Association, (4) any proposed action which would require the consent of a specified percentage of mortgagees as set forth in sections (d) and (e) below.

(b) Any first mortagee of a Lot who comes into possession of the Lot pursuant to the remedies provided in the mortgage, deed of trust, foreclosure of the mortgage or deed of trust, or deed in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot, which accrue prior to the time such holder comes into possession of the Lot (except for claims for a prorata share of such assessments or charges resulting from a prorata reallocation of such assessments or charges to all Lots including the mortgaged Lot).

(c) Unless at least seventy-five (75%) percent of the first mortgagees (based upon one (1) vote for each mortgage owned) of Lots have given their prior written approval, the Association shall not be entitled to :

(i) Change the prorata interest or obligations of any Lot for (A) purposes of levying assessments or charges or allocation distributions of hazard insurance proceeds or condemnation awards and for (B) determining the prorata share of each Lot in the Association;

(ii) By any act or omission, change, waive, or abandon the regulations and enforcement thereof pertaining to the architectural design or the exterior appearance of the Lots, the exterior maintenance of the Lots, and the maintenance and upkeep of all common areas;

(iii) Fail to maintain fire and extended coverage on insurable common elements of a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(iv) Use hazard insurance proceeds for losses to any common elements for other than the repair, replacement, or reconstruction of such common elements.

(d) First mortgages shall have the following rights:

(i) Any restoration or repair of the Property, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the Plat, unless other action is approved by first mortgagees holding mortgages on Lots which have at least fifty-one (51%)percent of the votes of the Lots subject to such mortgages;

(ii) Any election to terminate the legal status of the Property after substantial destruction or a substantial taking in condemnation of the Property must require the approval of the first mortgagee's holding mortgages on Lots which have at least fifty-one (51%) percent of the votes of the Lots subject to first mortgages:

(iii)No reallocation of interest in the Common Elements resulting ffrom a partial condemnation or partial destruction may be affected without the prior approval of first mortgagee's holding mortgages on Lots which have at least fifty-one percent (51%) of the votes of the Lots subject to first mortgages;

(iv) When professional management has been previously required by any first mortgagee or the insuror or the guarantor of such mortgage, whether such entity became a first mortgagee of the insuror or guarantor of such mortgage at that time or later, any decision to establish self-management by the Association shall require the prior consent of Owner's of Lots to which at least sixty-seven percent (67%) of the votes of the Association are allocated and the approval of the first mortagee's holding mortgages on Lots which have at least fifty-one percent (51%) of the votes of the Lots subject to first mortgages.

(e) Except for amendments or termination of the planned unit development made as a result of the destruction, damage, or condemnation, (i) the approval of First Mortgagees holding mortgages on Lots which have at least seventy-five percent (75%) of the votes of the Lots subject to first mortgages shall be required to terminate the legal status of the Property as a Planned Unit Development, (ii) and the approval of first mortgagees holding mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to first mortgages shall be required to add or amend any provision of this Declaration which provides for, governs, or regulates any of the following:

(1) Voting.

(2) Assessments, assessment liens or subordination of such liens.

(3) Reserves for maintenance, repair, and replacement of the Common Elements (or Lots, if applicable).

(4) Insurance or fidelity bonds.

(5) Right to use of the common areas.

(6) Responsibility for maintenance and repair of the Property.

(7) Expansion or contraction of the property, of the addition, annexation, or withdrawal of any real property to or from the property.

(8) Boundaries of any Lot.

(9) The interest in the common areas.

(10) Convertability of Lots into common areas or common areas into Lots.

(11) Leasing of Lots.

(12) Imposition of any right of first refusal or similar restriction on the right of a Lot Owner to sell, transfer, or otherwise convey his Lot.

(13) Any provisions which are for the express benefit of mortgage holders or the guarantors or insurors of such mortgages.

(i) Any First Mortgagee which receives a written request to approve additions or amendments as set forth in this Section 29 (e) which does not deliver to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(f) Any first mortgagee, and the insuror or guarantor of such first mortgage, shall be entitled upon written request, within a reasonable time following such request, to an audited financial statement for the immediately preceding fiscal year without charge to the party so requesting.

(g) The Board shall make available for inspection, on request, during normal business hours, to Lot Owners, the holders of mortgages and deeds of trust, copies of the Declaration, By-Laws, rules and regulations of the Property, and the books, records and financial statements of the Association.

(h) An adequate reserve fund for the replacement of Common Elements will be established and funded by regular monthly payments rather than by special assessments.

(i) All leases or rental agreements for Lots shall be in writing and shall be subject specifically to the requirements of this Declaration and the By-Laws. No Lots may be leased or rented for a period of less than thirty (30) days.

(j) The authorized representatives of the Association, Board, or its agent with approval of the Board, shall be entitled to reasonable access to the Lots as may be required in connection with the preservation of any individual Lot or Common Elements in the event of an emergency, or in connection with maintenance of, repairs to, or replacement within the Common Elements, or any equipment, facilities, or fixtures affecting or serving other Lots, any Common Elements, or to make any alteration required by any governmental authority.

(k) The Association, at all times, shall maintain all Property, flood, liability and fidelity insurance and bond as required from time-to-time by the Federal Home Loan Mortgage Corporation and by the Federal National Mortgage Association, which insurance shall be a common expense.

(l) First mortgagees of Lots may, jointly or separately, pay taxes or other charges which are in default and which may or have become a charge against any common element and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse

of a policy, or such Common Elements, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(m) No Lot Owner or other party shall have priority over any rights of the first mortgagees of Lots purpuant to their mortgages in the case of distribution to Lot Owners of insurance proceeds or condemnation awards or losses to a taking of Common Elements.

(n) Any agreement for professionsl management of the Property, or any other contract providing for the services of the Developer, may not exceed three (3) years and any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

(o) The Association shall give the Federal Home Loan Mortgage Corporation or any lending institution servicing such mortgages as are acquired by the Federal Home Loan Mortgage Corporation, notice in writing of any loss to or the taking of any Common Elements if such loss ot taking exceeds Ten Thousand ($10,000.00) Dollars.

(p) The interest of a first mortgagee in a mortgaged Lot shall be superior to the interest of any other person, group, partnership, corporation, or entity of any kind, including any interest the Board of any Lot Owner may have in any portion of the affected Lot and its appurtenant interest in the Association, regardlessof the nature of the interest or the manner in which it is acquired.

(q) Notwithstanding the above, the first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee under its deed of trust, and under the laws of the State of Tennessee.

IN WITNESS WHEREOF, the said parties hereto have affixed their signature on this 19th day of September 1985

38235
IDENTIFICATION REFERENCE
SEP 20 1 56 PM '85
FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY, TN
MAIL ENV.

GRANNY WHITE DEVELOPERS I, INC.

By: Wolfgang Lauermann

Prepared by Cumberland Development Group
Wolfgang Lauermann, Secretary/Treasurer

STATE OF TENNESSEE
Davidson County

BOOK 6661 PAGE 691

Before me, Jana Regnier Laiolo, a Notary Public within and for the State and County aforesaid, personally appeared Wolfgang Sauermann with whom I am personally acquainted and who upon (his several oaths) acknoqledged (himself) to be the Secretary Treasurer, of The Granny White Developers I, Inc. the within named bargainor, a corporation, and that he as Secretary-Treasurer, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

Witness my hand and official seal at office at Nashville, Tennessee on this the 19th day of September, 1985.

My Commission Expires 1/29/89

Jana Regnier Laiolo
Notary Public