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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINE RIDGE SUBDIVISION SECTION I, PART A

THIS DECLARATION of Covenants, Conditions and Restrictions (hereinafter referred to as "this Declaration") made and published on or as of the date hereinafter set forth, by and between **CRAFTECH HOMES**, a Tennessee general partnership, (hereinafter referred to as "Developer"), and any and all persons, firms or corporations, hereafter acquiring any of the within described property.

W I T N E S S E T H:

WHEREAS, Developer is the owner of that certain tract of real property hereinafter described and desires to create thereon a residential development with open spaces for the mutual benefit of the future residents of said development; and

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

WHEREAS, Developer desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in said development, and for the continued maintenance and operation of common areas; and

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

WHEREAS, the Developer has deemed it desirable, for the efficient preservation of the values and amenities in said development, and to fulfill the foregoing objects, purposes and requirements, to create an entity to which should be delegated and assigned the powers of maintaining and administering the common property, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused or will caused, to be incorporated under the laws of the State of Tennessee, a non-profit corporation known as Pine Ridge Homeowners' Association for the purpose of exercising the aforementioned functions.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the terms, conditions and restrictions hereinafter set forth, the Developer declares that the real property hereinafter described is and shall be held, transferred, sold, conveyed and occupied subject to the following restrictions, covenants, conditions, easements, assessments and liens all of which are to be construed as covenants running with the land and which shall be binding on all parties having or acquiring any right, title or interest in the hereafter described property or any part thereof and which shall inure to the benefit of each owner thereof. Every person or other party hereafter acquiring any of the within described property made subject to this Declaration, by acceptance of a deed to any interest in or to said property, shall take such property interest subject to this Declaration and to the terms and conditions hereof, and shall be deemed to have assented to same.

ARTICLE I

DEFINITIONS

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

Section 1. "Association" shall mean The Pine Ridge Homeowners' Association, a Tennessee not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. (The Association's By-Laws are attached as Exhibit B and are incorporated herein by reference.)

Section 2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Lot Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is the area designated on the Plat as Common Area or Open Space.

Section 3, "Declaration" shall mean this instrument.

Section 4. "Developer" shall mean CRAFTECH HOMES, a Tennessee general partnership, its successors and assigns.

Section 5. "Lot" shall mean any lot shown on a Plat, not including the Common Area.

Section 6. "Lot Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Plat" shall mean the plat of Pine Ridge Subdivision recorded in the Register's Office for Davidson County, Tennessee in Plat Book 6900, page 191.

Section 8. "Property" shall mean the real property shown on the Plat. Property shall not include any public streets included within a Plat.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1. Property Subject to this Declaration. Developer hereby declares that the Property shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions of this Declaration, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, and their heirs, devisees, executors, administrators, successors, and assigns.

ARTICLE III

PROPERTY RIGHTS

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

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

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such

purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded. At the time of any of such dedication or transfer, the portion of the Common Area so dedicated or transferred shall no longer be a part of the Common Area and Lot Owners shall thereafter have no greater right in the property so dedicated or transferred than the general public.

(c) The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

(d) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it may deem necessary for the proper servicing and maintenance of the Common Area.

(e) The right of Developer, at its sole expense, to relocate, expand, modify, reduce, extend, or construct utility lines, sewers or service connections in order to serve the Property.

(f) The right of individual owners to the exclusive use of the parking spaces as provided in this Article.

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

Section 3. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign up to two parking spaces for each dwelling.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Lot Owner which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to any and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A. Class A members shall be all Lot Owners, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such person shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall be converted to Class A membership while the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership. Anything to the contrary notwithstanding, the Class B membership shall be converted finally to Class A membership on November 1, 1988.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned within the Property, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The initial, annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Lot Owners, to provide for the maintenance of the Common Area, (including but not limited to drainage facilities, lawn maintenance, walkways, landscaping, recreational facilities, etc.) to pay the fees of any management agent the Association may employ to manage the affairs of the Association, to provide for maintenance upon Lots which are improperly maintained and to pay other reasonable and necessary expenses of the Association. An adequate reserve fund for the maintenance, repair, and replacement of items maintained by the Association pursuant

to this section shall be established and funded by regular monthly payments rather than by special assessments.

Section 3. Maximum Annual Assessment.

(a) Until January 1, of the year immediately following the conveyance of the first Lot to a Lot Owner, other than Developer, the maximum annual assessment shall be ~~Nineteen~~ two hundred twenty-eight Dollars per Lot payable in monthly installments on the first day of each month of Nineteen Dollars each.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment may be increased each year not more than the percentage increase in the Consumer Price Index during the previous year above the maximum assessment for the previous year without a vote of the Association membership.

(c) From and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment may be increased above said percentage by a vote of two-thirds (2/3) of each class of Association members who are voting in person or by proxy, at a meeting duly called for this purpose.

(d) The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment to pay in whole or in part, the cost of any construction,

reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Association members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article V shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty 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 requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to Lots not owned by the Developer on the first day of the first month following the deed of the first Lot to a Lot Owner. As to Lots owned by the Developer the annual assessments shall commence as to each Lot when the improvements constructed on the Lot are

completed and ready for occupancy. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Lot Owner subject thereto. The assessment shall be paid monthly on the first day of each month. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments on any Lot provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of

such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. In the event that the organization established to own and maintain common open space, or any successor organization, shall at any time after the establishment of the planned unit development fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the planned unit development and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the common open space for a period of one year. When the zoning administrator determines that the organization is not prepared for the maintenance for the common open space such agency shall continue maintenance for yearly periods.

The cost of such maintenance by such agency shall be assessed proportionally against the properties within the planned unit development that have a right of enjoyment of the common open space, and shall become a lien on said properties.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, outside antenna, satellite dishes or other structure shall be commenced, erected or maintained upon the Property, nor shall any Lot Owner alter or add to the structure installed by Developer if such alteration or addition (other than interior decorations) would change the external appearance of the

Lot Owner's structure as installed by Developer, until the plans and specifications showing the nature, kind, shape, height, materials, and location of same or the exterior paint color thereof, have been submitted to and approved in writing as to harmony of external design, location and color in relation to surrounding structures and topography by an architectural committee composed of three or more representatives appointed by the Board. Alterations or additions which must be approved as provided herein include by way of illustration and not limitation, addition of storm doors and windows, changing exterior lighting, building a swimming pool, garage or gazebo, etc.

In the event the designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it and the Lot Owner has received a written receipt for the submission from the Architectural Committee, approval will not be required and this Article will be deemed to have been fully complied with.

Work done on the Property by the Developer shall not be subject to the provisions of this Article VI.

ARTICLE VII

INSURANCE

Section 1. Common Area. The Association shall keep in force and maintain such liability and other insurance as it shall deem necessary relating to the Common Area. The Association may also insure any other property, whether real or personal, owned by the Association, against such hazards as may deem desirable by the Association. Premiums for all insurance carried by the Association shall be part of the expenses covered by the annual assessments of the Association.

Section 2. Lots. Insurance against damage by fire or other casualty to the improvements on any Lot, liability insurance with respect to occurrences on any Lot, and other insurance relating to each Lot, shall be the responsibility of the individual Lot Owners.

Section 3. Fidelity Bonds. Blanket fidelity bonds will be maintained by the Association for all officers, directors, trustees, and employees of the Association handling or responsible for funds of or adminstered by the Association or any other persons handling or responsible for funds of or administered by the Associatoin. Further, in the event the Association delegates some or all of the responsibility for the handling of funds to a management agent, a blanket fidelity bond will be required for officers, employees, and agents of such management agent handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity bond coverage shall be based upon the best business judgment of the officers of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bond be less than a sum equal to three month's aggregate assessment on all Lots plus reserve funds.

(c) All such fidelity bonds shall:

(i) Name the Association as an obligee;

(ii) Contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and

(iii) Shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.

(d) Premiums on all such fidelity bonds (except premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.

Section 4. Other Insurance. The Association shall also obtain such other insurance as the Association Board deems desirable, in such amounts, from such sources and in such forms as it seems desirable, insuring the Common Area and each member of the Board and officer of the Association, and each 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 a director or officer of the Association, or a member of such a committee. The premiums for such insurance and bonds shall be an expense of the Association.

Unpaid Officers and Directors of the Association shall not be liable to any Lot Owner for any act or omission unless the act or omission constitutes gross negligence or willful misconduct. If an unpaid Director or Officer of the Association prevails in any legal action brought against him in his official capacity by a Lot Owner, that Lot Owner shall pay the Director or Officer all his reasonable legal fees.

ARTICLE VIII

NOTICES TO MORTGAGEES, ETC.

Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor of any deed of trust lien in any property located in

the subject development and the Lot number or address, any such lien holder or eligible insurer or guarantor shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the subject development or a Lot on which there is a first deed of trust lien hold, insured, or guaranteed by such eligible deed of trust lien holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first deed of trust lien held, insured, or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of deed of trust lien holders.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall, fence or other structure which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots 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. Sharing of Repair and Maintenance. The cost 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 by Fire or Other 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 Owners thereafter make use of the wall, they shall contribute to the cost 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 other 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 to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In teh 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 by a majority of all the arbitrators.

ARTICLE X

RESTRICTION ON LOT USE, ETC.

The following restrictions shall be binding on Developer and all Lot Owners:

1. Land Use and Building Type. No Lot shall be used except for residential purposes; provided, however, this shall not preclude the temporary use of a house for a showcase model home or a temporary real estate sales office.

2. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat and as otherwise shown by the public records. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Lot Owner, except for those improvements for which a public authority or utility company is responsible.

   Overhang easements, as shown on the Plat and as otherwise shown by the public records, shall be for the purpose of permitting overhead wires and cables of public utilities, such as electric, telephone, cable T.V., etc.

3. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

4. Temporary and Incomplete Structures. No temporary structure or incomplete structure may be used temporarily or permanently as a residence. Specifically, no tent, shack, outbuilding, barn, camper, mobile home, motor home, basement, or dwelling not substantially completed may be used.

5. Signs. Except for signs provided by the Develper, no signs of any kind shall be displayed to the public view on any lot except professionally lettered builder's or realtor's signs in good taste and not exceeding 18" x 24" in size.

6. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided they are confined to the Lots of their owners by leash or fence; provided they are not kept, bred, or maintained for any commercial purpose; and provided they are not kept in such numbers as to become a nuisance.

7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be concealed underground or screened from the view of neighbors or the public.

8. Other Prohibited or Restricted Activities.

(a) Clothes lines will be permitted only if located behind a dwelling and provided they are completely hidden by a masonry or wood wall.

(b) Junk vehicles, inoperable vehicles, unlicensed vehicles, building materials not for immediate use or vehicles of any kind in disrepair may not be kept on any Lot. Moreover, no Lot Owner shall permit any motor vehicles (operable or inoperable) owned by such Lot Owner or by any person occupying his dwelling or by any person on his premises as guest or invitee to remain parked on the streets in the subdivision for more than 48 hours.

(c) Automobiles may not be assembled, disassembled or serviced unless completely hidden by a masonry or wood wall.

(d) In the event an Owner of any Lot shall fail to maintain the premises and improvements situated thereon in a manner satisfactory to the Association Board of Directors, the Association, after approval by 2/3 vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which the Lot is subject.

(e) No mobile home, bus, truck of over one ton, tractor/trailer rig (separate or in combination) or house trailer may be parked or stored on any Lot.

(f) No motor vehicles or boats shall be parked on any surface other than the designated paved parking areas.

9. Water Supply; Sewage Disposal. No dwelling on any Lot shall be occupied and used unless the same be connected with, and served with, water and sewerage from the water and sanitary sewer supply mains provided in this subdivision.

10. Sight Distance at Intersection. On corner Lots adjoining two streets, no fence, wall, hedge, planting, or structure between a height of 2-1/2 feet and 10 feet above the centerline grades of the intersecting streets shall be erected, placed, or maintained within the triangular area formed by the Lot lines abutting such streets and a straight line joining such Lot lines at points that are 10 feet distant from the intersection thereof as measured thereon. In the case of a rounded corner at intersecting streets, such measurement shall be made from the point of intersection of the tangents of the curve constituting the rounding.

On any Lot having a driveway, no fence, wall, hedge, planting, or structure between a height of 2-1/2 feet and 10 feet above the centerline grades of the adjoining street and the driveway shall be erected, placed, or maintained within the triangular area formed by the Lot line abutting the adjoining street and the driveway and a straight line joining such Lot line and driveway at points that are 10 feet distant from the point of intersection thereof as measured thereon. In the case of a rounded corner at the intersection of street and driveway, such measurement shall be made from the point of intersection of the tangents of the curve constituting the rounding.

11. Roadway Construction and Acceptance. In accordance with the specifications of the governmental body or agency having jurisdiction over the construction of public roads, the right is expressly reserved to the Developer, his representatives, heirs, successors and assigns, to construct all streets, roads, alleys, or other public ways as now, or hereafter may be shown on the Plat, at such grades or elevations as Developer, in its sole discretion, may deem proper; and for the purpose of constructing such streets, roads, alleys or public ways, Developer additionally shall have an easement, not exceeding ten (10) feet in width, upon and along each adjoining Lot, for the construction of proper bank slopes and no Lot Owner shall have any right of action or claim for damages against any one on account of the grade or elevation at which such road, street, alley or public way may hereafter be constructed, or on account of the bank slopes constructed within the limits of the said ten (10) foot easement.

12. No fences shall be constructed between any side of a home that faces a public or private right of way and that public or private right of way.

ARTICLE XI

GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of those then owning the Lots has been recorded prior to the expiration of said 30-year period or any said 10-year period, as the case may be, agreeing to terminate said covenants or to modify said covenants in whole or in part for the next 10-year period. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation.

(a) Additional residential property and Common Area may be annexed to the Property with the consent of two-thirds (2/3) of each class of members.

(b) Additional land within the area described in Deed Book 6783, page 345 of the Register's Office for Davidson County, Tennessee may be annexed by the declarant without the consent of members within three (3) years of this instrument provided that the FHA and the VA determine that the annexation is in accord with the general plan heretofore approved by them.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand and seal this 30 day of December, 1986.

CRAFTECH HOMES, a partnership

BY: FRANK ANDREWS, Partner

BY: NELSON C. ANDREWS, Partner

BY: CARTER ANDREWS, Partner

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named NELSON C. ANDREWS, CARTER ANDREWS and FRANK ANDREWS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledges themselves to be the Partners of CRAFTECH HOMES, the bargainor, a Tennessee general partnership, and that they as such partners, being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of the partnership by themselves as such partners.

WITNESS my hand and official seal at Nashville, Tennessee this 30th day of December, 1986.

NOTARY PUBLIC AT LARGE

NOTARY PUBLIC

My commission expires: 11-3-88

This instrument was prepared by:

Carter Andrews
224 White Bridge Road
Nashville, Tennessee 37209

EXHIBIT "B"

BY-LAWS
OF
PINE RIDGE HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

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

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

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

Section 3. "Declaration" shall mean the instrument headed "Declaration of Covenants, Conditions and Restrictions," recorded simultaneously herewith in the Register's Office for Davidson County, Tennessee, as hereafter amended.

Section 4. "Developer" shall mean CRAFTECH HOMES, a Tennessee partnership, its successors and assigns.

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

Section 6. "Common Area" shall mean all real property including the improvements thereto) owned by the Association for the common use and enjoyment of the Lot Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is the area designed on the Plat as Common Area or Open Space.

Section 7. "Lot" shall mean any lot shown on the Plat, not including the Common Area.

Section 8. "Lot Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

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

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

ARTICLE II

NAME AND LOCATION

The name of the Association is Pine Ridge Homeowners Association. The principal office of the Association shall be located at 224 White Bridge Road, Nashville, Tennessee, 37209, but meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held within fifteen days of the anniversary of the first regular annual meeting each year thereafter, at the hour of 7:30 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

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

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in

the Charter, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and at each annual meeting thereafter the Members shall elect directors for a term of three years.

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

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

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the

provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

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

ARTICLE VII

POWERS AND DUTIES

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests threon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Charter or the Declaration;

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

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

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

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

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

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

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

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

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

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

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

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

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

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

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

President

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

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

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

ARTICLE IX

COMMITTEES

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

ARTICLE X

BOOKS AND RECORDS

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

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such

action shall be added to the amount of such assessment. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATE

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Pine Ridge Homeowners Association, a Tennessee not-for-profit corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 30 day of December, 1986.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 30 day of December, 1986.

Carter Andrews
SECRETARY

IN WITNESS WHEREOF, we, being all of the directors of Pine Ridge Homeowners Association, have hereunto set our hands this 19th day of December, 1986.

Carter Andrews

Frank Andrews

Nelson C. Andrews

Susan A. Andrews

W. Miles Wayfield

83967.

IDENTIFICATION REFERENCE

JAN 15 9 50 AM '87

FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY, TN

RUSH