THIS INSTRUMENT PREPARED BY:
P. V. Jackson, III, Attorney
P. O. Box 2868
Nashville, Tennessee 37219

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

MONTCASTLE ESTATES

This Declaration Of Covenants, Conditions And Restrictions (hereinafter sometimes referred to as "Declaration") made on the date below by Montcastle Estates (hereinafter sometimes referred to as "Developer");

W I T N E S S E T H :

WHEREAS, Developer is the fee simple owner of certain real estate in the Second Civil District of Davidson County, Tennesese, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and

WHEREAS, Developer desires to provide for a system of administration and continuity of operation and maintenance of the common area as well as to establish for Developer's benefit and for the mutual benefit and advantage of all future owners and occupants of Montcastle Estates certain rights and restrictions governing said property, Developer hereby declares that all of the properties described in Exhibit A shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property, and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Definitions

The following words when used in this Declaration or any supplemental Declaration hereto (unless the context shall otherwise prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to Montcastle Estates Homeowners Association, Inc., a not for profit corporation chartered in and under the laws of the State of Tennessee, its successors and assigns.

(b) "Board" shall mean and refer to the Board of Directors of Montcastle Estates Homeowners Association, Inc.

(c) "Building" shall mean and refer to any single family residential building which may be built on each lot.

(d) "By-Laws" means the By-Laws of Montcastle Estates Homeowners Association, and as may be amended from time to time. All provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be a part of the By-Laws.

(e) "Common Area" shall mean all real property, improved and unimproved, used in common by the owners, including all roads, gates, walls or fences, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The Common Area to be owned by the Association at the time of conveyance from Developer to the Association is shown on the Plat.

(f) "Developer" shall mean and refer to J. G. Jones Development Company, its principal place of business being Nashville, Tennessee.

(g) "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties.

(h) "Majority of Owners" or "Majority" shall mean and refer to the Owners of more than 50% of the total membership in the Association, present and then eligible to vote. Any specific percentage of Owners means that percentage of Owners to any aggregate on such specified percentage of the entire undivided membership in the Association, present and eligible to vote.

(i) "Member" shall mean and refer to any person or entity who shall be an Owner and, as such, shall be a Member of the Association.

(j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.

(k) "Plat" means the plat of survey of the property of record in Book ____, page ____, in the Register's Office for Davidson County, Tennessee, showing the number of each lot, and expressing its area, location and other data necessary for identification.

(l) "Properties" shall mean and refer to that certain real property herein described in Exhibit "A" and attached hereto. Provided, however, that any transfer of real property to any public agency, authority or utility for the dedication of utility or service easements or street right-of-ways by Developer on behalf of the Association shall be expressly excluded from the Properties. Provided, further, that should there be an abandonment of any dedication of any easement or right-of-way, the title to said abandoned real property shall vest in the Association and not in the owner of adjacent property.

ARTICLE II

Properties Subject To This Declaration

Section 1. Subdivision of the Properties to Declaration and By-Laws. The Developer, as legal title holder in fee of the Properties, hereby submits and subjects the Properties to the provisions of this Declaration and By-Laws. This Declaration shall constitute covenants running with the land and binding upon all parties now owning and hereafter acquiring any right, title or interest in the Properties or any part thereof and shall inure to the benefit of each subsequent Owner. Every person hereafter acquiring a Lot or any portion of the Properties by acceptance of a deed to any interest in a Lot or portion of the Properties shall accept such interest subject to the terms of this Declaration, and by acceptance of the same shall be deemed to have consented to and agreed to be bound by the terms, conditions and covenants of this Declaration.

ARTICLE III

Property Rights

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

(a) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against said Owner's Lot remains unpaid;

(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 of each class of Members has been recorded.

Section 2. Delegation Of Use. Any Member of the family of an Owner, or any tenant of an Owner, shall have the same rights of enjoyment to the Common Area as those of the Owner.

ARTICLE IV

Membership And Voting Rights

Section 1. Members. Every person or entity who is an Owner of a Lot which is included in the Properties shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

Section 2. Classes Of Membership. The Association shall have two classes of membership:

(a) Class A. Class A Members shall be all Owners, except for Developer prior to termination of his Class B membership. If, however, Developer owns one or more Lots upon or after the termination of his Class B membership, then Developer shall become a Class A Member.

(b) Class B. The Class B Member shall be the Developer, his successors or assigns. The Class B membership shall terminate and cease upon the first to occur of the specific written termination to the Board by Developer or December 31, 1987, except for architectural control.

Section 3. Class A Voting. Class A Members shall be entitled to one vote for each Lot owned. The vote for any one Lot owned by more than one person or entity shall be exercised as they among themselves shall determine, but in no event shall the vote be other than one per Lot.

Section 4. Class B Voting. The Class B Member shall be the Developer, who shall be entitled to three (3) votes for each Lot owned.

ARTICLE V

Covenant For Maintenance Assessments

Section 1. Creation Of The Lien And Personal Obligation Of Assessments. The Developer, for each Lot owned, hereby covenants, 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 agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the successor in title unless assumed by them.

Section 2. Purpose Of Annual Assessments. The annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, operation and security of the Common Area, including, but not limited to, the payment of taxes and insurance thereon, the payment of utility bills thereon (including water for sprinkler systmes, garbage disposal, etc.) and the repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The Association may require annual assessments to be paid in equal monthly installments.

Section 3. Maximum Annual Assessment. There shall be no annual assessment due prior to January 1, 1988. For the year beginning after December 31, 1987, the maximum annual assessment shall be Sixty Dollars ($60.00). For each year thereafter, the maximum annual assessment for each Lot shall be determined by the Board of Directors of the Association, but in no event shall the annual assessment for any given year be increased more than ten percent (10%) above the annual assessment for the previous year unless the increase in excess of ten percent (10%) be approved by a vote of two-thirds (2/3) of the Members present and voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Special Assessments. In addition to the annual assessments herein above authorized, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Area, including the necessary fixtures and personal property related thereto; provided, however, that any such special assessment shall have the assent of two-thirds (2/3) of the Members present and voting in person or by proxy at an annual or special meeting of the membership at which a quorum is present. Special assessments shall be due and payable on the date or dates which are fixed by the resolution authorizing such assessment. There shall be no special assessment prior to January 1, 1988.

Section 5. Notice And Quorum Of Any Action Authorized Under Sections 3 And 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) days in advance of the meeting, and shall state the purpose of such meeting, as well as any other purpose or purposes for which the meeting might be called. At the meeting called for such purpose or purposes, there shall be no less than twenty-seven (27) Owners present in person or by proxy in order to constitute a quorum. If the required quorum is not present at the meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be eighteen (18) Owners present in person or by proxy. No further meeting shall be held to consider the identical assessment proposals for a period of six (6) months following the preceding meeting when no less than twenty-seven (27) Owners shall again be required to be present in person or by proxy in order to constitute a quorum.

Section 6. Uniform Rate Of Assessment. Both annual and special assessments must be equally assessed against each Lot. No differentiation shall be made due to variations in Lot sizes.

Section 7. Date Of Commencement Of Annual Assessment: Due Dates. The annual assessment of all Lots shall commence on January 1, 1988, and shall be assessed on all Lots, whether improved, unimproved or partially improved, and whether owned by the occupant, a builder or an investor.

Section 8. Effect Of Non-Payment Of Assessment By Owner: Remedies Of The Association. If any annual assessment or monthly portion thereof, or if any special assessment is not paid on the due date, or if any sum or charge agreed to be paid by any Owner under any agreement is not paid when due, then such

assessment, sum or charge shall be delinquent and shall accrue interest thereon at the rate of one percent (1%) per month, after the date due. If such assessment, sum or charge is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot by court action or trustee's sale, as hereinafter provided, and there shall be added to the amount of such assessment, sum or charge all reasonable attorney fees and costs incurred by the Association in such action, and in the event a judgment is obtained, such judgment shall include all accrued interest on said assessment, sum or charge.

Section 9. Enforcement Of Lien. For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Area and for the express purpose of securing the payment of the assessments, sums and charges, interest and attorney fees above described, each Owner, his heirs, administrators, successors and assigns, do hereby transfer and convey unto P. V. Jackson, III, Trustee, his successors and assigns, each such Lot deeded to such Owner, with the appurtenances, estate, title and interest thereto belonging unto the Trustee for the following uses in trust:

Said Owners agree to pay all assessments, annual or special, when due and upon demand of said Trustee or the Association, to pay, discharge, or remove any and all liens (other than a first mortgage or deed of trust lien) which may be hereafter placed against said Lot and which shall adversely effect the lien of this instrument or enforcement of the terms and provisions hereof; to keep the improvements on said property in good condition, and in case the Trustee or his successors or the lawful owner and holder of said indebtedness shall hereafter be required to appear in any court to enforce or defend the title to, or possession of, said property, or the lien of this instrument, or appear in any court to prove the above indebtedness, all the costs and expenses of such appearance or proceedings, together with a reasonable attorney fee, shall be allowed, and be payable by Owners upon demand of the Trustee, or lawful owner or holder of said indebtedness, and, upon failure to do any of these things, then said Trustee (or the lawful owner and holder of said indebtedness) may do any or all of these things and the amounts so paid shall bear interest at the rate of one percent (1%) per month from the date of payment and shall be and become a part of the indebtedness secured hereby.

Now, if Owners shall pay their assessments, annual or special, when due and upon demand, and pay any and all other sums when due, as aforesaid, then this trust conveyance shall be of no further force or effect, but if said indebtedness, or any payment thereof, or interest thereon, is not paid promptly when due, or if, failing to pay said other sums when due, as herein provided, Owners fail to reimburse the Trustee, or lawful owner and holder of said indebtedness for all sums, with interest, so expended by either of them, within thirty (30) days from date of such payment, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving statutory notice in a newspaper published in Davidson County, Tennessee, to sell said property at the front door of the courthouse in said county to the highest bidder for cash, free from both equitable and statutory rights of redemption, homestead, dower and all other exemptions of every kind which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Trustee may at any time after default in the payment of any of said indebtedness enter and take possession of said property, and shall only account for the net rents actually received by him. It is further agreed that, in the event the Trustee fails, before

selling said property, as herein provided, to enter and take possession thereon, the purchaser shall be entitled to immediate possession thereof upon delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

First. To the full and complete satisfaction of the interest of the first mortgage holder, unless arrangements have been made for the assumption of the first mortgage by the subsequent purchaser.

Second. To the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided; also attorney fees for any negotiation or litigation which may arise on account of the execution of this conveyance or the enforcement of said lien; also the expense of such litigation.

Third. To the payment of all taxes which may be unpaid on said premises.

Fourth. To the payment of all unpaid indebtedness herein secured.

Fifth. The remainder, if any, will be paid to the Owner(s), their order, representatives or assigns.

In the event of death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trust may be required or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor to execute this trust by an instrument in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

This transfer and conveyance, and the lien for assessments payable by an Owner which is secured by the transfer and conveyance shall both be subordinate to the lien of a recorded first mortgage or deed of trust encumbering any such Lot, provided, however, in the event the holder or owner of such mortgage or first deed of trust becomes the Owner of such Lot after foreclosure thereof, such purchaser shall become subject to the lien reserved herein for the purpose of securing all assessments becoming due from and after the date such purchaser accepts a deed to said Lot or enters into possession of said Lot, whichever shall first occur.

ARTICLE VI

Architectural Control

Section 1. Developer's Responsibility And Duration. The Developer shall have the responsibility of enforcing the restrictions set forth in this Declaration until the plans for all residences in the Properties have been approved. The Board of Directors of the Association shall assume and be responsible for the enforcement of the restrictions thereafter. References to the Developer in this Article shall, therefore, apply to the Association after it has been incorporated and has assumed the enforcement of the restrictions.

Section 2. Approval Of Plans And Specifications. Before commencing the construction, alteration or addition of any single family dwelling or appurtenance thereto, the Owner shall submit the building plans, layout, specifications and site plans of all improvements to the Developer for written approval. The plans shall include all materials for buildings, driveways, swimming pools and all other appurtenances. The Developer shall give his approval or disapproval within thirty (30) days of

delivery of said plans by Owner.

Plans for any improvements must conform to certain restrictions as set forth in this Declaration. The Developer shall be the sole judge of such conformance or nonconformance, and may approve or disapprove plans when, in his sole discretion, he determines that the proposed improvements or any feature of the plans are not architecturally or aesthetically compatible with Montcastle Estates development.

If the Developer approves the plans, the actual construction in accordance with the plans shall be the responsibility of the Owner; provided, however, upon the completion of the improvements, the Owner shall notify Developer, who shall forthwith inspect the improvements for the purpose of insuring compliance with the plans previously submitted.

In the event the Owner fails to complete his construction according to the approved plans or to maintain the improvements situated upon his Lot in a manner satisfactory to the standards set forth by this Declaration or the Association, the Association may, after giving twenty (20) days notice in writing to the Owner, and in the event of his continued failure to commence the correction of the matter(s) in issue, enter upon said Lot and complete, repair, maintain or restore the exterior of the improvements erected thereon. The cost of said correction shall become a part of the assessment to which such Lot is subject and the Owner shall be personally liable for such cost as with other assessments.

The Developer shall have the right to waive minor violations and allow minor variances where the same resulted unintentionally or without gross carelessness on the part of any Owner and are not materially harmful to the Properties. If such waiver is granted in writing, then thereafter such matter so waived shall no longer be deemed a violation of these restrictions.

The approval of Developer of the plan and completed improvements as required above and elsewhere herein is not intended to be an approval of the structural stability, integrity or design of a completed improvement or of the safety of any component therein, but is required solely for the purpose of insuring compliance with the covenants contained in this Declaration, and further, to insure the harmonious and orderly architectural development and improvement of the Properties. Notice is hereby given to any future occupant of any such completed improvement and all invitees, business guests and other persons who may from time to time enter or go on or about such completed improvements that no permission or approval granted by Developer with respect to construction pursuant to this Declaration shall constitute or be construed as an approval by Developer of the structural stability, design of any Building, structure or other improvement, and no liability shall accrue to Developer in the event that any such construction shall subsequently prove to be defective. No structure of a temporary nature shall be allowed on any Lot at any time except that of an Owner's contractors and subcontractors during the period of construction or reconstruction of the improvements.

Developer may appoint one or more other persons to aid in the approval or disapproval of any plans, but the ultimate responsibility for the enforcement of any and all obligations concerning conformity with the restrictions placed on the Development shall be with the Developer until all Lots have been improved.

ARTICLE VII

Use And Building Restrictions

Section 1. Land Use. No Lot shall be used except for private single family residential purposes. No structure shall be erected, placed or altered or permitted to remain on any Lot not in keeping with this purpose.

Section 2. Setbacks. Minimum setback requirements have been established on the recorded Plat of Montcastle Estates, but are not intended to engender uniformity. It is, therefore, intended that setbacks may be staggered where appropriate for the preservation of trees and to assure vistas of open areas. The Developer reserves the right to approve the site plan and location of the dwelling on each Lot and to arrange the same in such manner as he shall deem to be in the best interest of the overall development. However, no part of any structure shall be located on any Lot nearer to the front line nor to a side or rear line than the minimum setback line required by the Metropolitan Government.

Section 3. Minimum Dwelling Sizes. The total living area of any one-level dwelling shall contain no less than two thousand (2,000) square feet, exclusive of unenclosed porches, patios, breezeways and garages. Dwellings of two levels shall contain no less than eleven hundred (1,100) square feet of living area on the main level. Excepted from this section shall be Lots numbered 44 and 46 on the Plat, which shall contain no less than eighteen hundred (1,800) square feet each.

Section 4. Construction Of Dwellings, Driveways And Walkways. No less than thirty (30) dwellings shall be of brick construction. All driveways and walkways on each Lot shall be constructed of exposed aggregate (brown or gray pea gravel) concrete. No driveway or walkway consisting of loose gravel or rock shall be permitted except during construction.

Section 5. Trees And Shrubs. No tree, regardless of size, may be removed by any Owner without the approval of the Developer. No shrub placed on any Lot by Developer shall be removed by the Owner without the Developer consent.

Section 6. Garages, Carports. No garages or carports may face the street upon which the Lot faces unless approved by the Developer.

Section 7. Dish Antennas, Solar Panels, Incinerators, Clotheslines, Fuel Storage Tanks. No dish antenna for satellite TV sight or sound reception, no solar panels, no incinerators for garbage, trash or other refuge, and no outside clotheslines shall be place on any Lot. No tank, drum or other container used to store any inflammable fuel shall be placed anywhere on any Lot.

Section 8. Disposal Of Trash. Trash and garbage shall not be allowed to sit on or in front of any Lot. Garbage and trash to be picked up shall be placed in heavy plastic bags or in plastic or metal garbage cans and shall be put outside for pick-up no earlier than the morning of the day(s) of pick-up.

Section 9. Animals. Only animals traditionally recognized as household pets may be housed on any Lot, whether maintained indoors or outdoors. Owners are expected to observe the Metro Leash Law ordinance.

Section 10. Signs. Only signs twelve (12) square feet or less advertising the sale of a Lot shall be permitted on any Lot. Reasonable name signs and Lot number signs, however, are permitted.

Section 11. Nuisances. No noxious or offensive trade or activity shall be conducted on any Lot nor shall any commercial activity be carried on by any Owner except that a home may be shown for sale by an Owner, his agent, or an Owner builder who is in the process of selling a newly constructed home.

Section 12. Use Of Other Structures; Vehicles.

(a) No structure other than the single family dwelling shall be permitted on any Lot except on a temporary basis for a specific, limited basis and only with the permission of the Board. Swimming pool cabanas are excepted.

(b) No truck in excess of 3/4 ton, trailer, camper, boat, camping vehicle, or commercial vehicle shall be parked on any Lot unless housed in a basement or garage.

(c) No inoperable vehicle shall be parked on any street for any period of time in excess of that reasonably required to repair or tow said vehicle for repair.

Section 13. Lawful Uses. Each Owner shall observe all governmental building codes, health regulations, zoning restrictions, and other regulations applicable to his Lot. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

ARTICLE VIII

Easements

Section 1. General. Developer reserves an easement for ingress and egress generally across the Properties at all reasonable times and places on the Properties including the various Lots for the purpose of completing Developer's intended development. The easement shall remain a right belonging to Developer for so long as Developer's obligations to enforce the covenants contained in this Declaration remain his. The Board of Directors of the Association shall assume the easement for ingress and egress upon the termination of said right in the Developer.

Section 2. Emergency. There is hereby reserved without further assent or permit a general easement to all security guards employed by Developer, firemen, ambulance and health personnel, utility services personnel and all similar persons to enter upon the Properties made subject to this Declaration while in the performance of their duties.

Section 3. Plat Easements. The Plat contains certain designated easements for roads, utilities and drainage. These easements so designated on the Plat encumber the Lots as shown on the Plat, and are hereby established as perpetual and irrevocable easements. Said easements are granted and reserved for the use and benefit in common of all Owners and their family members and invitees. No Owner shall have the right to restrict, impede, or take any action in any way to prohibit or limit the use in common by all Owners of said easements. However, use of the easements in Common Area shall be subject to and governed by the provisions of this Declaration and the By-Laws, rules and regulations of the Association. The roads in Montcastle Estates, as shown on the Plat, are public thoroughfares. The Metropolitan Government of Nashville and Davidson County, Tennessee has responsibility for maintenance, repair or replacement of said roads.

ARTICLE IX

Obligation To Construct Or Reconvey

Each Lot Owner shall, within twelve (12) months of conveyance of the Lot by Developer, commence in good faith the construction of a single family dwelling on said Lot approved according to the restrictions contained in Article VI. Should said construction not commence within the specified period of time, Developer may elect to repurchase from Owner any Lot on which construction has not begun. The consideration for any reconveyed Lot shall be the price paid by the Owner to the Developer for said Lot, or by the Owner to the previous Owner, whichever shall be the greater.

ARTICLE X

General Provisions

Section 1. Enforcement. The Association, the Developer, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations and charges now or hereafter imposed by the provisions of this Declaration. All liens shall be enforceable only by the Trustee and in the name of the Association.

Section 2. Severability. Any invalidation of any one or more of these restrictions by judgment, court order, or statute, or failure on the part of Developer or his successors or assigns to enforce any of said restrictions, shall in no way effect any of the other provisions hereof or be deemed as a waiver of the right to enforce such restrictions any time after the violation thereof.

Section 3. Amendments. Unless cancelled, altered, or amended under the provisions of this Article, 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 filed and recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than forty (40) Lot Owners, and thereafter by an instrument signed by not less than thirty-five (35) Lot Owners. Any amendment, to take effect, must be recorded.

Section 4. Non-Liability Of The Directors. No Director or Board Member of the Association shall be personally liable to the Lot Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Director. The Lot Owners shall indemnify and hold harmless each of the Directors and their respective heirs, executors, administrators, successors and assigns, except for any acts or omissions found by a court to constitute gross negligence or actual fraud.

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

Section 6. Notices. Notices provided for in this Declaration or the By-Laws shall be in writing and shall be addressed to the Developer at 1719 West End Avenue, Suite 322, Nashville, Tennessee 37203, or to the Association at the address to be provided each Owner, or to any unit Owner, as the case may be, at the Owner's Lot number address on Poplar Creek in

Nashville, Tennessee 37221. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person upon written acknowledgment of the receipt thereof.

Section 7. Transfer Of A Lot -- Notice To Association. A Lot Owner may, without restriction under this Declaration, sell, give, devise, lease or otherwise transfer his Lot, or any interest therein, to any person.

Whenever a Lot Owner shall propose to sell his Lot, or any interest therein, said Lot Owner shall give the Association notice of the transfer.

Section 8. Rights And Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Lot Owners and occupants shall be subject to and shall comply with and acknowledge notice of the provisions of this Declaration. Any restrictions or rules in the By-Laws which are more than administrative in nature, such as, but not limited to, reservations in future rights of the Developer, are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Lot Owners, tenants, and occupants of a Lot shall be subject to, and shall comply with, the provisions of the By-Laws referred to herein, as they may be amended from time to time. Acceptance of a Deed of Conveyance, devise, or a lease to a Lot, or the entering into occupancy of any Lot, shall constitute an agreement that the provisions of the said By-Laws and any rules and regulations promulgated thereunder, as they may be amended from time to time by the Board, are assumed, accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed, conveyance, contract or lease, thereof.

The terms and conditions of the Declaration, By-Laws, and rules and regulations may be incorporated by reference in and become part of, the agreement between any first mortgagee and any present or future Lot Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of the Declarations, By-Laws and rules and regulations may be considered as a default by the first mortgagee, whereupon said first mortgagee, after exercising its option to declare default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Lot Owner.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set his hand and seal this 16th day of March, 1987.

J. G. JONES DEVELOPMENT COMPANY

By: J. G. Jones

Title: Owner

"Owner"

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public of the state and county aforesaid, personally appeared Jeff G. Jones, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the sole proprietor of J. G. Jones Development Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing his name as sole proprietor.

Witness my hand and seal in Nashville, Tennessee, this 16th day of March, 1987.

Diana L. Rush
NOTARY PUBLIC

My Commission Expires: 10-24-88

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IDENTIFICATION REFERENCE
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