This instrument prepared by:
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BOOK 6851 PAGE 370

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

RIVER TRACE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and published this 14th day of April, 1986, by and between CROSS PROPERTIES, a Tennessee General Partnership, and by and all persons, firms or corporations hereafter acquiring any of the described real property.

W I T N E S S E T H:

WHEREAS, Cross Properties is the owner of real property in the First Civil District, County of Davidson, State of Tennessee, known as River Trace, and which is more particularly described as:

Beginning at a concrete monument in the Northeasterly corner of Lot 13 of the Pennington Bend Estates, Section 1; Thence, South 80 degrees 32 minutes 11 seconds West, 195.00 feet to an iron pin, said pin being in the Easterly right-of-way of Lock Two Road; Thence, with the Easterly right-of-way of Lock Two Road, North 09 degrees 12 minutes 20 seconds West, 2767.16 feet to a point; Thence, North 80 degrees 25 minutes 18 seconds East, 425.00 feet to a point; Thence, South 42 degrees 23 minutes 22 seconds East, 133.25 feet to a point; Thence, South 09 degrees 34 minutes 42 seconds East, 590.00 feet to a point; Thence, South 37 degrees 52 minutes 20 seconds East 85.46 feet to a point; Thence South 72 degrees 49 minutes East, 1230.52 feet to a point; Thence, South 04 degrees 43 minutes 45 seconds West, 2578.97 feet to an iron pin; Thence, North 70 degrees 13 minutes 00 seconds West, 599.81 feet to an iron pin; Thence North 67 degrees 58 minutes 44 seconds West, 109.22 feet to an iron pin; Thence, North 67 degrees 58 minutes 44 seconds West, 109.22 feet to an iron pin; Thence, North 56 degrees 42 minutes 48 seconds West, 101.28 feet to an iron pin; Thence, North 45 degrees 13 minutes 36 seconds West, 101.44 feet to an iron pin; Thence, North 33 degrees 11 minutes 32 seconds West, 101.48 feet to an iron pin; Thence, North 21 degrees 31 minutes 23 seconds West, 101.66 feet to an iron pin; Thence, North 15 degrees 49 minutes 36 seconds West, 108.16 feet to an iron pin; Thence, North 09 degrees 27 minutes 49 seconds West, 259.98 feet to the Point of Beginning.

Being part of the tract conveyed to Cross Properties and recorded in Book 6728, page 757 Register's Office for Davidson County, Tennessee and containing 89.73 acres, more or less. This parcel is subject to a

Tennessee Valley Authority Easement as recorded in Book 1163, page 341, Register's Office for Davidson County, Tennessee.

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

WHEREAS, Cross Properties desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property constituting River Trace; and for the continued maintenance and operation of such areas as may be provided;

NOW, THEREFORE, in consideration of these premises, Cross Properties agrees with any and all persons, firms, corporations or other entities hereafter acquiring any of the real property hereinafter described, that the same shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, and said restrictions, covenants, conditions, easements, assessments and liens shall be construed as covenants running with the land which shall be binding on all parties having or acquiring any rights, title or interest in the described real properties or any part thereof, and which shall inure to the benefit of each owner thereof. Any and all persons or other party, their heirs, assessors and assigns acquiring any of the within described real property made subject to this Declaration, by acceptance of a deed to any interest in or to said real property, shall take such property interest subject to this Declaration, and to all covenants conditions and restrictions herein and shall be deemed to have assented to same.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any Supplemental Declarations shall have the following meanings:

SECTION 1. RTHA shall mean and refer to River Trace Homeowners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Tennessee, its successors and assigns.

SECTION 2. OWNER shall mean and refer to the record owner whether one or more persons or entities, of a fee simple title to any Building Site which is a part of the properties, including contract sellers and Declarant, but excluding those persons or entities having such interest merely as security for the performance of an obligation.

SECTION 3. MAINTENANCE AREA shall mean all those landscaped portions of the properties, including the perimeter easements adjacent to Lock II Road, the entrances or exits to the Properties, landscaping, screening along roads, exits and entrances, or any portion of improvements or recreational areas that may be developed and conveyed as additional Maintenance Area to RTHA by Declarant, which shall be maintained by RTHA. Declarant in developing River Trace has designated certain areas of land to be developed and landscaped to ensure aesthetic standards for the benefit of all Owners. The Declarant shall pay the cost and expenses, in whole or part, required to develop and maintain the Maintenance Area until the revenue from assessments provided in this Declaration is equal to or greater than the said costs and expenses.

SECTION 4. BUILDING SITE shall mean or refer to any plot of land to be used for residential purposes and shall include any lot or part thereof which is used for a single residential structure. Thus any lot or site so designated on a final plat or plan which is a public record in the Register's Office of Davidson

County may contain one or more residential structures for all purposes contained herein.

SECTION 5. PROPERTIES shall mean or refer to any and all of that certain real property now or which may hereafter be brought within the residential subdivision being developed by Declarant in Nashville, Davidson County, Tennessee, which subdivision is and shall be commonly known a River Trace.

SECTION 6. DECLARATION shall mean or refer to this Declaration of Covenants, Conditions and Restrictions applicable to the property which is recorded in the Register's Office of Davidson County, Tennessee.

SECTION 7. DECLARANT shall mean or refer to Cross Properties, a Tennessee General partnership, pursuant to an agreement recorded in Book 533, page 398, in the Register's Office of Williamson County, Tennessee, its successors and assigns.

SECTION 8. MEMBER shall mean or refer to any person or persons who shall be an owner and as such shall be a member of RTHA.

SECTION 9. PERSON shall mean or refer to a natural person as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of a singular shall include the plural where the context so requires.

SECTION 10. ARTICLES shall mean or refer to the Articles of Incorporation of RTHA, as said Articles are amended from time to time.

SECTION 11. BOARD shall mean or refer to the Board of Directors of RTHA.

SECTION 12. BY-LAWS shall mean and refer to the By-Laws of RTHA as such may be amended from time to time.

SECTION 13. RIVER TRACE shall mean and refer to the certain residential subdivision known as River Trace, which is owned by Declarant and located in the City of Nashville, County of Davidson, State of Tennessee, together with such additions as may be designated by Declarant by a Supplementary Declaration.

SECTION 14. MANAGER shall mean and refer to the professional managing agent, whether corporate or individual, retained by RTHA on contract and charged with the maintenance and upkeep of the Maintenance Area.

ARTICLE II

ANNEXATION

SECTION 1. ANNEXATION OF ADDITIONAL PROPERTY. Any additional real property adjacent or contiguous to the Properties may be annexed to and become subject to this Declaration by the Declarant without the consent of RTHA or its members within seven (7) years of the date of this Declaration provided the Federal Housing Administration and the Veterans Administration determine that the annexation is in accordance with the general plan approved by them.

SECTION 2. METHOD OF ANNEXATION. The additions authorized in this Article shall be effectuated by the recordation of a Supplementary Declaration of Covenants, Conditions and Restrictions. The Supplementary Declaration shall be executed by the owners of the real property to be annexed.

SECTION 3. SUPPLEMENTARY DECLARATION. The Supplementary Declaration shall describe the real property to be annexed and shall state that it is pursuant to the terms and conditions of this Declaration for the purpose of annexing the property described in the Supplementary Declaration and extending the authority and jurisdiction of RTHA to cover the property so described. The Supplementary Declaration shall not revoke, modify or add to the covenants and agreements established by this Declaration with regard to any real property subject to the Declaration prior to recording the Supplementary Declaration. After recording of the Supplementary Declaration in accordance with the provisions hereof the real property described shall be subject to the provisions of this Declaration and the authority and jurisdiction of RTHA pursuant to the terms and conditions of this Declaration, By-Laws and Articles.

ARTICLE III

ARCHITECTURAL CONTROL AND USE RESTRICTIONS

The Board of Directors of RTHA shall have the sole responsibility for enforcing the architectural controls and use restrictions set forth in this Article. The following architectural, maintenance and use restrictions shall apply to each and every Building Site now or hereafter subjected to this Declaration.

SECTION 1. ARCHITECTURAL CONTROLS. No external construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, path or external improvement of any nature shall be constructed without obtaining the prior written approval as to the harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of RTHA or a duly appointed Architectural Committee. The Board of Directors may appoint an Architectural Committee composed of three or more representatives to review and approve any plans or specifications showing the nature, kind, shape, height, materials and location of the proposed construction or alternations. The Board of Directors or its appointed Architectural committee shall be the sole arbiter for the approval of any plans and specifications. In the event the Board of Directors or the appointed Architectural Committee fails to approve or disapprove such designs and locations within thirty (30) days after all requested or required plans and specifications have been submitted, approval will not be required and this Article will be deemed to have been fully complied with. The Board of Directors shall determine the information required to be submitted prior to reviewing and approving any plans or specifications.

SECTION 2. USE RESTRICTIONS.

(i) Except as otherwise provided in this Declaration each Building Site shall be used as a residence and shall be constructed and maintained in accordance with this use.

(ii) The owners of the individual Building

Sites shall be responsible for the maintenance of and shall maintain the exterior of their dwelling units in a clean, sanitary and attractive condition. The owner of each Building Site shall keep his dwelling free from rubbish, litter and noxious weeds; maintain, cultivate and keep in good condition or repair all shrubs, trees, grasses or other landscaping; and to replace dead plants or other landscaping with plants, shrubs, trees or landscaping of same or similar type.

(iii) No sign or billboard of any kind shall be displayed to the public view on any Building Site except for (a) directional signs established by Declarant or RTHA, or (b) signs for each Building Site which may be placed thereon by the owner of the particular Building Site for the purpose of advertising it for sale. Declarant and its successors or assigns retain the right to advertise the properties for sale or lease as long as Declarant owns a Building Site. In addition, during such time as Declarant or its successors or assigns have Building Sites available for sale, Declarant shall be permitted and is hereby granted an easement for that purpose to place advertising signs upon the Properties.

(iv) No incinerators for garbage, trash, or other refuse shall be permitted to be erected or placed on any Building Site. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles placed on any Building Site whether temporary or permanent shall be concealed from public view. Plans for all screening walls, fences and enclosures must be approved by the Board of Directors or the Architectural Committee.

(v) No lumber, brick, stone, block, concrete or other building material nor any other things used for building purposes shall be stored on any Building Site except for the purpose of construction, and then only for such length of time as is necessary for the construction or the improvement then in progress.

(vi) No owner shall excavate or extract earth from any of the Building sites subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the service grade or surrounding Building Site except to the extent that fill may be required as shown on the recorded plan. All fills shall be subject to the approval of the Board of Directors or Architectural Committee as to the nature of the fill employed and as to the manner and method of installation.

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

(viii) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be used on any Building Site at any time as a residence, either temporarily or permanently. No trailer, camper, boat or similar

equipment shall be permitted to remain upon any Building Site's private driveway unless on a space designated for such use by RTHA. However, Declarant retains the right to construct and maintain temporary structures and vehicles on the property for construction and administration purposes for use in connection with the initial construction or improvement on the Properties. In addition, the Declarant may also construct, operate and maintain a sales office and model homes and a sales office on the Building Sites, in connection with his continuing sales programs; and in furtherance thereof, shall have an easement for ingress, egress and parking for its agents, employees an prospective buyers of Building Sites.

(ix) No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred or kept on any Building Site, except dogs, cats or other household pets as may be approved by RTHA, provided they are not kept, bred, or maintained for any commercial purpose, or in unreasonable numbers.

(x) No towers, antennas, aerials, satellite disks, or other facilities for reception or transmission of radio or television broadcast or other means of communication shall be erected and maintained or permitted to be erected and maintained on any Building Site except by installation inside of structures or by underground conduits. All other types of appliances or installation of solar panels upon the roofs or sides of any dwelling situated upon a Building Site shall not be permitted unless prior approval is obtained from the Architectural Committee.

(xi) All rubbish, trash and garbage shall be regularly removed from the Building Site and shall not be allowed to accumulate thereon. All clothes lines, refuse containers, woodpiles, storage areas, disabled vehicles and machinery and equipment shall be prohibited upon any Building Site.

(xii) Each owner of a Building site shall pay any real and personal property taxes or charges assessed against his respective Building Site and the utility charge for said Building Site.

(xiii) During reasonable hours any member of the Board of Directors or any authorized representative of the Board shall have the right to enter upon and inspect any portion of the Building Sites and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such person shall not be deemed guilty of trespass by reason of such entry, provided reasonable written notice has been given to the Owner. The Board of Directors, or its agents and assigns, reserves the right to enter upon any Building Site for the purpose of correcting any breach of these restrictions, and any cost or expense incurred shall become alien upon the Building Site.

(xiv) The restrictions set forth in this Article shall not apply to Declarant, its agents or employees during the course of construction or sale of improvements on the Properties to the extent that they would interfere with such construction or sale. A perpetual easement is reserved for each Building Site for the construction and maintenance of utilities, and no structure shall be erected upon or over said easement.

(xv) No gainful profession, occupation, trade or other commercial activity shall be conducted or allowed on any Building Site. Nothing herein shall be deemed to prevent the leasing of any Building Site by the Owner thereof for residential purposes subject to all the provisions of this Declaration.

(xvi) Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of federal, state or municipal governments or authorities applicable to use and occupancy of and construction and maintenance of any improvements upon the Building Sites.

(xvii) Each Building Site shall contain either a one or two car garage for the purpose of providing three or four vehicular parking spaces, i.e. one or two parking spaces inside the garage and two parking spaces in the driveway. Said garage may be used as storage area for Owner's vehicles, motorcycles, boats or other personal property. The garage door shall remain closed at all times except when storing or removing Owner's personal property. All boats, automobiles, campers, motorcycles, or other vehicles shall be stored or parked inside the Owner's garage or in the area designated by RTHA for this purpose.

ARTICLE IV

PARTY WALLS

SECTION 1. RULES OF LAW. Each wall which is built as a part of the original construction of the Building Site upon the Properties and placed on the dividing line between the Building Sites shall constitute a party wall and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

SECTION 2. REPAIR AND MAINTENANCE. The costs of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

SECTION 3. DESTRUCTION OR CASUALTY. If a party wall is

destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and if the other Owner thereafter makes use of the wall, they shall contribute to the costs of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

SECTION 4. WEATHERPROOFING. Notwithstanding any provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 5. RIGHT OF CONTRIBUTION. The right of any Owner to contributions from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

SECTION 6. ARBITRATION. In the event of any dispute arising concerning a party wall or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be a majority of all the arbitrators.

ARTICLE V

COMMON DRIVEWAYS

SECTION 1. GENERAL RULES OF LAW. Each driveway which is built as a part of the original construction upon the Properties to serve two or more Building Sites shall constitute a common driveway and to the extent not inconsistent with the provisions of this Article the general rules of law regarding common driveways and liability for property damage due to negligence or willful acts or omissions shall apply.

SECTION 2. SHARING OF REPAIRS AND MAINTENANCE. The costs of reasonable repairs and maintenance of the common driveway shall be shared by the Owners, who make use of the driveway, in proportion to such use.

SECTION 3. DESTRUCTION BY CASUALTY. If a common driveway is destroyed or damaged, any Owner who has used the driveway may restore it and if the other Owners thereafter make use of the driveway, they shall contribute to the costs of restoration in proportion to such use without prejudice, however, the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

SECTION 4. RIGHTS OF CONTRIBUTION. The right of an Owner to contribution from any other Owner using the common driveway under this Article shall be appurtenant to the land and shall pass to such Owners, successors and title.

SECTION 5. ARBITRATION. In the event of any dispute arising concerning a common driveway or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all arbitrators.

ARTICLE VI

RIVER TRACE HOMEOWNERS ASSOCIATION

SECTION 1. ORGANIZATION. RTHA is a nonprofit Tennessee corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles of Incorporation, the By-Laws and this Declaration. Neither the Articles of Incorporation nor By-Laws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The Board of Directors of RTHA and such officers as the Board may elect or appoint shall conduct the affairs of RTHA in accordance with this Declaration, the Articles or By-Laws, as the same may be amended from time to time.

SECTION 2. MEMBERSHIP. Each Owner of a Building Site, including Declarant, shall be a member of RTHA, and shall be entitled to one membership for each Building Site owned. Ownership

of a lot shall be the sole qualification for membership in RTHA. An Owner's membership shall be appurtenant to and may not be separated from any lot giving rise to the membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Building Site, and then only to the transferee of title to said Building Site. Any attempt to make a prohibited transfer shall be null and void. Any transfer of title to a Building Site shall operate automatically to transfer the membership in RTHA appurtenant thereto, to the new Owner.

SECTION 3. VOTING RIGHTS. The RTHA shall have two classes of voting membership.

CLASS A. Class A members shall be all owners with the exception of Declarant and shall be entitled to one vote for each Building Site owned. When more than one person is the owner of a Building Site, all such persons shall be members. The vote for such Building Site shall be exercised as they determine among themselves but in no event shall more than one vote be cast for any Building Site. The vote for each such Building Site must be cast as a unit and fractional votes will not be allowed. If any Owner or Owners cast a vote representing a certain Building Site, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners.

CLASS B. The Class B membership shall be the Declarant, who shall be entitled to three (3) votes for each Building Site owned. Class B memberships shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(i) When the total outstanding votes in Class A membership equals the total outstanding votes in Class B membership;

(ii) Seven (7) years from and after the date or recordation of this Declaration. However, the Class B membership of Declarant shall be reinstated whenever additional land becomes available subject to the provisions of this Declaration pursuant to the annexation provisions contained herein.

SECTION 4. DUTIES OF RTHA. In addition to the powers

delegated to RTHA by the Articles, and without limiting the generality thereof, RTHA shall have the obligation to perform each of the following duties:

(i) To operate, maintain and otherwise manage or provide for the maintenance and management of the Maintenance Area.

(ii) To pay all real and personal property taxes and assessments separately levied upon or assessed against RTHA and/or any property owned by RTHA.

(iii) At the sole discretion of RTHA to procure any fire or extended coverage insurance, vandalism and malicious mischief and liability insurance, fidelity coverage, Workmen's Compensation Insurance.

(iv) To make, establish, promulgate and/or repeal any RTHA rules and regulations necessary to enforce any of the provisions of this Declaration.

(v) To levy assessments on the Owners of the Building Sites and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

(vi) To commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce by mandatory injunction or otherwise all the provisions hereof.

(vii) To employ the services of any person or corporation as manager, together with other employees as may be directed by the Board of Directors and to perform the business obligations and duties of RTHA and enter into contracts for such purposes.

SECTION 5. PERSONAL LIABILITY. No member of the Board of Directors, any committee of RTHA, any officer of RTHA, or the Declarant shall be personally liable to any Owner, or to any other party, for any damage, loss, or injury suffered or claimed on account of any act, omission, error or negligence, provided that such person has, upon the basis of information possessed by him, acted in good faith without willful or intentional misconduct.

ARTICLE VII

COVENANTS FOR ASSESSMENTS

SECTION 1. CREATION OF LIEN. Each Owner of any Building Site within the Properties, except the Declarant or Declarant's successors and assigns purchasing two or more Building Sites for

the purpose of developing said Building Site, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree for each Building Site owned to pay the RTHA: (1) annual assessments, and (2) special assessments for capital improvements. Such assessments are to be established, made and collected as hereinafter provided. The annual and special assessments together with interest an costs of collection thereon and reasonable attorney's fees shall be charged on the land and shall be a continuing lien upon the Building Site against which each such assessment is made. Each such Assessment, together with such interests, costs and reasonable attorney's fees shall also be the personal obligation of each person, firm or entity who was an owner of such Building Site at the time such assessment became due and payable. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by them, but no such assumption shall relieve any Owner personally obligated hereby for delinquent assessments or such Owner's personal liability therefor.

SECTION 2. PURPOSE OF ASSESSMENTS. Assessments levied shall be exclusively to promote the recreation, health, safety and welfare of the Owners of the properties and for the improvement, operation and maintenance of the Maintenance Area, and the performance of the duties of RTHA as set forth in this Declaration. The Declarant or Declarant's successors and assigns purchasing two or more Building Sites for the purpose of developing the said Building Site shall not be liable for or pay any assessment to RTHA, but shall pay the costs and expenses, in whole or part, required to develop and maintain the Maintenance Area and RTHA until the revenue from assessments provided in this Declaration is equal to or greater than the costs or expenses.

SECTION 3. ANNUAL ASSESSMENT. Until January 1st of the year immediately following the conveyance of the first Building Site to an Owner, the maximum annual assessment shall be Five Dollars ($5.00) per Building Site per month, which shall be paid on a quarterly basis.

(i) From and after January 1st of the year immediately following the conveyance of the first Building Site to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year, without a vote of the membership.

(ii) From and after January 1st of the year immediately following the conveyance of the first Building Site to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(iii) The Board may fix the annual assessment at an amount not in excess of the maximum set forth in this Article.

(iv) Any revenue from assessments not disbursed by the Board for expenses to maintain the Maintenance Area and perform the duties of RTHA during the annual assessment period may be used to reduce the assessment rate for the subsequent assessment period.

SECTION 4. SPECIAL ASSESSMENTS. In addition to the annual assessments authorized in this Article, RTHA 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 costs of any construction, reconstruction, repair, or replacement of any capital improvement, fixtures and personal property related to the improvement, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of each class of members voting in person or by proxy at a meeting duly called for such purpose.

SECTION 5. NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking action authorized in this Article shall be sent to all members not less than thirty (30) days nor more than sixty (60) days prior to the meeting. At the first such meeting, the presence of members or the proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirements. 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 after the preceding meeting.

SECTION 6. COMMENCEMENT OF ASSESSMENTS. Both annual and special assessments shall be fixed by RTHA on a uniform rate for all Building Sites. Both assessments shall be collected on a quarterly basis of one fourth (1/4) the annual payments, unless some other basis for collection is adopted by the Board of Directors. The annual assessment period shall commence on January 1st of each year and terminate December 31st of such year, provided that the first annual assessment period shall commence as to all Owners on the first day of the month following conveyance to the Owner. 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 Building Site at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates for annual assessments and special assessments shall be the first day of each calendar quarter unless an alternative date is established by the Board. RTHA shall upon demand and for a reasonable fee, furnish a certificate signed by an officer of the RTHA stating whether the assessments on a specified Building Site have been paid as of the date of issuance.

SECTION 7. NONPAYMENT OF ASSESSMENTS. Each and every Owner of a Building Site on becoming and Owner of said Building Site is and shall be deemed to covenant and agree to pay to RTHA each and every one of the assessments provided for in this Declaration; and agrees to the enforcement of such assessments in the manner herein specified. Any assessment not paid within thirty (30) days after the due date shall be deemed delinquent, and shall bear interest at the rate of ten percent (10%) per annum. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligation of the Owners to pay the assessments provided for in this Declaration, and in any manner provided by law or in equity, or without any limitation of the foregoing by either or both of the following procedures:

(i) By commencement and maintenance of a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suits to be maintained in the name of RTHA. Suits to recover a money judgement for unpaid assessments shall be maintained without foreclosing or waiving the lien hereinafter provided.

(ii) There is hereby created a claim of lien, with power of sale, on each and every Building Site to secure payment to RTHA of any and all assessments levied against any and all Owners of such Building Sites pursuant to this Declaration. Upon such recordation of a duly executed original or copy of such claim of lien, the lien claimed therein shall immediately attach and become effective in favor of RTHA as a lien upon the Building Site against which such assessment was levied. Any such lien may be foreclosed by appropriate and customary action for the foreclosure of a Deed of Trust with power of sale, or in any other manner provided by law. Upon the timely curing of any delinquency or default for which a notice of claim lien was filed by the Board of Directors, and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause the appropriate release of such claim of the lien.

(iii) No Owner may waive or otherwise escape liability for assessment provided for in this Declaration by nonuse or abandonment of his Building Site.

SECTION 8. SUBORDINATION OF LIEN. The lien for the assessments provided for herein in connection with a Building Site shall not be subordinated to the lien of any Deed of Trust or mortgage except the lien of a Deed of Trust or mortgage given and made in good faith and for value that is of record as an encumbrance against such Building Site prior to the recordation of a claim or lien for the assessments provided for in this Declaration. Thus, the lien for any assessment shall be subordinated to the lien of any prior or first Deed of Trust or mortgage. However, the sale or transfer of any Building Site shall not affect the assessment liens provided in this Article. In addition, the sale or transfer of any Building Site pursuant to a Deed of Trust or mortgage foreclosure or any proceeding in lieu

thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. However, no sale or transfer shall relieve such Building Site from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE VII

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. RTHA, or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservation liens and charges now or hereinafter provided by the provisions of this Declaration. Failure by RTHA or by any Owner to enforce any covenant or restrictions contained herein shall in no event be deemed a waiver of the right to do so thereafter. A waiver of such right shall be only pursuant to an instrument in writing, signed by the party to be charged with such waiver, and shall be limited to a particular covenant, condition or restriction contained therein, which is expressly set forth as being waived.

SECTION 2. SEVERABILITY. Invalidation of any one or more of the provisions of this Declaration by judgment or court order shall in no way affect any other provision thereof, and all such other provisions shall remain in full force and effect.

SECTION 3. TERM. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by RTHA or the Owner of any Building Site subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date this Declaration is recorded, after which time the said covenants and restrictions shall be automatically extended for successive periods of ten (10) years.

SECTION 4. AMENDMENT. This Declaration may be amended during the first twenty (20) year period provided in Section 3, by an instrument signed by ninety (90) or more percent of the Owners and thereafter by an instrument signed by not less than seventy-

five percent (75%) of the Owners. Any such amendments shall be effective immediately on proper recordation in the Office of the Register of Deeds.

SECTION 5. ANNEXATION. Notwithstanding the right to annex additional property granted to Declarant in this Declaration, additional real property may be annexed to the properties with the consent of two-thirds (2/3) of each class of members in RTHA.

SECTION 6. GOVERNMENTAL APPROVAL. As long as there is Class B membership,the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

(i) Annexation of additional properties;

(ii) Dedication of Common Area; and

(iii) Amendment of this Declaration of Covenants, Conditions and Restrictions.

SECTION 7. HEADINGS. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of Declarant and all persons claiming by, through or under Declarant.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this 14th day of April, 1986.

J. W. CROSS, III
Managing Partner
Cross Properties
Declarant

STATE OF TENNESSEE

COUNTY OF WILLIAMSON

Personally appeared before me Hazel S. Brown, a Notary Public in and for the said State and County, J. W. CROSS, III, with whom I am personally acquainted, and who upon his oath acknowledged himself to be the Managing Partner of Cross properties, the within named partnership, and that as such duly authorized person, executed the foregoing instrument for the purpose therein contained by signing as such Managing Partner.

WITNESS my hand and official seal at Franklin, Tennessee, this 14th day of April, 1986.

Hazel S. Brown
NOTARY PUBLIC

My Commission Expires:
4-15-86

98885

IDENTIFICATION REFERENCE

MAY 8 11 10 AM '86

FELIX Z. WILSON JR. REGISTER
DAVIDSON COUNTY, TN