BOOK 7511 PAGE 581

THIS INSTRUMENT PREPARED BY: Homer R. Ayers, Attorney at Law
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Goodlettsville, TN 37072

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

EMERALD COVE

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by BRODIE WILKINSON and wife, MAVELLA H. WILKINSON, hereinafter referred to as "Declarant".

W I T N E S S E T H:

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

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

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

WHEREAS, Declarant has caused to be incorporated under the laws of the State of Tennessee, as a non-profit corporation, EMERALD COVE HOMEOWNERS ASSN., INC. (the "Association"), for the purposes aforesaid.

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

ARTICLE I
PROPERTY SUBJECT TO THIS DECLARATION

Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this

Declaration is located in Davidson County, Tennessee, and is more particularly described as follows:

SEE ATTACHED
LEGAL DESCRIPTION EXHIBIT "A"

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Emerald Cove Homeowners Assn., Inc., its successors and assigns.

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

Section 3. "Declarant" shall mean and refer to Brodie Wilkinson and wife, Mavella H. Wilkinson, their successors and assigns.

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

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

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

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

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

ARTICLE IV
PROPERTY RIGHTS

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

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

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

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

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the 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 property.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deeds, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reason-

able attorneys' fees, shall also be the personal obligation of the Owner or Owners of such Lot at the time of such assessment. Their personal obligation, as distinguished from the lien, for delinquent assessments shall not pass to successors in title unless expressly assumed by such successors. No Lot owned by the Declarant shall be subject to any assessment hereunder until conveyance of such Lot to a third party which is not an affiliate of Declarant.

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

Section 3. Maximum Annual Assessment. The Board of Directors shall from time to time fix the annual assessment. Until January 1, 1989, the maximum annual assessment shall be Twenty-four Dollars ($24.00) per Lot. The maximum annual assessment may be increased by the Board of Directors of the Association each calendar year.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice for any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty six percent (66%) of all the votes of the members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

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

Section 8. Effect of Nonpayment of Assessment--Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The 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 lien 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.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure, including material changes in the landscaping of each Lot, shall be commenced, erected, or maintained upon the properties, nor

shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant, or after completion of initial construction on each Lot by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Declarant, the Board or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required, and construction in accordance with such submitted will be deemed approved. Prior to the election of the Board of Directors of the Association, Declarant shall control the provisions set forth in this Section.

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

1. No Lot size may be changed or altered in any way.

2. Each Lot shall be used for the construction of a single-family residence and the construction of multi-family housing is not allowed.

3. No noxious or offensive trade or hobby shall be allowed on any lot. The enforcement of this section may be done by the developer or any land owner in Emerald Cove.

4. Any residence constructed on any Lot must meet one (1) of the following size restrictions:

(a) If a one story house, then 1,000 square feet plus a two car attached garage.

(b) If a half basement house, then 1,000 square feet plus a two car garage in the basement.

(c) If a full basement house, then 1,000 square feet plus a two car garage in the basement.

(d) If a two story house, then the first floor must contain 650 square feet and the entire structure must contain not less than 1,300 square feet, plus a one car garage.

(e) If a one story house exceeds 1,300 square feet, then garages become optional.

(f) If a two story house exceeds 1,400 square feet, on both levels, then garages become optional.

(g) All square footage measurements are exclusive of porches, decks, balconies, etc.

5. All plans must be submitted to the developer for approval of exterior design, materials and decoration. The developer may require changes in the plan deemed necessary for the protection of all land owners. Failure to submit plans or failure by the developer to request plans shall not excuse any lot owner from this requirement and the developer may enforce this section for a period of one (1) year after the completion of construction. The following restrictions shall be placed on all homes built.

(a) No exposed block foundation is allowed. All foundations must be brick or architectural masonry.

(b) Siding shall not be used on more than seventy-five percent (75%) of the exterior surface. Siding will be permitted in the gable areas and second story walls that extend above first floor roofs. The type of siding and location must be approved by the developer.

(c) All driveways shall be concrete paving. No drive will be constructed over any meter boxes or valves. Lot owner shall be responsible for placement of any culvert and headwalls and the maintenance thereof.

(d) Any utility or storage building that may be constructed must comply with area design of the PUD and be approved by the developer and/or the Homeowners' Association.

(e) No solar panels or satellite dishes shall be installed visible from the front view of the home.

(f) All paint or stain used shall blend harmoniously with that used on other houses in the area so as not to appear garish or unsightly. The developer may require the owner to re-paint or re-stain any painted or stained exterior surface at any time up to one year after the application of any paint or stain to any exterior surface.

6. Each house constructed must contain at least one full and one-half baths.

7. No mobile home, shack or any other such building may be located on or used on any lot for any reason whatsoever without the express written consent of the developer.

8. No automobile which is unlicensed or inoperable may be kept on any Lot. Any vehicle other than an automobile must be parked in a garage. Automobiles may not be assembled, disassembled or serviced, except in the garage, on any Lot.

9. No animals such as cows, swine, horses or fowl, may be kept on any Lot.

10. No fence shall be erected on any lot nearer the front of the lot than the rear of the house.

11. No shrubbery shall be allowed to grow to a height of over 42" on any portion of any Lot that is between the rear of the house and the front of the Lot.

12. Each Lot Owner shall be required to pay an annual assessment for the continued maintenance of the Common Area. This assessment, which shall be administered by the homeowner's association, shall be set at $24.00 for the first year. Thereafter, said assessment shall be set by the Board of Directors of the Emerald Cove Homeowner's Assn., Inc., so as to adequately cover the costs of maintaining the Common Area.

13. The developer may enter upon any Lot and perform any maintenance on any house or Lot that is required for the protection of all land Owners in the opinion of the developer, and the costs of any such maintenance shall be a lien upon the property and to the direct costs of such maintenance there may be added reasonable attorney's fees, collection fees and court costs.

14. All lots are conveyed subject to restrictions and easements placed on the plan by the developer, the Goodlettsville Planning Commission or any other governmental restrictions in force and unknown to the developer at the time to conveyance.

15. No signs shall be permitted within the Common Area or on any Lot, except that a "For Sale" sign may be permitted on any Lot offered for sale by the owner or a realtor's sign may be permitted on such Lot; but all such signs must be approved by the Architectural Control Committee.

16. No structure shall be moved onto any lot unless it shall conform to and be in harmony with these restrictions and is approved in writing by the developer.

17. If the parties hereto, or their heirs or assigns, shall violate or attempt to violate any of the covenants or restrictions, it shall be lawful for any other persons owning any other Lot or Lots in said PUD or development to prosecute any proceedings at law or in equity against person or persons violating or attempting to violate such restrictions and either to prevent him or them from so doing or to recover damages or their dues for such violation.

18. All building structures must be constructed within the lines designated for building on each lot within Emerald Cove Subdivision.

19. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions of this document which shall remain in full force and effect.

20. These restrictive covenants may be changed or amended by a majority vote of the lot owners covered by these covenants, but only after all lots have been conveyed to owners by the developer. The developer shall at all times have one vote, even after conveyance of all lots.

21. The purpose of these covenants is to protect the Owners of Lots in this development and to make their investment in the development more secure.

22. These restrictive covenants run with the land and are applicable to the developer and lot owners and their heirs, successors and assigns as previously set forth.

ARTICLE VII
GENERAL PROVISIONS

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

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

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

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

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

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

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

(a) After 75% of the Units in the project have been conveyed to unit purchasers; or

(b) Three years following conveyance of the first unit.

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

Section 9. Reserve for Replacement. The Association is required to establish and maintain an adequate reserve fund for the periodic maintenance to the Common Area and those limited Common Areas which the Association my be obligated to maintain. The fund is maintained out of regular assessments for common expenses.

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

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

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

(b) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which its hold the mortgage.

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

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

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

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

Section 14. City of Goodlettsville--Common open space and public facilities.

(a) The Goodlettsville Planning Commission and the Goodlettsville City Council may require that the landowner provide for and establish an organization for the ownership and maintenance of any common open space and such organization shall not be dissolved nor shall it dispose of any common open space, by sale or otherwise (except to an organization conceived and established to own and maintain the common open space), without first offering to dedicate the same to the City of Goodlettsville and the said dedication be approved by the Goodlettsville Planning Commission. However, the conditions of any transfer shall conform to this development plan.

(b) In the event that the organization established to own and maintain common open space, or any successor organization, shall at any time after the establishment of this planned unit development fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the Goodlettsville City Manager 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 Goodlettsville City Manager 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. All costs incurred by the City of Goodlettsville shall be paid by the members on a pro-rata basis.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this 7th day of April, 1988.

DECLARANT:

Brodie Wilkinson
BRODIE WILKINSON

Mavella H. Wilkinson
MAVELLA H. WILKINSON

STATE OF TENNESSEE }
COUNTY OF DAVIDSON }

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, BRODIE WILKINSON and wife, MAVELLA H. WILKINSON, with whom I am personally acquainted, and who acknowledged that they executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this the 7th day of April, 1988.

Claudia B. Davis
NOTARY PUBLIC

My Commission Expires: 1-21-90

EXHIBIT "A"

A tract of land located in the City of Goodlettsville, Davidson County, Tennessee, lying south and east of Mansker Heights Section 1 and 2 and east of Burton Heights and north of Brick Church Pike and is more particularly described as follows:

BEGINNING at the northwest corner of this tract, said point being in the common line of this property and a Reserved Parcel shown on Mansker Heights, of record in Book 2900, page 10, Register's Office for Davidson County, Tennessee, and further being 61.16 feet west of the west margin of Dorr Drive as shown on said plan and proceeding:

1. N 89° 15' 15" E, 117.93 feet to the east margin of Dorr Drive; thence,

2. N 89° 55' 05" E, 277.07 feet to a point; thence,

3. S 28° 55' 25: E, 418 feet to a point; thence,

4. N 47° 32' 38" E, 55 feet to a point; thence,

5. S 27° 48' 34" E, 173.33 feet to a point; thence,

6. S 62° 37' 44" W, 165.8 feet to a point; thence,

7. S 2° 09' 24" E, 272.24 feet to a point; thence,

8. S 1° 45' 27" E, 250.66 feet to a point; thence,

9. N 83° 33' 37" W, 107.34 feet to a point; thence,

10. S 3° 24' 14" E, 49.27 feet to a point; thence,

11. S 79° 48' 35" W, 179.88 feet to a point on the west side of an unnamed street; thence,

12. S 4° 21' 10" W, 187.69 feet to a point; thence

13. With the northerly margin of Brick Church Pike, S 74° 42" 13" W, 168.77 feet to a point; thence,

14. N 2° 01' 56" W, 352.56 feet to the northeast corner of Lot 53, Burton Heights, recorded in Book 3106, page 19, Register's Office for said County; thence,

15. With the rear of said lot and Lot 54, N 83° 22' 20" W, 141.96 feet to a point; thence,

16. N 3° 32' 48" E, 4.85 feet to a point; thence,

17. N 2° 42' 11" E, 244.88 feet with the common line of this property and Mansker Heights Section 2 of record in Book 3106, page 16, said Register's Office; thence,

18. Continuing with same, N 2° 23' 02" E, 762.14 feet to the point of beginning.

BEING a part of the same property conveyed to Brodie Wilkinson, Floyd Wilkinson and Wayne Wilkinson by Installment Deed from James P. Skaggs and wife, as of record in Deed Book 4524, page 38, said Register's Office, and, further BEING the same property conveyed to Floyd Wilkinson, Wayne Wilkinson and Brodie Wilkinson by deed from the Metropolitan Government of Davidson County, of record in Book 5505, page 79, said Register's Office.

BY-LAWS

OF

EMERALD COVE HOMEOWNERS ASSN., INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is EMERALD COVE HOMEOWNERS ASSN., INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 618 North Dickerson Road, Goodlettsville, Davidson County, Tennessee 37115, but meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Emerald Cove Homeowners Assn., Inc., its successors and assigns.

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

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

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

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

Section 6. "Declarant" shall mean and refer to Brodie Wilkinson and wife, Mavella H. Wilkinson, their successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

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

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

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will beheld 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 (¼) 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 fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to case, one tenth (1/10) of the votes of each class of membership constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Three (3) directors, who need not be members of the Association.

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

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

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

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

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be from among members or non-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 person 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 monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

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

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (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 Articles of Incorporation, or the Declaration;

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

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

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

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

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

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

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

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

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

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

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

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

(g) cause the Common Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

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

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

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

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

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

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

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

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

President

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

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate

current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

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

ARTICLE IX
COMMITTEES

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

ARTICLE X
BOOKS AND RECORDS

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

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII
AMENDMENTS

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

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

ARTICLE XIII
MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the directors of Emerald Cove Homeowners Assn., Inc., have hereunto set our hands this 7th day of April, 1988.

Brodie Wilkinson
BRODIE WILKINSON

Mavella H. Wilkinson
MAVELLA H. WILKINSON

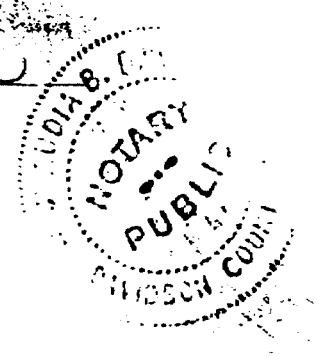
STATE OF TENNESSEE }
COUNTY OF DAVIDSON }

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, BRODIE WILKINSON and MAVELLA H. WILKINSON, with whom I am personally acquainted, and who acknowledged themselves to be the Directors of Emerald Cove Homeowners Assn., Inc., a corporation, and that they as such Directors executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by themselves as Directors.

WITNESS my hand, at office, this the 7th day of April, 1988.

Claudia B. Davis
NOTARY PUBLIC

My Commission Expires: 1-21-90



CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Emerald Cove Homeowners Assn., Inc., a Tennessee corporation; and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 14th day of April, 1988.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of said Association this the 14th day of April, 1988.

Bradie Wilkinson
Secretary