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BOOK 7517 PAGE 283

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

DEVON HILLS

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IDENTIFICATION

APR 15 11 49 AM '88

FELIX Z WILSON REGISTER
DAVIDSON COUNTY, TN

Prepared By:
DEARBORN & EWING
Suite 1200, One Commerce Place
Nashville, Tennessee 37239
(615) 259-3560

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Exhibit	Subject Matter
"A"	Land Initially Submitted
"B"	Land Subject to Annexation
"C"	By-Laws of Devon Hills Community Association, Inc.

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DEVON HILLS

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 15th day of April, 1988, by Devon Hills Limited Partnership (hereinafter referred to as "Declarant");

W I T N E S S E T H

WHEREAS, Declarant owns the real property described in Exhibit "A" attached hereto and incorporated herein by reference and intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Subsequent Amendment (as defined herein) 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 subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

Article I
Definitions

The terms in this Declaration and the By-Laws shall be construed to have their ordinary, generally accepted meanings unless otherwise specifically defined herein or in the By-Laws. In addition, the following definitions shall apply:

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract with any Person or by agreement with any Neighborhood become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, may be part of the Area of Common Responsibility.

Section 2. "Association" shall mean and refer to the Devon Hills Community Association, Inc., a Tennessee nonprofit corporation, its successors or assigns. The Board of Directors or "Board" shall be

the elected body having its normal meaning under Tennessee corporate law. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Properties.

Section 3. "By-Laws" shall mean and refer to the By-Laws of Devon Hills Community Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 4. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" member is entitled to appoint a majority of the members of the Board of Directors, as specified in Article III, Section 2, of the By-Laws.

Section 5. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of the Owners and shall include all Limited Common Area.

Section 6. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, both for general and Neighborhood purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Charter of the Association.

Section 7. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined and set forth by the Board of Directors and the New Construction Committee.

Section 8. "Declarant" shall mean and refer to _____, a _____, or its successors, successors-in-title or assigns who take title to any portion of the undeveloped or unsold property described on Exhibits "A" or "B" for the purpose of development or sale and who are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 9. "District" shall mean a group comprised of one or more housing types and representing a political unit for the purpose of electing directors, as more particularly described in Article III, Section 3(b), of this Declaration.

Section 10. "General Assessment" shall mean and refer to assessments levied to fund expenses for the benefit of all Members of the Association.

Section 11. "Limited Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods. All

costs associated with maintenance, repair, replacement and insurance of Limited Common Areas shall be assessed as a Neighborhood Assessment against the Owners of Units in those Neighborhoods which have been assigned the use of such Limited Common Areas. By way of illustration and not limitation, Limited Common Areas may include recreational facilities and private streets intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Assessments. Initially, any Limited Common Areas shall be designated as such by Declarant and assigned in the deed conveying the Common Area to the Association. A portion of the Common Area may be assigned as Limited Common Area of a particular Neighborhood and Limited Common Area may be reassigned upon the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) to which they are assigned. During the Class "B" Control Period, Declarant shall have the right in its sole discretion to assign the use of a Limited Common Area to one or more additional Neighborhoods even if such Limited Common Area has been previously assigned to a particular Neighborhood.

Section 12. "Master Land Use Plan" shall mean and refer to the preliminary development map or maps for the property described on Exhibits "A" and "B" most recently approved by the Metropolitan Government of Nashville and Davidson County, Tennessee, as such map or maps may be amended from time to time.

Section 13. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 14. "Mortgage" shall mean and refer to a mortgage, deed of trust, deed to secure debt, or other security deed.

Section 15. "Mortgagee" shall mean and refer to a beneficiary or holder of a mortgage, deed of trust, deed to secure debt, or other security deed.

Section 16. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 17. "Neighborhood" shall mean and refer to areas designated by Declarant comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association members, such as a common theme, entry features, development name, and/or common areas and facilities which are not available for use by all Association members. For example, and by way of illustration and not limitation, each condominium development, multi-family development and single family housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development. Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee

(established in accordance with the By-Laws) or Neighborhood Association (as defined in Article III, Section 3) having jurisdiction over the property within the Neighborhood.

Section 18. "Neighborhood Assessments" shall mean assessments for common expenses provided for herein or by any Subsequent Amendment which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Units against which the specific Neighborhood Assessment is levied and of maintaining the properties within a particular Neighborhood, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Any Neighborhood Assessment shall be levied equally against all Units in the Neighborhood benefitting from the services supported thereby, provided that in the event of assessments for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures or improvements (pursuant to a Subsequent Amendment or supplement to this Declaration), or other expenses incurred for the benefit of particular Units, such assessments may be levied on a pro rata basis among the benefited Units.

Section 19. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 20. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 21. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto and shall further refer to such additional property as is hereafter subjected to this Declaration by Subsequent Amendment.

Section 22. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3, of this Declaration.

Section 23. "Subsequent Amendment" shall mean an amendment to this Declaration which subjects additional property to this Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of this Declaration.

Section 24. "Unit" shall mean a portion of the Properties intended for development, use and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, townhouse units, apartment units contained within multi-family apartment buildings, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Subsequent Amendments covering all or a part of the Properties. The term shall include all portions of the lot owned including any structure thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for such parcel on the Master Land Use Plan or the site plan approved by Declarant, whichever is most recent.

Section 25. "Voting Member" shall mean and refer to the representative selected by the Members of each Neighborhood to be responsible for casting all votes attributable to Units within the Neighborhood for election of directors, amending this Declaration or the By-Laws, and all other matters provided for in this Declaration and in the By-Laws. The Voting Member from each Neighborhood shall be the senior elected officer (e.g., Neighborhood Committee chairman or Neighborhood Association president) from that Neighborhood; the alternate Voting Member shall be the next most senior officer.

Article II
Property Rights

Section 1. Rights in Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, approved lessees, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit pursuant to Article XII, Section 23, of this Declaration shall be deemed to have delegated all such rights to the Unit's lessee.

Section 2. Declarant's Rights. Declarant reserves the right to amend this Declaration unilaterally at any time during the Class "B" Control Period for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, without prior notice and without the consent of any Person other than the owner thereof, to the extent such property was included originally in error or as a result of any changes whatsoever in the plans for Devon Hills

desired to be effected by the Declarant, provided such' withdrawal is not unequivocably contrary to the overall, uniform scheme of development for Devon Hills.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Section 19 of Article I, shall be deemed to have a membership in the Association. No Owner, whether one or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; provided, no Owner shall be entitled to a vote for any Unit until such time as the Unit is subject to the full annual assessment under Article X, Section 6 hereof. There shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Voting Member, as defined in Article I, representing the Neighborhood of which the Unit is a part.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" member shall be entitled to one (1) vote per Unit owned and, in addition, whether or not any Units are owned, shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2 of the

By-Laws. The Class "B" membership shall terminate and be converted to Class "A" membership five (5) years after the expiration of the Class "B" Control Period.

Section 3. Neighborhoods and Electoral Districts.

(a) Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Article I. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of a separate owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium development. Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood. Each Neighborhood Association or Committee may, upon the affirmative vote, written consent, or a combination thereof of a majority of Owners within the Neighborhood, request that the Association provide a higher level of service or special services for the benefit of Units in the Neighborhood, the cost of which shall be assessed against the benefitted Units pursuant to Article X. In addition, any Subsequent Amendment or declaration of covenants affecting the Property within a Neighborhood which is executed or consented to by Declarant may assign maintenance, insurance or other responsibilities to the Association, the cost of which shall be assessed as a Neighborhood Assessment. The senior elected officer of the Neighborhood Association or the Neighborhood Committee shall serve as the Voting Member for such Neighborhood and shall cast all votes attributable to Units in the Neighborhood on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the By-Laws. The Voting Member may cast all votes as it, in its discretion, deems appropriate.

Initially, Declarant shall designate each portion of the Properties which shall constitute a Neighborhood at the time it is subjected to this Declaration. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood Association or Neighborhood Committee may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhoods. The Neighborhood division requested by the Neighborhood or parcel developer shall automatically be granted unless the Board of Directors denies such application in writing within ten (10) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the

books and records of the Association and shall be maintained as long as this Declaration is in effect.

(b) Electoral Districts. In order to allocate representation on the Board of Directors among the various housing types and residential areas within the Properties and to ensure that no single group, by virtue of its size, is able to elect the entire Board of Directors and exclude representation of others, Districts shall be established for election of directors to the Board of Directors. Districts may be composed of one (1) or more Neighborhoods and need not be equal in population. A District may contain non-contiguous Property, but to the extent practical it shall be composed of properties dedicated to similar uses. No District shall be comprised of less than seven percent (7%) of the total number of Units within the Properties. The number of Districts within the Properties shall not exceed the total number of directors authorized to serve on the Board of Directors pursuant to the By-Laws. The number of directors to be elected by and from each District shall be determined in accordance with Article III, Section 5, of the By-Laws.

Districts initially shall be established by the Declarant by filing in the Davidson County, Tennessee, land records an addendum to this Declaration designating by metes and bounds description or map all parcels of property contained within a specified District. As additional property is subjected to this Declaration pursuant to Article VIII hereof, such addendum may be amended by Declarant to change the composition of existing Districts or to establish new Districts to account for the additional property. After expiration of the Declarant's right to annex property pursuant to Article VIII hereof, the Board of Directors shall have the right to file or amend such addendum upon the vote of at least two-thirds (2/3) of the total number of Directors. Neither recordation nor amendment of such addendum shall constitute an amendment to this Declaration and shall not require the formality thereof. Until such time as an addendum is filed, all of the Properties shall constitute a single District. After an addendum is filed, any and all portions of the Properties which are not assigned to a specific District therein, until so assigned, shall constitute a single District.

Article IV
Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, (i) maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon such areas, landscaping on medians and rights-of-way of all public roads, and landscaping of any buffers; (ii) all recreational facilities and other structures located upon the Common Areas; and (iii) all equipment, pipes, lines and structures providing well or

river water for landscaping within the Area of Common Responsibility. Notwithstanding the obligation to maintain the Area of Common Responsibility, the Board of Directors may discontinue the operation of any fountain or similar aesthetic device within such Area of Common Responsibility if, in its sole discretion, the Board determines that doing so is in the best interest of the Association.

Notwithstanding that the Association may have responsibility for maintaining Limited Common Areas, all costs associated with maintenance, repair and replacement of Limited Common Areas shall be assessed solely against the Units in the Neighborhood(s) benefitting therefrom as a Neighborhood Assessment pursuant to Article X, Section 1, of this Declaration.

The Association shall maintain, repair and replace any Property within a Neighborhood for which such responsibility is specifically assigned to the Association by any Subsequent Amendment or additional declaration of covenants recorded in the Davidson County, Tennessee land records affecting any portion of the Properties, provided such Subsequent Amendment or additional declaration is executed by or consented to by Declarant. If any such instrument is not executed by Declarant, then Declarant's written consent shall be attached thereto and recorded in the land records. In addition, the Association may, in the discretion of its Board, assume the maintenance responsibilities of a Neighborhood Association set out in this Declaration or in any Subsequent Amendment or additional declaration subsequently recorded either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas, landscaping, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to a Neighborhood Association pursuant to any additional declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association plus a fee equal to ten (10%) percent of such costs against the Unit and the Owner in accordance with Article X, Section 3 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Neighborhood's Responsibility. Each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain Common Areas and Limited Common Areas within or assigned to such Neighborhood which primarily benefit the Owners of Units within the Neighborhood, including, without

limitation, the costs of maintenance of any right-of-way and greenspace between the Neighborhood and adjacent public roads, maintenance of all landscaping on medians and rights-of-way of all public roads, any lighting systems, private streets or parking areas within, or providing access to the Neighborhood, and any lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association. The Board of Directors shall identify, prior to levying assessments for any fiscal year, which property shall be maintained at Neighborhood expense pursuant to this paragraph during such fiscal year; provided, to the greatest extent possible, all similarly situated Neighborhoods shall be treated the same.

Any Neighborhood Association having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to a declaration of covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood Association fails to perform its maintenance responsibility as required herein and in any additional declaration, the Association may perform it and assess the costs against all Units within such Neighborhood Association as provided in Article X, Section 3 of this Declaration.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

Premiums for all insurance on the Common Area shall be common expenses of the Association and shall be included in the General Assessment, as defined in Article I, Section 10 hereof, and as more particularly described in Article X, Section 1 hereof. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood Association or Committee, obtain and continue in effect adequate blanket all-risk casualty insurance in such form as the Board of Directors deems appropriate for

one hundred (100%) percent of the replacement cost of all Units, including improvements located thereon, within the Neighborhood and/or common property of the Neighborhood Association, and charge the costs thereof to the Owners within the benefitted Neighborhood as a Neighborhood Assessment, as defined in Article X hereof. Notwithstanding this authority, the Association shall not be obligated to provide insurance for any Neighborhood unless specifically assigned such responsibility in a Subsequent Amendment or additional declaration of covenants affecting such Neighborhood executed by Declarant or consented to by Declarant as evidenced by a written consent attached thereto and recorded in the Davidson County, Tennessee land records.

Insurance obtained on the properties within any Neighborhood whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, as applicable.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. If reasonably available, the public liability policy shall have at least a One Million ($1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million ($1,000,000.00) Dollar limit per occurrence, and a Five Hundred Thousand ($500,000.00) Dollar minimum property damage limit.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Tennessee which holds a Best's rating of A or better an is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Association and its members as their interests may appear; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one (1) or more qualified persons, at least one (1) of whom must be in the real estate industry and familiar with construction in the Davidson County, Tennessee, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(iii) that no policy may be cancelled, invalidated or suspended on account of any one or more individual Owners;

(iv) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, directors' and officers' liability coverage, and, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds. The amount of fidelity

coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth for insurance in Section 1 of this Article V, unless the Neighborhood Association or Committee for the Neighborhood in which the Unit is located or the Association carries such insurance. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration and the Owner shall pay any costs of any repair or reconstruction which are not covered by insurance proceeds, such repair or reconstruction to be completed within one hundred eighty (180) days of the date of the occurrence of the damage or destruction. In the event that the structure is totally destroyed the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall, within thirty (30) days of the date of the damage or destruction, clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard.

A Neighborhood Association or Committee may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units subject to its jurisdiction and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for

the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in the applicable building code.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. Any damage or destruction to the common property of any Neighborhood Association shall be repaired or reconstructed unless the members holding at least seventy-five (75%) percent of the total vote of the Neighborhood Association whose common property is damaged shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association or the Neighborhood Association, as appropriate, within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Neighborhood Association shall not be repaired or reconstructed and no alternative improvements are authorized then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association or the Neighborhood Association, as applicable, in a neat and attractive condition, consistent with the Community-Wide Standard.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment

against all Owners on the same basis as provided for General Assessments, provided if the damage or destruction involves the common property of a Neighborhood Association, only the Owners of Units in the affected Neighborhood Association shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI
No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3) of the total Association vote and the Declarant as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration, and Voting Members representing at least seventy-five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or January 1, 2000, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof, whether in fee simple or leasehold, by filing in the public records of Davidson County, Tennessee, an amendment annexing such Properties. Such Subsequent Amendment to this Declaration shall not require the consent of members or Voting Members. Any such annexation shall be effective upon the filing for record of such Subsequent Amendment unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" attached hereto and that such transfer is memorialized in a written instrument executed by the Declarant and recorded in the public records of Davidson County, Tennessee.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that shown on Exhibit "B", and following the expiration of the right in Section 1 of this Article, the Properties shown on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject in accordance with Section 1 of this Article. Annexation shall be accomplished by filing of record in the Register's Office for Davidson County, Tennessee, a Subsequent Amendment with respect to the Properties being annexed. Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for, and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2, and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey or cause to be conveyed to the Association additional

real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Amendment. This Article VIII shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B".

Article IX
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. In addition, the Association, through the Board, may, by contract or other agreement, enforce county ordinances or permit the County of Davidson to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Powers of the Association with Respect to Neighborhoods. The Association shall have the absolute power to veto any

action taken or contemplated to be taken by any Neighborhood Association or Committee, and the Association shall have the absolute power to require specific action to be taken by any Neighborhood Association or Committee in connection with the obligations and responsibilities hereunder or under any other covenants affecting the Properties. With out limiting the generality of the foregoing, the Association may require specific maintenance or repairs or aesthetic changes to be effectuated by the Neighborhood Association or Committee, may require that proposed budgets include certain items and that expenditures be made therefor, may veto or cancel any contract providing for maintenance, repair or replacement of the property governed by such Neighborhood Association or Committee and may otherwise require or veto any other action of the Neighborhood Association or Committee or any committee thereof as the Association deems appropriate from time to time.

Any action required by the Association in a written notice to be taken by a Neighborhood Association or Committee shall be taken within the time frame set by the Association in such written notice. If the Neighborhood Association or Committee fails to comply with the requirements set forth in such written notice, the Association shall have the right to effect such action on behalf of the Neighborhood Association or Committee and shall assess the Units contained within such Neighborhood for their prorata share of any expenses incurred by the Association under the circumstances (to cover the Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Association) in the manner provided in Article X, Section 3 hereof. Such assessments may be collected as a Special Assessment hereunder and shall be subject to all lien rights provided for herein.

Section 6. Special Services. The Association shall have the right to make available to Members special services, such as, but not limited to, tennis lessons, or other services, the cost of which is not included in the operating budget of the Association, and to charge user fees or other charges to cover the costs thereof to Members requesting such services.

Article X
Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Common Expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth in Section 6 of this Article. There shall be three (3) types of assessments: (1) General Assessments to fund expenses for the benefit of all Members of the Association; (2) Neighborhood Assessments for expenses benefitting only Units within a particular Neighborhood; and (3) Special Assessments as described in Section 3 below.

General Assessments shall be levied equally on all Units. Neighborhood Assessments shall be levied equally on all Units within

the Neighborhood for whose benefit Common Expenses are incurred which benefit less than the Association as a whole. Special Assessments shall be levied as provided in Section 3 below. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate not to exceed the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit 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 Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment, a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty ($50.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual General Assessment for delinquents. Unless the Board otherwise provides, the General Assessment and Neighborhood Assessment shall be paid in annual installments.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

So long as the Declarant has an option unilaterally to subject additional property to this Declaration, the following shall apply: unless assessments have commenced, pursuant to Section 6 below

on all Units subject to this Declaration as of the first day of any fiscal year, the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Section 2. Computation of Assessments.

(a) Computation of General Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Voting Members, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list general expenses. The General Assessment to be levied for the coming year against each Unit subject to assessment under Section 6 below shall be computed by dividing the total operating budget (excluding Neighborhood expenses) by the total number of Units subjected to this Declaration as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the budget and the amount of the General Assessments to be levied against each Unit for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the meeting by a vote of Voting Members or their alternates representing at least a majority of the total Class "A" vote in the Association, and the approval of the Class "B" member, so long as the Class "B" membership exists.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

(b) Computation of Neighborhood Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws

specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. The Neighborhood Association or Committee for each Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, or within Limited Common Areas, as appropriate. Expenses incurred in connection with Limited Common Areas shall be assessed equally against the Owners of Units in those Neighborhoods which have been assigned the use of such Limited Common Areas and shall be included as a part of the Neighborhood Assessment. Neighborhood expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment. The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. During the Class "B" Control Period, such budget and assessment shall become effective unless disapproved by Declarant. After the termination of the Class "B" Control Period, such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood. Meetings of Neighborhood Committees, if called, shall be conducted in accordance with Article V, Section 3 of the By-Laws.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments in any year applicable to that year; provided, such assessment shall have the affirmative vote or written consent of Voting Members or their alternates representing fifty-one (51%) percent of the Class "A" vote in the Association held by Members other than Declarant and the approval of the Class "B" member, so long as the Class "B" membership exists.

The Association may levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs

incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer or the Neighborhood Association or Committee and an opportunity for a hearing.

Section 4. Lien for Assessments. A lien for unpaid assessments and other charges provided for herein shall exist and shall be perfected, without any further action on the Association's part, on all Units on the due date of any such assessment or charge. The Association may, but shall not be required to, record a notice of lien on any Unit to evidence its lien on such Unit. The lien shall be prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien may be enforced by suit, judgment, and/or foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. After notice and an opportunity for a hearing, the Board may temporarily suspend the voting rights of a Member who is in default in payment of any assessment.

Section 5. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Assessments. The assessments provided for herein shall commence as to each Unit on the first day of the first month following the closing of the purchase of

the Unit from Declarant. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit. At the option of Declarant, the first annual assessment, as prorated for the remaining portion of the fiscal year, may be required to be paid at the closing of the initial sale of a Unit.

Section 7. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title, its successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Units, including such acquirer, its successors and assigns.

Section 8. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the amount of the annual General Assessment and any Neighborhood Assessment for the Unit for that year as determined by the Board. This amount shall be deposited into the purchase and sales escrow account and disbursed therefrom to the Association for use in meeting unforeseen expenditures, purchasing equipment deemed necessary or desirable, or otherwise covering operating expenses properly incurred by the Association. Such contributions shall not be considered an advance payment of regular assessments.

Section 9. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment or General Assessments, Neighborhood Assessments, and Special Assessments

(a) all Common Area; and

(b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks.

Article XI
Architectural Standards

The Board of Directors shall have the authority and standing on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any property subject to this Declaration or has an unexpired option to subject additional property to this Declaration.

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the appropriate committee has been obtained.

Section 1. New Construction Committee. The New Construction Committee (NCC) shall have exclusive jurisdiction over all original construction on any portion of the Properties. The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and review procedures, all as part of the Devon Hills Community Development Code ("DHCDC"), which design and development guidelines and application and review procedures shall be incorporated herein by reference as if copied verbatim herein, and shall be deemed to be covenants and restrictions herein subject to the enforcement provisions for covenants and restrictions contained herein. Such design and development guidelines and application and review procedures may set forth various items, including by way of illustration and not by way of limitation, minimum square footage requirements for Units constructed in Devon Hills. Copies of the DHCDC shall be available from the NCC for review. The guidelines and procedures shall be those of the Association, and the NCC shall have sole and full authority to prepare and to amend the DHCDC. The NCC shall have no obligations to record any amendments or revisions to the DHCDC. It shall make the DHCDC available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall be required to conduct their operations strictly in accordance with the DHCDC as latest revised and amended. Until one hundred (100%) percent of the Properties, computed on an area basis, have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, which shall consist of at least three (3), but no more than five (5) persons. There shall be no surrender of this right prior to that time, except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC in the same manner as provided in Section 2 of this Article for the Modifications Committee.

Section 2. Modifications Committee. The Board of Directors may appoint a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space if any, appurtenant thereto; provided, however, the MC may delegate this authority to the appropriate board or committee of any owners association subsequently created or subsequently subjected to this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with the DHCDC. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

Section 3. No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 4. Variance. The NCC may authorize variances from compliance with any of the provisions of the DHCDC when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this

Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.

Article XII
Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association, business offices for the Association, or model apartment of condominium units) as may more particularly be set forth in this Declaration, amendments hereto or subsequently recorded declarations creating associations subject to this Declaration. The declaration or other creating document for any other association may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make, to modify, and to enforce standards and restrictions governing the use of Units and Common Area, including common property of any Neighborhood Association, in addition to those contained herein, and to impose reasonable user fees for facilities, including, but not limited to, swimming pools, tennis courts, community center and parking facilities, if any. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by Voting Members representing a Majority of the total Class "A" votes in the Association and by the vote of the Class "B" member, so long as such membership shall exist.

Section 1. Signs. No sign of any kind shall be erected within the Properties without the written consent of the Board of Directors unless such sign is in strict compliance with regulations adopted by the Board. The Board of Directors and the Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

Section 2. Parking and Garages. Vehicles shall be parked only in the garages or in the driveways serving the Units or appropriate spaces or designated areas in which parking may or may not be assigned and then subject to such reasonable rules and regulations as the Board of Directors may adopt. All commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers must be parked entirely within a garage or as otherwise permitted by the Board. No garage may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Unit.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, kept, or permitted on any Unit, except that dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. Pets shall not be permitted to roam free, and if they do, or, in the sole discretion of the Association if they endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any property located adjacent to the Properties, any permitted animal, livestock or poultry shall be removed upon request of the board; if the owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Owners shall observe the leash law ordinances of the Metropolitan Government of Nashville, Davidson County, Tennessee.

Section 5. Nuisance and Hazardous Substances. No Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any Hazardous Substance (as herein defined), substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of any other Unit. No Hazardous Substance shall be incorporated in the construction of any improvement on any Unit. Hazardous Substances shall mean: Any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic substance, or other similar term, by any federal, state, or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations, and ordinances may be amended from time to time, including, without limitation, asbestos in friable form and petroleum products. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Unit. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which

might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties. No inoperable or abandoned vehicles shall be parked on any street.

Section 7. Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit, without the prior written consent of the Board or its designee. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

Section 8. Clotheslines, Garbage Cans, Tanks, Etc. All garbage cans, above-ground tanks, and other similar items shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon. No clotheslines shall be permitted on any Unit. 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. Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed except with the prior written approval or the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units which it owns prior to conveyance by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 10. Guns. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 11. Pools. No above-ground pools shall be erected, constructed or installed on any Unit.

Section 12. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other waterways within the Properties shall be installed, constructed or operated within the Properties unless prior written approval has been received from the NCC. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration and shall draw water only from city or county water supplies or wells, unless otherwise approved.

Section 13. Trailers and Temporary Structures. Except as may be permitted by the NCC during initial construction of Units, no utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

Section 14. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow.

Section 15. Tree Removal. No trees shall be removed from any portion of the Properties by any person other than Declarant unless approved in accordance with Article XI of this Declaration.

Section 16. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create traffic or sight problems.

Section 17. Utility Lines. Except as installed or approved by Declarant, no overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 18. Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

Section 19. Lighting. Except for seasonal Christmas decorative lights, which may be used between December 1 and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags, and similar items must be approved in accordance with Article XI of this Declaration.

Section 21. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

Section 22. Mailboxes. All mailboxes shall satisfy applicable postal regulations and shall conform to specifications established by the Declarant.

Section 23. Leases. Except as otherwise provided in this Section in the case of undue hardship, the leasing of a Unit or Units shall be prohibited. The Board of Directors shall be empowered to allow reasonable leasing of Units to avoid undue hardship, including, but not limited to, (a) where a Unit Owner must relocate his or her residence and cannot, within ninety (90) days from the date that the Unit was placed on the market, sell the Unit for at least the current appraised market value, after having made reasonable efforts to do so; (b) where the Owner dies and the Unit is being administered by his or her estate; or (c) where the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit, in which case the Unit Owner must reapply at the end of the lease term for renewal of the hardship exception. Those Owners who are required to demonstrate and have demonstrated that the inability to lease their Unit would result in undue hardship and who have obtained the requisite approval of the Board may lease their Units for such duration as the Board reasonably determines is necessary to prevent undue hardship.

Notwithstanding any provision herein to the contrary, the provisions of the immediately preceding paragraph shall not apply to any leasing transaction entered into by (i) the Owner of a Unit who purchased the Unit from the holder of a first Mortgage, (ii) the holder of any first Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage, or (iii) the Owner of any condominium unit, apartment unit or townhouse unit, so long as any lease agreement involving an apartment, condominium or townhouse unit is for a minimum term of six (6) months and the relevant apartment, condominium or townhouse association or committee shall have adopted tenant qualification standards acceptable to the Association.

Such leasing as is permitted hereunder shall be subject to reasonable rules promulgated by the Board and the following restrictions. All leases shall be in writing and a copy shall be filed with the Board of Directors. There shall be no subleasing or assignment of leases except with the prior written approval of the Board. No transient tenants shall be accommodated in any Unit. No Unit shall be leased except in its entirety.

Section 24. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 25. Fences. No fences of any kind shall be permitted on any Unit except as approved in accordance with Article XI of this Declaration.

Section 26. Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve Persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include without limitation, any occupation, work or activity undertaken on an ongoing basis which includes the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Unit in accordance with Section 23 of this Article shall not be considered a trade or business within the meaning of this Section.

Section 27. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon, in or under any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, in or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Article XIII
General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, 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 in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to

terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may amend this Declaration so long as it still owns property described in Exhibits "A" or "B" for development as part of the Properties; and so long as the amendment has no material adverse effect upon any right of any Owner; thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five (75%) percent of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Register's Office for Davidson County, Tennessee.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. As more particularly set forth in Article VI of the By-Laws, the Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto or as between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, its general partners, and its designees, so long as any of the foregoing own any property described on Exhibits "A" or "B", and to the Association and its designees, (which may include, without limitation, Davidson County, Tennessee, and any utility) blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, irrigation water supply systems, sewers, meter boxes, telephones, gas, and electricity.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement on said Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate all or part of the Common Area to Davidson County, Tennessee or any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Declaration.

Section 6. Easement for Access to Adjacent Property. The Declarant, its general partners, and its duly authorized agents, representatives, and employees as well as their successors, assigns, licensees and mortgagees, shall have and there is hereby reserved an easement over the Properties for the purposes of enjoyment, use, access and development of the property described in Exhibit "B" attached hereto and by this reference incorporated herein. This easement includes but is not limited to ingress and egress over Common Areas for construction of roads and installation of utilities on the property described in Exhibits "B". Declarant agrees that it, its successors and assigns, shall be responsible for any damages caused to the Common Areas as a result of vehicular traffic connected with development of the property described in Exhibit "B".

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against

perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Board of Directors. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Charter or By-Laws of the Association to the contrary, a Board member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five (75%) percent of all Members of the District represented by the Board member. Any meeting called for such purpose shall be subject to the same notice and quorum requirements and other procedures as provided in the By-Laws for meetings of the membership. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 10. Use of the Name Devon Hills. No Person shall use the name "Devon Hills" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term "Devon Hills" in printed or promotional matter where such term is used solely to specify that particular property is located within Devon Hills.

Section 11. Security. The Declarant and/or the Association may, but shall not be obligated to, undertake certain measures designed to increase safety or security in the Properties. In such event, NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, AND NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS, AND THE NEW CONSTRUCTION AND MODIFICATIONS COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE NEW CONSTRUCTION OR MODIFICATIONS COMMITTEES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT FIRE PROTECTION AND BURGLAR ALARM SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION AND BURGLARY ALARM SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, TENANT, GUEST OR INVITEE OF AN

OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND COMMITTEES ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND COMMITTEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES UNDERTAKEN.

Article XIV
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in Devon Hills. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

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

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Voting Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision by the Board, or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas, shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to, or a taking of the Common Area.

Section 4. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements

less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 6. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Tennessee law for any of the acts set out in this Article.

Section 7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Article XV
Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Register's Office for Davidson County, Tennessee. Nothing in this Declaration shall be construed to require Declarant, its general partners, or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in this Declaration, the By-Laws, Charter, use restrictions, rules and regulations, design guidelines, and any amendments thereto, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant, its general partners, and any builder or developer approved by Declarant to maintain and carry on upon such portion of the Properties as Declarant and its general partners may deem necessary, such facilities and activities as, in the sole opinion of Declarant and its general partners, may be reasonably required, convenient, or incidental to Declarant's, its general partners', and such builder's or developer's development, construction, and sales activities related to the Properties and any other property now owned or which may in the future be owned by Declarant, its general partners, and any builder or developer approved by Declarant (such other property hereinafter referred to as "Additional Property"). Declarant, its general partners, and any such builder or developer shall have an easement for access to such facilities.

This reserved easement shall constitute a burden on the title to the Properties and specifically includes, but is not limited to: (a) the right of access, ingress and egress for vehicular and pedestrian traffic over, under, in or on the Properties; (b) the right to tie into any portion of the Properties with driveways, parking areas and walkways; (c) the right to tie into and/or otherwise connect

and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Properties; (d) the right to carry on sales and promotional activities on the Properties; (e) the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices on the Properties. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned or leased by the Declarant, its general partners, or any such builder or developer, and any clubhouse or community center which may be owned by the Association, as model residences and sales offices, respectively. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

No rights, privileges, or easements granted or reserved herein shall be merged into the title of the Properties, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released except by delivery of a quit-claim deed from Declarant releasing such right, privilege, or easement by express reference thereto.

If these reserved easements are exercised without annexing any Additional Property to the Properties, the Owners of the affected Additional Property shall share the costs, if any, of using and maintaining utility and similar facilities, including, without limitation, electrical, telephone, natural gas, water (whether from well, river, or public utility), sewer, and drainage lines and facilities with the Owners in the Properties on a pro rata basis more specifically determined by Declarant.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article XVI
Metropolitan Government Rights Affecting Common Area

Section 1. Conveyance of Common Area. The Metropolitan Planning Commission and the Metropolitan County Council may require that the landowner provide for and establish an organization for the ownership and maintenance of any Common Area, and such organization shall not be dissolved nor shall it dispose of any Common Area, by sale or otherwise (except to an organization conceived and established to own and maintain the Common Area), without first offering to dedicate the same to the Metropolitan Government of Nashville and Davidson County and the said dedication be approved by the Metropolitan Planning Commission. However, the conditions of any transfer shall conform to the adopted final master development plan.

Section 2. Zoning Administrator Enforcement of Maintenance; Lien. In the event that the organization established to own and maintain Common Area, or any successor organization, shall at any time after the establishment of the planned unit development fail to maintain the Common Area 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 Area for a period of one (1) year. When the zoning administrator determines that the organization is not prepared for the maintenance for the Common Area such agency shall continue maintenance for yearly periods. The cost of such maintenance by such agency shall be assessed proportionately against the units within the planned unit development that have a right of enjoyment of the common open space and such costs shall become a lien on said property.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 15th day of April, 1988.

DEVON HILLS LIMITED PARTNERSHIP
BY: McNEIL & ASSOCIATES, INC.
GENERAL PARTNER

BY: R. Steve Corbitt

TITLE: Vice President

"DECLARANT"

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared R. Steve Corbitt, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Vice President of McNeil & Associates, Inc., a general partner of Devon Hills Limited Partnership, the within named bargainor, a

Massachusetts limited partnership, and that he as such Vice President, of the general partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited partnership by himself as Vice President of McNeil & Associates, Inc., general partner of Devon Hills Limited Partnership.

Witness my hand and seal, at office in Nashville, Tennesse, this the 15th day of April, 1988.

Stephen C Baker
NOTARY PUBLIC

My Commission Expires: 10/9/91

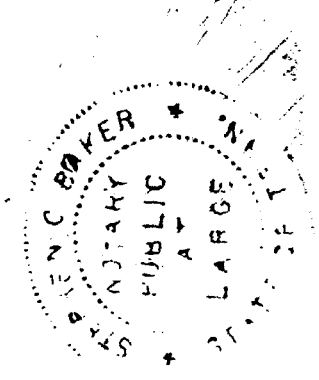


EXHIBIT A

Land being in the Second Civil District of Nashville, Davidson County, Tennessee and being known as Arlington Green, Phase I, the Plat of which is recorded in Plat Book 6900, page 399, Register's Office of Davidson County, Tennessee, and being more particularly described by metes and bounds as follows:

Beginning at a point in the North margin of Hicks Road as widened, said point being approximately 200' east of the intersection with Bellevue Road; thence N 7 deg. 32' 49" E, 515.00' to a point; thence N 77 deg. 36' 17" E, 981.10' to a point; thence S 67 deg. 34' 41" E, 182.77 feet to a point; thence S 45 deg. 48' 09" E, 300.74 feet to a point; thence S 38 deg. 34' 14" E, 296.06' to a point in the North margin of the proposed Hicks Road extension; thence with said margin and along a curve to the left having a central angle of 11 deg. 32' 29", a radius of 830.00', a tangent length of 83.88', a curve length of 167.19', a chord bearing of S 60 deg. 31' 52" W, and a chord distance of 166.91' to a point; thence continuing with said margin, S 54 deg. 45' 38" W, 200.87 feet to a point; thence continuing with said proposed margin and along a curve to the right having a central angle of 41 deg. 17' 11", a radius of 594.00', a tangent length of 223.78', a curve length of 428.03', a chord bearing of S 75 deg. 24' 13" W, and a chord distance of 418.83' to a point where proposed margin meets existing margin of Hicks Road as widened; thence with existing margin, N 83 deg. 57' 11" W, 870.73' to a point; thence continuing with margin, N 83 deg. 57' 11" W 14.54' to the point of beginning. Containing 21.42 acres, more or less.

Being part of the same property conveyed to Devon Hills Limited Partnership, a Massachusetts limited partnership by deeds from C. William Green and wife, Sarah H. Green, of record in Book 6491, page 332, and Book 7083, page 885, Register's Office for Davidson County, Tennessee.

EXHIBIT "B"

SURVEYOR'S DESCRIPTION

A tract of land consisting of three parcels in the Second Civil District, Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership as recorded in Book 6491, Page 332, R.O.D.C., Tennessee, and being located in the northeast quadrant of the intersection of Hicks Road and Tennessee State Route 100, and being more particularly described as follows:

PARCEL A

BEGINNING at a point in the easterly margin of Hicks Road at said margin's intersection with the northerly right-of-way of Seaboard Systems Railroad;

THENCE, with said margin of Hicks Road and a curve to the left having a radius of 274.11 feet, a central angle of 26° 10' 42", a chord of N 70° 51' 50" W, 124.15 feet for a curve length of 125.24 feet to an iron pin;

THENCE, continuing with said margin of Hicks Road, N 83° 57' 11" W, 1,055.84 feet to a point;

THENCE, with a curve to the right having a central angle of 71° 01' 48", a radius of 296.00 feet, a chord of N 48° 26' 16" W, 343.90 feet, for a curve length of 366.95 feet to a point;

THENCE, leaving said easterly margin of Hicks Road, severing the lands of Devon Hills Limited Partnership, the following calls:

N 66° 43' 52" E, 868.66 feet to a point;
N 37° 03' 48" E, 371.90 feet to a point;

THENCE, with a curve to the right having a central angle of 66° 34' 43", a radius of 150.00 feet, a chord of S 5° 08' 44" E, 164.66 feet for a curve length of 174.30 feet to a point;

THENCE, with a curve to the left having a central angle of 114° 36' 43", a radius of 150.00 feet, a chord of S 29° 09' 13" E, 252.47 feet for a curve length of 300.05 feet to a point;

THENCE, with a curve to the right having a central angle of 58° 17' 14", a racius of 200.00 feet, a chord of S 57° 18' 55" E, 194.80 feet for a curve length of 203.46 feet to a point;

THENCE, with a curve to the left having a central angle of 22° 45' 14", a radius of 625.00 feet, a chord of N 59° 14' 27" E, 246.58 feet for a curve length of 248.21 feet;

THENCE, with a curve to the right having a central angle of 36° 25' 55", a radius of 525.00 feet, a chord of N 66° 12' 10" E, 328.23 feet for a curve length of 333.82 feet to a point;

THENCE, with a curve to the left, having a central angle of 8° 53' 38", a radius of 2,540.00 feet, a chord of S 12° 52' 51" E, 393.88 feet for a curve length of 394.28 feet to a point;

THENCE, S 17° 19' 40" E, 305.32 feet to a point in the northerly margin of Seaboard Systems Railroad;

THENCE, with said northerly margin as follows:

S 81° 30' 15" W, 163.44 feet to a point;
S 08° 29' 45" E, 25.00 feet to a point;
S 81° 30' 15" W, 437.08 feet to the point of beginning.

Containing 1,061,320 square feet or 24.36 acres, more or less.

PARCEL A-1

BEGINNING at a point of the easterly margin of Hicks Road at its intersection with the southerly right-of-way of Seaboard Systems Railroad;

THENCE, with said southerly right-of-way, N 81° 30' 15" E, 350.51 feet to a point;

S 08° 29' 45" E, 25.00 feet to a point;
N 81° 30' 15" E, 186.74 feet to a point;

THENCE, leaving said southerly margin and severing the lands of said Devon Hills Limited Partnership, S 17° 19' 40" E, 96.29 feet to a point;

S 12° 45' 14" E, 150.48 feet to a point;
S 17° 19' 40" E, 5.44 feet to a point in the northerly boundary of Metro Parks;

THENCE, with said northerly boundary, S 86° 41' 39" W, 292.25 feet to a point;

S 03° 18' 21" E, 48.65 feet to a point;
S 86° 41' 39" W, 128.41 feet to a point in the easterly margin of Hicks Road;

THENCE, with said easterly margin and a curve to the left, having a central angle of 24° 32' 10", a radius of 750.00 feet, a chord of N 34° 41' 33" W, 318.73 feet for a curve length of 321.18 feet to the point of beginning.

Containing 123,207 square feet or 2.83 acres, more or less.

PARCEL A-2

BEGINNING at an iron pin in the northerly margin of Bellevue Road, in the centerline of abandoned Hicks Road, said pin being the southeast corner of John R. Hulen, etux, of record in Book 6358, Page 417, R.O.D.C.;

THENCE, leaving said northerly margin of Bellevue Road, with said Hulen's easterly line and the centerline of abandoned Hicks Road, N 02° 02' 38" E, 179.39 feet to an iron pin in the westerly margin of Hicks Road;

THENCE, with said westerly margin, with a curve to the left having a central angle of 35° 17' 36", a radius of 346.00 feet, a chord of S 38° 01' 45" E, 209.78 feet for a curve length of 213.13 feet to a point;

THENCE, leaving said westerly margin of Hicks Road with the northerly margin of Bellevue Road and a curve to the left having a central angle of 08° 56' 16", a radius of 875.00 feet, a chord of S 84° 05' 32" W, 136.36 feet for a curve length of 136.50 feet to the point of beginning.

Containing 9,583 square feet or 0.22 acre, more or less.

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 19, 1986

SURVEYOR'S DESCRIPTION
DEVON HILLS

A tract of land consisting of two parcels lying in the Second Civil District of Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership as recorded in Book 6491, Page 332, R.O.D.C., and being located in the northeast quadrant of the intersection of Hicks Road and Tennessee State Route 100 and being more particularly described as follows:

PARCEL B

BEGINNING at a point in the northerly margin of Seaboard Systems Railroad, said point being 681 feet, more or less, easterly as measured along said northerly margin from the easterly margin of Hicks Road;

THENCE, leaving said northerly margin of Seaboard Systems Railroad, and severing the lands of Devon Hills Limited Partnership, the following calls, N 17° 19' 40" W, 317.75 feet to a point;

THENCE, with a curve to the right having a central angle of 08° 40' 29", a radius of 2,460.00 feet, a chord of N 12° 59' 26" W, 372.09 feet for a curve length of 372.45 feet to a point;

With a curve to the right having a central angle of 22° 11' 17", a radius of 525.00 feet, a chord of S 75° 46' 51" E, 202.04 feet for a curve length of 203.31 feet to a point;

With a curve to the left having a central angle of 30° 38' 57", a radius of 700.00 feet, a chord of S 80° 00' 36" E, 370.00 feet for a curve length of 374.45 feet to a point;

N 84° 39' 56" E, 738.73 feet to a point;

S 04° 26' 38" W, 156.44 feet to a point;

S 12° 26' 35" E, 173.08 feet to a point;

With a curve to the left, having a central angle of 11° 24' 54", a radius of 600.00 feet, a chord of S 02° 48' 13" E, 119.34 feet for a curve length of 119.54 feet to a point;

S 08° 30' 40" E, 29.97 feet to a point in the northerly margin of Seaboard Systems Railroad;

THENCE, with said northerly margin, the following calls:

S 81° 30' 15" W, 1,006.39 feet to a point;
N 08° 29' 45" W, 25.00 feet to a point;
S 81° 30' 15" W, 155.60 feet to the point of beginning.

Containing 647,171 square feet or 14.86 acres, more or less.

PARCEL B-1

BEGINNING at a point in the southerly margin of Seaboard Systems Railroad, said point being 618 feet as measured along said southerly margin from the easterly margin of Hicks Road;

THENCE, along said southerly margin of Seaboard Systems Railroad, N 81° 30' 15" E, 132.30 feet to a point;

THENCE, N 08° 29' 45" W, 25.00 feet to a point;

THENCE, N 81° 30' 15" E, 1,006.42 feet to a point;

THENCE, leaving said southerly margin and severing the lands of Devon Hills Limited Partnership as follows:

S 08° 30' 40" E, 15.03 feet to a point;

With a curve to the left having a central angle of 70° 37' 08", a radius of 250.90 feet, a chord of S 43° 49' 17" E, 290.03 feet for a curve length of 309.24 feet to a point;

S 77° 05' 13" E, 118.27 feet to a point;

With a curve to the right, having a central angle of 69° 00' 44", a radius of 70.35 feet, a chord of S 42° 35' 03" E, 79.71 feet for a curve length of 84.74 feet to a point;

With a curve to the right, having a central angle of 89° 57' 07", a radius of 20.19 feet, a chord of S 36° 53' 52" W, 28.54 feet for a curve length of 31.70 feet to a point in the northerly margin of State Route 100;

THENCE, with said northerly margin, S 81° 52' 26" W, 262.66 feet to a point;

With a curve to the right having a central angle of 04° 49' 13", a radius of 2,348.77 feet, a chord of S 84° 17' 05" W, 197.54 feet for a curve length of 197.60 feet to a point;

Surveyor's Description
Page Three

THENCE, with said northerly margin and the northerly boundary of Metro Parks Property, S 86° 41' 39" W, 944.52 feet to a point;

THENCE, severing the lands of Devon Hills Limited Partnership, N 17° 19' 40" W, 262.28 feet to the point of beginning.

Containing 416,497 square feet or 9.56 acres, more or less.

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 19, 1986

SURVEYOR'S DESCRIPTION
DEVON HILLS

A tract of land consisting of two parcels lying in the Second Civil District of Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership as recorded in Book 6491, Page 332, R.O.D.C., Tennessee and being located in the northeast quadrant of the intersection of Hicks Road and State Route 100 and being more particularly described as follows:

PARCEL C

BEGINNING at an iron pin in the northerly margin of Seaboard Systems Railroad, said pin being 2,415 feet, more or less, as measured along said northerly margin from the easterly margin of Hicks Road and also being the southwest corner of the property of J.C. Beasley of record in Book 3224, Page 471 R.O.D.C.;

THENCE, with said northerly margin of Seaboard Systems Railroad, S 81° 30' 15" W, 571.97 feet to a point;

THENCE, leaving said northerly margin and severing the lands of Devon Hills Limited Partnership, as follows:

N 08° 30' 40" W, 29.97 feet to a point ;
With a curve to the right, having a central angle of 11° 24' 54", a radius of 600.00 feet, a chord of N 02° 48' 13" W, 119.34 feet for a curve length of 119.54 feet to a point;
N 12° 26' 35" W, 173.08 feet to a point;
N 04° 26' 38" E, 1,061.52 feet to a point;
N 35° 07' 02" E, 850.39 feet to a point;
S 84° 47' 49" E, 200.00 feet to a point in the westerly boundary of John C. Beasley, Etux, of record in Book 3221, Page 232;

THENCE, with Beasley's west line, S 05° 12' 11" W, 325.00 feet to an iron pin;

THENCE, S 04° 26' 38" W, 1,650.44 feet to the point of beginning.

Containing 1,119,132 square feet or 25.69 acres, more or less.

PARCEL C-1

BEGINNING at a point in the southerly margin of Seaboard Systems Railroad, said point being 2,380.5 feet, more or less, as measured along said southerly margin from the easterly margin of Hicks Road, said point also being the northwest corner of Metro Parks Property.

THENCE, with the westerly boundary of Parks property, S 05° 55' 01" W, 394.75 feet to an iron pin in the northerly margin of State Route 100;

THENCE, with said northerly margin, S 81° 52' 26" W, 223.17 feet to a point;

THENCE, leaving said northerly margin and severing the lands of Devon Hills Limited Parnership with a curve to the left having a central angle of 89° 57' 07", a radius of 20.19 feet, a chord of N 36° 53' 52" E, 28.54 feet for a curve length of 31.70 feet to a point;

With a curve to the left, having a central angle of 69° 00' 44", a radius of 70.35 feet, a chord of N 42° 35' 03" W, 79.71 feet for a curve length of 84.74 feet to a point;

N 77° 05' 13" W, 118.27 feet to a point;

With a curve to the right having a central angle of 70° 37' 08", a radius of 250.90 feet, a chord of N 43° 49' 17" W, 290.03 feet for a curve length of 309.24 feet to a point;

N 08° 30' 40" W, 15.03 feet to a point in the southerly margin of Seaboard Systems Railroad;

THENCE, with said southerly margin, N 81° 30' 15" E, 623.59 feet to the point of beginning.

Containing 171,820 square feet or 3.94 acres, more or less

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 19, 1986

SURVEYOR'S DESCRIPTION
DEVON HILLS

PARCEL D

A tract of land in the Second Civil District of Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership as recorded in Book 6491, Page 332, R.O.D.C., Tennessee, and being located in the northeast quadrant in the intersection of Hicks Road and Tennessee State Route 100 and being more particularly described as follows:

BEGINNING at an iron pin in the easterly margin of Hicks Road, Said pin being 1,600 feet, more or less along said margin from the northerly margin of Bellevue Road and being the southeast corner of the property of Morris L. King of record in Book 3225, Page 393, R.O.D.C.;

THENCE, leaving said easterly margin of Hicks Road, with King's easterly line, N 05° 41' 16" E, 470.83 feet to a point in the southerly boundary of Iroqouis Apartments of record in Plat Book 4175, Page 127,

THENCE, with said southerly boundary as follows:

N 70° 50' 49" E, 123.77 feet to an iron pin;
N 72° 04' 58" E, 394.51 feet to an iron pin;

THENCE, N 43° 44' 25" E, 195.39 feet to a point in the southerly boundary of Harpeth Valley Utilities District tank site of record in Book 5473, Page 171, R.O.D.C.;

THENCE, with said Harpeth Valley boundary as follows:

S 46° 12' 52" E, 51.05 feet to a point;
S 84° 56' 44" E, 97.68 feet to a point;
N 05° 03' 16" E, 110.00 feet to an iron pin;
N 84° 56' 44" W, 75.00 feet to an iron pin in the easterly boundary of said Iroqouis Apartments;

THENCE, with said easterly boundary, N 16° 34' 14" W, 305.76 feet to an old stump at a fence corner;

THENCE, N 60° 38' 49" E, 267.67 feet to a point;

THENCE, severing the lands of Devon Hills Limited Partnership as follows:

S 30° 20' 40" E, 49.07 feet to a point;

THENCE, with a curve to the left, having a central angle of 31° 04' 20", a radius of 840.00 feet, a chord of S 45° 53' 35" E, 449.98 feet for a curve length of 455.54 feet to a point;

S 61° 25' 45" E, 155.73 feet to a point;
With a curve to the right, having a central angle of 21° 04' 30", a radius of 760.00 feet, a chord of S 50° 53' 30" E, 277.98 feet for a curve length of 279.55 feet to a point;
S 47° 13' 52" W, 632.21 feet to a point;
S 13° 33' 42" W, 812.80 feet to a point;
S 37° 03' 48" W, 371.90 feet to a point;
S 66° 43' 52" W, 868.66 feet to a point in the easterly margin of Hicks Road;

THENCE, with said easterly margin the following calls:

With a curve to the right having a central angle of 14° 20' 33", a radius of 296.00 feet, a chord of N 05° 45' 02" W, 73.90 feet for a curve distance of 74.10 feet to a point;

N 01° 25' 14" E, 181.74 feet to a point;

With a curve to the right having a central angle of 08° 49' 52", a radius of 1,835.70 feet, a chord of N 05° 50' 10" E, 282.66 feet for a curve length of 282.94 feet to a point;

N 10° 15' 06" E, 284.28 feet to a point;

N 15° 57' 44" E, 100.50 feet to a point

N 10° 15' 06" E, 75.00 feet to a point;

With a curve to the left having a central angle of 32° 08' 50", a radius of 383.10 feet, a chord of N 08° 11' 30" W, 212.14 feet for a curve length of 214.95 feet to the point of beginning.

Containing 2,008,867 square feet or 46.12 acres, more or less.

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 19, 1986

SURVEYOR'S DESCRIPTION
DEVON HILLS

PARCEL E

A tract of land in the Second Civil District of Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership of record in Book 6491, Page 332, R.O.D.C., Tennessee and being located in the northeast quadrant of the intersection of Hicks Road and Tennessee State Route 100 and being more particularly described as follows:

To get to the point of beginning, proceed the following two calls:

BEGINNING at a point in the northerly right-of-way of Seaboard Systems Railroad, said point being 600.0 feet, more or less, as measured along said northerly margin of railroad from the easterly margin of Hicks Road;

THENCE, leaving northerly margin of said railroad severing the lands of Devon Hills Limited Partnership the following calls:

N 17° 19' 40" W, 305.32 feet to a point;
With a curve to the right having a radius of 2,540.00 feet and a central angle of 08° 53' 38" and a chord of N 12° 52' 51" W, 393.88 feet for a curve length of 394.28 feet to the true point of beginning;

THENCE, With a curve to the left having a central angle of 36° 25' 55", a radius of 525.00 feet and a chord of S 66° 12' 10" W, 328.23 feet for a curve length of 333.82 feet to a point;

With a curve to the right having a central angle of 22° 45' 14", a radius of 625.00 feet and a chord of S 59° 14' 27" W, 246.58 feet for a curve length of 248.21 feet to a point;

With a curve to the left having a central angle of 58° 17' 14", a radius of 200.00 and a chord of N 57° 18' 55" W, 194.80 feet for a curve length of 203.46 feet to a point;

With a curve to the right having a central angle of 114° 36' 43", a radius of 150.00 feet and a chord of N 29° 09' 13" W, 252.47 feet for a curve length of 300.05 feet to a point;

With a curve to the left having a central angle of 66° 34' 43", a radius of 150.00 and a chord of N 5° 08' 44" W, 164.66 feet for a curve length of 174.30 feet to a point;

N 13° 33' 42" E, 812.80 feet to a point;
N 47° 13' 52" E, 632.21 feet to a point;

With a curve to the right having a central angle of 48° 00' 30", a radius of 760.00 feet, a chord of S 16° 21' 00" E, 618.34 feet for a curve length of 636.81 feet;

S 7° 39' 15" W, 147.70 feet to a point;

With a curve to the left having a central angle of 16° 05' 17", a radius of 2,540.00, a chord of S 0° 23' 23" E, 710.86 feet for a curve length of 713.20 feet to the point of beginning.

Containing 996,184 square feet or 22.87 acres, more or less.

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 23, 1986

SURVEYOR'S DESCRIPTION

PARCEL F

A tract of land in the Second Civil District of Nashville, Davidson County, Tennessee, being a portion of the property conveyed to Devon Hills Limited Partnership of record in Book 6491, Page 332, R.O.D.C., and being located in the northeast quadrant of the intersection of Hicks Road and Tennessee State Route 100 and being more particularly described as follows:

BEGINNING at a point in the southerly line of Iroquois Apartments of record in Plat Book 4175, Page 127, R.O.D.C., said point being N 60° 38' 48" E, 347.68 feet from a fence corner beside an access road and also being 550 feet, more or less, northeasterly of Harpeth Valley Utility District Water Tank Site;

THENCE, with the southerly lines of said Iroquois Apartments and Bellevue Valley Plaza, N 60° 38' 49" E, 213.32 feet to a point;

THENCE, continuing with said Bellevue Valley Plaza, the following calls:

N 59° 40' 47" E, 142.72 feet to a point;
N 55° 36' 42" E, 139.60 feet to an iron pin;
N 54° 48' 42" E, 320.50 feet to an iron pin;
N 56° 03' 42" E, 305.92 feet to an iron pin at the southwest corner of William Hicks of record in Book 6093, Page 451, R.O.D.C.;

THENCE, with said Hicks southerly line, N 71° 27' 43" E, 137.28 feet to a point;

THENCE, S 83° 26' 06" E, 661.50 feet to a point in the southerly line of Joyce B. Hobbs of record in Book 6207, Page 148, R.O.D.C.;

THENCE, with Hobbs southerly line, N 75° 48' 25" E, 658.55 feet to a point;

S 56° 32' 07" E, 403.65 feet to an iron pin at the southwest corner of N. P. Wells of record in Book 6614, Page 6, R.O.D.C.;

THENCE, with said Wells line, S 56° 03' 12" E, 363.52 feet to an iron pin at the northwest corner of John C. Beasley of record in Book 3221, Page 232, R.O.D.C.;

THENCE, with Beasley's line, S 5° 12' 11" W, 876.51 feet to a point;

THENCE, leaving said Beasley line and severing the lands of Devon Hills Limited Partnership the following calls:

N 84° 47' 49" W, 200.00 feet to a point;
S 35° 07' 02" W, 850.39 feet to a point;
S 4° 26' 38" W, 905.08 feet to a point;
S 84° 39' 56" W, 738.73 feet to a point;
With a curve to the right having a central angle of 30° 38' 57", a radius of 700.00 feet and a chord of N 80° 00' 36" W, 370.00 feet for a curve length of 374.45 feet to a point;

With a curve to the left having a radius of 525.00 feet, a central angle of 22° 11' 17" and a chord of N 75° 46' 51" W, 202.04 feet for a curve length of 203.31 feet to a point;

With a curve to the right having a central angle of 16° 18' 26", a radius 2,460.00 feet, a chord of N 0° 29' 58" W, 697.80 feet for a curve length of 700.16 feet to a point;

N 7° 39' 15" E, 147.70 feet to a point;

With a curve to the left having a central angle of 69° 05' 00", a radius of 840.00 feet, a chord of N 26° 53' 15" W, 952.57 feet for a curve length of 1,012.82 feet to a point;

N 61° 25' 45" W, 155.73 feet to a point;

With a curve to the right having a central angle of 31° 04' 20", a radius of 760.00 feet, and a chord of N 45° 53' 35" W, 407.13 feet for a curve length of 412.16 feet to a point;

N 30° 20' 40" W, 47.67 feet to the point of beginning.

Containing 5,370,061 square feet or 123.28 acres, more or less.

Barge, Waggoner, Sumner and Cannon
File 8775-04
December 23, 1986

kab1650:04/12/88
JCM006-009

EXHIBIT "C"

BY-LAWS

OF

DEVON HILLS COMMUNITY ASSOCIATION, INC.

DEARBORN & EWING

Attorneys

1200 One Commerce Place
Nashville, Tennessee 37239
(615) 259-3560

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BY-LAWS

OF

DEVON HILLS COMMUNITY ASSOCIATION, INC.

Article I
Name, Principal Office and Definitions

Section 1. Name. The name of the Association shall be Devon Hills Community Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Tennessee shall be located in the County of Davidson. The Association may have such other offices, either within or without the State of Tennessee, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions for Devon Hills, (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the membership, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no later than one hundred twenty (120) days and no less than ninety (90) days before the close of the Association's fiscal year. Subsequent regular annual meetings of the membership shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the foregoing, the annual meeting shall be held at a date and time as set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten percent (10%) of the total votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for

reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

The Voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five percent (25%) of the total votes of the Association remain present, and provided further that any action taken is approved by at least a majority of the Voting Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing one-third (1/3) of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if all Voting Members consent in writing to taking such action without a meeting and such action receives the affirmative vote of the number of Voting Members necessary to authorize or take such action with respect to the subject matter thereof.

Article III
Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except as provided in Section 2 of this Article, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director.

Section 2. Directors During Class "B" Control. The Directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(i) when seventy-five percent (75%) of the Units permitted by the Master Land Use Plan for the property described on Exhibits "A" and "B" of the Declaration have certificates of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title for purposes of development and sale;

(ii) January 1, 2000 or

(iii) when, in its discretion, the Class "B" member so determines.

Within one hundred twenty (120) days thereafter, the Class "B" member shall call a meeting, as provided in Article II, Section 4, of these By-Laws for special meetings, to advise the membership of the termination of the Class "B" member's control.

The Directors selected by the Class "B" member pursuant to this Section need not be Members or spouses of such Members as provided in Section 1 of this Article.

Section 3. Number of Directors. The number of Directors in the Association shall be not less than three (3) nor more than seven (7), as provided below. The initial Board shall consist of three (3) members as identified in the Charter. Except during the period of Class "B" control as provided in Section 2 of this Article, Directors shall be elected from and shall represent Districts.

Section 4. Nomination of Directors. Except with respect to Directors selected by the Class "B" Member, nominations for election

to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association with at least one (1) member from each District. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting 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 such annual meeting. The Nominating Committee shall make as many nominations from each District for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled from each District. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 5. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own thirty percent (30%) of the Units permitted in the Master Land Use Plan for the property described on Exhibits "A" and "B" and certificates of occupancy have been issued thereon, or whenever the Class "B" Member earlier determines, the Association shall call a special meeting to be held at which Voting Members other than the Class "B" Member shall elect one (1) of the three (3) Directors who shall be an at-large Director. The Director so elected shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such Director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own fifty (50%) percent of the Units permitted in the Master Land Use Plan for the property described on Exhibits "A" and "B" and certificates of occupancy have been issued thereon, or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) Directors. The Association shall call a special meeting to be held at which Voting Members other than the Class "B" Member shall elect two (2) of the five (5) Directors, both of whom shall be at-large Directors. The Directors so elected shall not be subject to removal by Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such Directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) At the first annual meeting of the membership after the termination of the Class "B" Control and at each annual meeting of the membership thereafter, all Directors shall be elected by the Voting Members. Separate slates shall be proposed for each District and only those Voting Members representing Units in a District shall vote on the representatives for that District. A separate slate shall also be proposed for any at-large Directors, and all Voting Members shall be entitled to vote thereon. The number of Directors to be elected from each District shall be determined on the basis of a percentage calculated by dividing the number of Units in the District by the total number of Units in the Properties and multiplying by 100. If the resulting percentage is:

7-25%, the District will elect one (1) Director;

26-50%, the District will elect two (2) Directors;

51-75%, the District will elect three (3) Directors;

76-100%, the District will elect four (4) Directors.

If application of this formula for any election results in an even number of Directors, then one (1) additional Director shall be elected at-large by the Voting Members.

All Directors shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 6. Removal of Directors and Vacancies. Directors may be removed, with or without cause, by a vote of the Voting Members holding a majority of the votes of the District represented by the Director whose removal is being sought. Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. A Director who was elected at large solely by the votes of Voting Members other than the Class "B" Member may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Members other than the Class "B" Member. Upon removal of a Director, a successor shall then and there be elected to fill the vacancy by the Voting Members responsible for such removal.

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors then in office and a successor may be appointed by the Board. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and

it may appoint a successor. Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill. The Director appointed to fill the vacancy shall be selected from the District represented by the director who has vacated the position.

Section 7. Voting Procedure for Directors. At any election of directors to the Board of Directors, each Voting Member may cast, in respect to each vacancy, as many votes as he or she is entitled to exercise under Article III of the Declaration. Votes shall be cast as provided in Section 5. The candidates receiving the largest number of votes shall be elected.

B. Meetings

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed or

wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might be transacted without further notice.

Section 13. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses, incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 15. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if all Directors consent in writing to taking such action without a meeting and such action receives the affirmative vote of the number of Directors necessary to authorize or take such action with respect to the subject matter thereof. An explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consent of the Board members has been obtained.

C. Powers and Duties.

Section 16. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) Providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during genera. business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

(m) make available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Charter, the By-Laws, rules governing the Unit, and all other books, records, and financial statement of the Association; and

(n) permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

Section 17. Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth

in subparagraphs (a), (b), (f), (g), and (i) of Section 16 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days' or less written notice.

Section 18. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is subject to assessment, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying the monthly installments of assessments at

the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors); and

(g) an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed, or unaudited basis, as determined by the Board, by an independent certified public accountant for any fiscal year in which the gross income of the Association exceeds Seventy-Five Thousand Dollars ($75,000.00). If said report is not prepared by an independent certified public accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

Section 19. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Area of Common Responsibility without the approval of the membership; provided, however, the Board shall obtain Voting Member approval in the same manner provided in Article X, Section 3, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

Section 20. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Charter and By-Laws of the Association, the Association shall have the right to contract with any Person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, or neighborhood and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the period of Class "B" control unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into a declaration of easements and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to Persons who are not Members, in consideration for payment by the owner of such Property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

Section 21. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws,or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waive of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV
Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in

the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the 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. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V
Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III, Section 21 of these By-Laws.

Section 3. Neighborhood Committees. In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty (50%) percent of the Owners within the Neighborhood this number may be increased to five (5). The members of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood at an annual meeting of such Owners, at which the Owners of Units within that Neighborhood holding at least one-third (1/3) of the total votes of Units in the Neighborhood are present or represented by proxy. Each Owner of a Unit within a Neighborhood shall have the number of votes assigned to his Unit in the Declaration. Committee members shall be elected for a term of one (1)

year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Sections 6, 8, 9, 10, 11, 12, 13, 14 and 15 of these By-Laws; provided, however, the term "Voting Members" shall refer to the Owners of Units within the Neighborhood. Each Neighborhood Committee shall elect a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Neighborhood.

Article VI
Indemnification

Section 1. Authority to Indemnify. (a) Subject to the provisions of Section 2 of this Article VI, the Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Declaration, Charter or these By-Laws, or by the Board of Directors, made a party to a proceeding because of their status as directors, Board, officers, or committee members (the "Indemnified Party") against liability incurred in the proceeding upon a determination, made in accordance with the provisions of Section 48-58-506 of the Tennessee Nonprofit Corporation Act, that:

(1) the Indemnified Party conducted himself in good faith; and

(2) the Indemnified Party reasonably believed:

(A) In the case of conduct in his official capacity with the Association, that his conduct was in the Association's best interest; and

(B) In all other cases, that his conduct was at least not opposed to the Association's best interests; and

(3) In the case of any criminal proceeding, the Indemnified Party had no reasonable cause to believe his conduct was unlawful.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Indemnified Party did not meet the standard of conduct described in this Article VI.

Section 2. Prohibited Indemnification. The Association may not indemnify an Indemnified Party under this Article VI:

(a) In connection with a proceeding by or in the right of the Association in which the Indemnified Party was adjudged liable to the Association; or

(b) In connection with any other proceeding charging improper personal benefit to the Indemnified Party, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

Section 3. Mandatory Indemnification. The Association shall indemnify an Indemnified Party who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because of his status as an Indemnified Party against reasonable expenses (including attorney's fees) incurred by him in connection with the proceeding.

Section 4. Advance for Expenses. The Association may pay for or reimburse the reasonable expenses (including attorney's fees) incurred by an Indemnified Party who is a party to a proceeding in advance of final disposition of the proceeding if:

(a) The Indemnified Party furnishes the Association a written affirmation of his good faith belief that he has met the standard of conduct described in Section 1. of this Article VI;

(b) The Indemnified Party furnishes the Association a written undertaking, executed personally or on his behalf, and meeting the requirements of Section 48-58-504 of the Tennessee Nonprofit Corporation Act, to repay the advance if it is ultimately determined that he is not entitled to indemnification; and

(c) A determination is made, pursuant to Section 48-58-506 of the Tennessee Nonprofit Corporation Act, that the facts then known to those making the determination would not preclude indemnification.

Article VII
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Charter, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Tennessee law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions or Tennessee law, the Declaration, the Charter, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Association Records.

The Association shall maintain a copy of the following records at its principal office:

(1) Its charter or restated charter and all amendments to them currently in effect;

(2) Its bylaws or restated bylaws and all amendments to them currently in effect;

(3) Resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members;

(4) The minutes of all meetings of members and records of all actions approved by the members for the past three (3) years;

(5) All written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years as required by statute;

(6) A list of the names and business or home addresses of its current directors; and

(7) Its most recent annual report delivered to the secretary of state as required by statute.

(b) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her

interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(c) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws so long as it still owns property described in Exhibits "A" or "B" to the Declaration for development as part of the Properties and so long as the amendment has no material adverse effect upon any right of any Member. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent of Voting Members representing seventy-five (75%) percent of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under

that clause. No amendment shall be effective until recorded in the Register's Office for Davidson County, Tennessee.