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THIS INSTRUMENT PREPARED BY:
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IDENTIFICATION REFERENCE

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DAVIDSON COUNTY, TN

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

PARK COURT

This Declaration of Covenants, Conditions, and Restrictions is made this 5th day of April, 1989, by W.L. Bainbridge, Inc., a Tennessee corporation (hereinafter referred to as "Declarant");

W I T N E S S E T H:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties, described in Exhibit "A" hereto, mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property with Park Court, the planned unit development made subject to this Declaration and amendments thereto by the recording of this Declaration. 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 is now or may hereafter be submitted to this Declaration;

WHEREAS, Declarant desires that the real property described in Exhibit "A" be held, sold and conveyed subject to the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the Properties described in Exhibit "A" shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Properties, and shall run with the real property submitted to this Declaration. They 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

Section 1. "Additional Maintenance Area" shall mean those portions of a Residential Unit which the Association is responsible for maintaining, pursuant to Article VIII, Section 2, and those portions of a Residential Unit which by contract with the Owner the Association undertakes to maintain.

Section 2. "Assessments" shall mean Assessments for Common Expenses provided for herein 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 Residential Units and of maintaining the Properties, all as may be specifically authorized from time to time by the Board of Directors and as more specifically authorized below.

Assessments shall be levied equally against Owners of Residential Units for such purposes as are authorized by this Declaration or by the Board of Directors from time to time, provided that in the event of Assessments for exterior maintenance, insurance, or replacement reserves which pertain in particular Residential Units, such Assessments shall be levied upon a pro rata basis among benefited Owners.

There shall be an Annual Assessment, which shall mean the amount assessed yearly against such Owner as established from time to time by the Board. There may be Special Assessments assessed from time to time against

Owner, or a particular Owner, for construction, reconstruction, repair, or replacement of capital improvements to be established, collected, and used as provided herein.

Section 3. "Association" shall mean and refer to Park Court Home Owners Association, Inc., a Tennessee nonprofit corporation, its successors and assigns. The "Board of Directors" or "Board" shall be the elected body responsible for managing the affairs of the Association.

Section 4. "Common Area" shall mean all real and personal property, including the Properties, but excluding Residential Units, components thereof and easements appurtenant thereto, now or hereafter owned by the Association for the common use and enjoyment of the Owners, including, but not limited to, any and all streets, roads, bridges, parking areas, lakes, waterways, fences, structures, sidewalks, curbs, tennis courts, signs, lights, common utilities, and other improvements. The initial Common Area to be owned by the Association shall be conveyed to the Association prior to the conveyance of a subdivision interest to any Residential Unit purchaser.

Section 5. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Area, Limited Common Areas, and those portions of the Additional Maintenance Area which the Association is responsible for maintaining pursuant to Article VIII, Section 2, 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 Articles of Incorporation of the Association.

Section 6. "Limited Common Areas" shall mean those portions of the Properties allocated by this Declaration and/or shown on the Plat for the exclusive use of one or more, but fewer than all, of the Residential Units which are the porch, walk, deck and/or driveway of each unit and the area shown on the Plat as being the land associated with Units 1 and 2.

Section 7. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 8. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 9. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 10. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 11. "Owner" shall mean and refer to one or more persons or entities, including Declarant, who hold the record title to any Residential 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 Residential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.

Section 12. "Person" shall mean a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 13. "Plat" shall mean the recorded plan of the Properties, which is being recorded simultaneously herewith in Book 6900, page 873, Register's Office, Davidson County, Tennessee.

Section 14. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto.

Section 15. "Residential Unit" or "Unit" shall mean a portion of the Properties intended for any type of independent ownership for use and occupancy as a residence by a single family, whether a residence is constructed thereon or not. All Residential Units shall be shown and identified as numbered lots or units upon the Plat. A Residential Unit shall include all easement rights appurtenant to such Unit as set forth herein or as shown on the Plat. Units 1 through 2 shall include the land surrounding and contiguous to the residence situated on each such Unit as shown on the Plat.

ARTICLE II
Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to any restrictions or limitations contained in any Deed or amendment to this Declaration conveying to the Association or subjecting to this Declaration such property. Every Owner shall have the right to park a motor vehicle or vehicles on portions of the Common Area designated for such purpose. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III
Membership and Voting Rights

Section 1. Membership. Every Person who is the record owner of a fee or undivided fee interest in any Residential Unit that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership, and any transfer of a Residential Unit shall operate automatically to transfer to the new record owner thereof the membership in the Association appurtenant thereto. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more persons, shall have more than one (1) membership per Residential Unit owned. In the event the Owner of a Residential Unit is more than one person or entity, 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 a member's spouse, but in no event shall more than one (1) vote for each class of membership applicable to a particular Residential Unit be cast for each Residential Unit, except for Class "B" members as set forth below.

Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership, but any transfer by Declarant of title to a Residential Unit shall automatically transfer the membership in the Association appurtenant thereto, free and clear from any such assignment.

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" members, if any.

Class "A" members shall be entitled on all issues to one (1) vote for each Residential Unit in which they hold the interest required for membership by Section 1 hereof; there shall be only one (1) vote per unit. When more than one Person holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised as those persons themselves determine and advise the Secretary of the Association prior to any meeting according to the procedures and other requirements set forth in the By-Laws. In the absence of such advise, the Residential Unit's vote shall be suspended in the event more than one Person seeks to exercise it.

Any Owner of Residential Units which are leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

(b) Class "B". Class "B" members shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" members shall originally be entitled to three (3) votes for each Residential Unit owned. The Class "B" membership shall terminate and become converted to Class "A" membership upon the happening of the earlier of the following:

(i) when the total outstanding Class "A" votes with respect to the Properties equal or exceed seventy-five percent (75%);

(ii) the 5 day of April, 1991

(iii) When, in its own discretion, the Declarant so determines,

From and after the happening of these events, whichever occurs earliest, the Class "B" member shall be deemed to be Class "A" members entitled to one (1) vote for each Residential Unit in which it holds the interest required for membership under Section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the By-Laws for special meetings, to advise the membership of the termination of Class "B" status.

ARTICLE IV
Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area, the Limited Common Areas, and the additional Maintenance Area, such Maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and other flora on the Common Area, and structures, and improvements situated upon the Common Areas and the Additional Maintenance Area, as set forth more fully in Article VIII.

In the event of the failure of the Association to maintain adequately the Common Areas, Section 81.51 of the Zoning Ordinance for Metropolitan Nashville and Davidson County, Tennessee, to provide such maintenance and charge the cost thereof to the Owners pro rata, which may become a lien against the Units.

Section 2. Owner's Responsibility. In accordance with this Declaration, and except as provided in Article VIII, all maintenance of the interior portions of the Residential Unit, all structural components of the Residential Unit, and other improvements not maintained by the Association shall be the sole responsibility of the Owner thereof. Each of the Owners of Residential Units identified on the Plat as Nos. 1 through 2 shall be responsible for the maintenance and care of the exterior portions and structural components of his Unit and the flora and landscaping of the land comprising his Unit.

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 insurance for all insurable improvements on the Common Area, Limited Common Areas, and those areas contained within the Additional Maintenance Area which the Association is responsible for maintaining, pursuant to Article VIII, Section 2 hereof, against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

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

Premiums for all insurance as required by this Article V shall be Common Expenses of the Association. The policy or policies 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. Cost of insurance coverage shall be included in the Annual Assessment, as defined in Article IX, Section 1.

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

(a) All policies shall be written with a company licensed to do business in Tennessee and holding a rating of BBB+ or better in the Financial Category as established by A.M. Best Company, Inc., if reasonably available, or if not available, the most nearly equivalent rating.

(b) All insurance policies shall be for the benefit of the Residential Unit Owners 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 or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Davidson County 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 agent 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, any Owner, or mortgagee;

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

(vi) that no policy may be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workman's compensation insurance, if and to the extent necessary, and 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 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 may not be cancelled or substantially modified without at least thirty (30) days written notice to the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are to be 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 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 Residential Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 2(a) hereof.

(c) With regard to insurance proceeds relating to any Additional Maintenance Area, such proceeds are to be used exclusively for the reconstruction and repair of such improvements as are damaged.

Section 3. 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 costs of repair or reconstruction of the damaged or destroyed Properties to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total eligible vote of the Association 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 costs of repair or reconstruction, or both, are not made available to the Association 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 by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged portions of the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 4. Repair and Reconstruction. If the damage or destruction for which the 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 members, levy a Special Assessment against the Owners in proportion to the number of Residential Units owned by such Owners. Additional Assessments may be made in like manner at any time during or following the completion or repair or reconstruction. In any fiscal year, the Board may not, without the vote or written consent of a majority of the voting power of the Association residing in members other than the Declarant, levy such Special Assessments which in the aggregate exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

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 such judicial partition until the happening of the conditions set forth in Section 3 of the Article V in the case of damage or destruction, or 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 all Owners) by any authority having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Association as Trustee for all Owners and shall 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, and at least seventy-five percent (75%) of the total eligible 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
Rights and Obligations of the Association

In addition to the powers delegated to it by the Charter, the Association shall have the obligation to perform each of the following duties:

Section 1. Operation and Maintenance of the Common Area and Limited Common Areas. To operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area and Limited Common Areas (excluding patios/decks which shall be maintained by the individual Unit Owners in keeping with approved architectural standards), together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Area, to keep all improvements, if any, of whatever purpose from time to time located thereon in good order, condition and repair. Any other provision of this Declaration, the Charter of the Association, or the By-Laws of the Association, notwithstanding, the Association always shall maintain lien-free title to the Common Area excepting only the lien of current taxes not yet due and payable.

Section 2. Additional Maintenance Obligations. In addition to the operation, maintenance and management duties of the Association set forth in Section 1 above, the Association shall provide for the good maintenance, care, repair, and replacement of the following portions of the Residential Units:

(a) The exterior landscaping (except for landscaping and flora on the Limited Common Areas), walkways, and porches located upon or about each Residential Unit, except Units 1 and 2. The Association shall have the right, however, to contract with the Owner of any Residential Unit for the maintenance of such other area and items as the Board may deem appropriate. The Association also shall maintain the exterior of each Residential Unit, except Units 1 through 2 which maintenance shall be the responsibility of the respective Owners thereof, as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Residential Unit), and other miscellaneous repairs of a non-structural nature. Such exterior maintenance shall not include glass surfaces (whether windows or sliding glass doors), screens

or patio covers. The balance of the Residential Units and the improvements located thereon shall be maintained by the Owner of the particular Residential Unit involved. Each of the Owners of Unit Nos. 1 through 2 shall be responsible for the care and maintenance of all exterior portions and structural components of his Unit and flora, landscaping, and care of the land comprising his Unit and shall maintain the exterior portions of his Unit in good and sightly manner and shall perform such repairs and replacements, and maintain his Unit in a condition, comparable to that provided by the Association with respect to the other Units. In the event that an Owner fails to maintain his Unit and the improvements thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore and maintain the Unit and the exterior portion of the Unit, including the lot on which it is situated, and any other improvement situated thereon; provided, however, that this provision shall not apply to Units 1 and 2. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

Notwithstanding the foregoing, if the need for exterior maintenance and repair by the Association as required by this paragraph is caused by the willful or negligent conduct or act of an Owner, his family, guests, invitees, or other Persons using or occupying his Residential Unit with his express or implied permission, the cost of such repair or maintenance shall be assessed against such Owner and shall be due and payable thirty (30) days from the date of notice thereof, such Assessment to be collected and enforced as provided in Article VIII of this Declaration. Such Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which such Assessment is levied shall be entitled to notice, a hearing, and an opportunity to do the corrective work required, as provided by Article XI, section 3 hereof, prior to any Assessment being levied against such Owner in accordance with the provisions of this paragraph. For the sole purpose of performing the exterior maintenance upon each Residential Unit required by this Section 2, the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon or into any Residential Unit at reasonable hours of any day except Sunday.

(b) The duly authorized agents or employees of the Association shall have the right to enter in or upon any Residential Unit or into any structure thereon, without notice to the Owner thereof, when, in the judgment of the Association, acting through its Board of Directors, such entrance is necessary to prevent damage to such Residential Unit or surrounding Residential Units by fire, criminal act, natural disaster, or other similar emergency.

Section 3. Water and Other Utilities. To acquire, provide, and/or pay for water, sewerage, garbage disposal, electrical, telephone, gas, and other necessary utility services for the Common Area and all utility services necessary to enable the Association to maintain the Additional Maintenance areas as provided in Section 2 of this Article VIII.

Section 4. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or of the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

Section 5. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, with a financial rating by Best's Insurance Reports of BBB+ or better, and maintain in force at all times such insurance as is required by this Declaration.

Section 6. 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 interest within Davidson County conveyed to it by the Declarant.

Section 7. 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 suspensions of the right to vote and the right to use the Common Area. 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. In addition, the Association, through the board, may, by contract or other agreement, enforce county ordinances or permit Davidson County to enforce ordinances on the Properties for the benefit of the Association and its members.

Section 8. 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 resonably 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.

ARTICLE IX
Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. The Annual Assessment shall be allocated equally among all Residential Units within the association, except for Units owned by Declarant and Unit Nos. 1 through 2 for which the Annual Assessments shall be separately determined. The Annual Assessments shall be for expenses determined by the board to be for the benefit of the Association as a whole except for the Annual Assessments charged for Units owned by the Declarant and Unit Nos. 1 through 2, which Assessments shall only be for expenses determined by the Board to be for the use and benefit of Declarant, or such Unit Owners, as the case may be, and which Assessments shall exclude expenses which do not benefit Declarant or such Unit Owners. Special Assessments may be levied against all Residential Units when all units are benefited, or against a Residential Unit or Residential Units in particular portions of the Properties when, in the opinion of the Board, the Special Assessments benefit less than the Association as a whole. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. All such assessments, together with interest at the highest rate allowable under the laws of Tennessee from time to time relating to usury for residential real estate loans, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Residential 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 Residential 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 Residential Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. 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 assessment for delinquents; unless the Board otherwise provide. The assessments shall be paid in monthly installments.

The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2. The Association is specifically authorized to enter into subsidy contracts with Declarant or other entities for the payment of some portion of the Common Expenses. Such contract or contracts shall be for the benefit of and enforceable by the Association and its members.

Section 2. Computation of Annual 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 membership 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. The Board shall cause a copy of the budget, and the amount of the Assessment to be levied against each Residential Unit for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget 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 current year shall continue for the succeeding year.

Section 3. Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the Members, Special Assessments, applicable only to that year, to be used solely to defray, in whole or in part, the cost of any construction, reconstruction, or unexpected expense; provided, however, that any Special Assessment shall be approved by vote or written consent of fifty-one percent (51%) of the total votes of the Association present and voting, either in person or by proxy, and entitled to vote at a meeting of the members of the Association called for such purpose at which a quorum is present. In no event shall Units 1 or 2 be subject to such special assessment unless the expense in question be deemed to directly affect such Unit(s).

Section 4. Lien for Assessments. To secure the payment of any Assessment, a lien is expressly retained in favor of the Association or each and every Residential Unit. Such 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.

For the purpose of rendering unnecessary court procedings for the enforcement of said lien in the event of the nonpayment of Assessments, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto Patricia Spicer Carden, Trustee, her successors and assigns, their respective Residential Units with the appurtenances, estate, title and interest thereto belonging upon the use and trusts set forth in this paragraph.

If the Trustor shall pay the Assessment when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Residential Unit. If the Assessments with respect to any Residential Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect and the paid Trustee, or his successor in trust, is hereby authorized and empowered upon, giving twenty (20) days notice by three publications in any newspaper, daily or weekly, published in Davidson County, Tennessee, to sell said Residential Unit at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, homestead, dower and all exemptions of every kind, which are hereby expressly waived; and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any Assessment, enter and take possession of said property, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Residential Unit, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the

delivery to him by the Trustee of a deed for said property. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorney's fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid with respect to such Residential Unit;

(3) Third, to the payment of all unpaid Assessments with respect to such Residential Unit;

(4) Fourth, the residue, if any, will be paid to the Owner of such Residential Unit, his order, representatives or assigns.

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

The Association, acting on behalf of the Owners, shall have the power to bid for the Residential Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Where the purchase of a foreclosure Residential Unit will result in a ten percent (10%) or greater increase in Assessments, the purchase shall require the vote or written consent of a majority of members of each class of Membership. During the period such Unit is owned by the Association, following foreclosure: (1) no right to vote shall be exercised on its behalf; (2) no Assessment shall be assessed or levied on it; and (3) each other Residential Unit shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Residential 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. The Board may temporarily suspend the voting rights of a Member who is in default of payment of any Assessment after notice and hearing.

Section 5. Capital Budget and Contribution. As noted in Article IX, Section 2, above, the Board of Directors shall annually prepare a capital budget which shall 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, if any, 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 required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Section 6. Certificate of Payment. The Board shall upon request and for a reasonable charge not to exceed $25.00, furnish to any person a certificate, signed by an officer of the Association, setting forth whether or not Assessments, whether Annual or Special, on a specified Residential Unit have been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

ARTICLE X
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 Committee established in Section 1 of this Article. This Article may not be amended without the Declarant's written consent, so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 1. Modifications Committee. The Modifications Committee (MC) shall consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors; provided, however, that during the first five (5) years following the recordation of this Declaration, Declarant shall have the sole and exclusive right to appoint one of the five members of the MC, and such member, or his or her successor, shall be entitled to serve on the MC throughout said five (5) year period. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or existing Residential Units or structures containing Residential 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 residential 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 MC shall promulgate detailed Standards and Procedures governing its area of responsibility and practice. In addition thereto, the following shall apply. Plan and specifications shows the nature, kind, shape, color, size and materials, and location of such modifications, additions, or alterations, shall be submitted to the Modifications Committee 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 structure, 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. An Owner may paint the interior of his residence any color desired. In the event 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.

ARTICLE XI
Use Restrictions

Section 1. In addition to all other covenants contained herein, the use of the Properties is subject to the following:

(a) Residential Use. Except as otherwise provided in this Declaration, each Residential Unit shall be used as a residence and for no other purposes, and there shall not be constructed or maintained upon any Residential Unit more than one single-family residence. Except as otherwise provided in this Declaration, the Common Area shall be used for recreational, social, and other purposes directly related to the single-family use of the Residential Units authorized hereunder.

(b) Maintenance of Interior. Each Owner shall be responsible for the maintenance of, and shall maintain, the interior of his Residential Unit, including interior walls, windows, glass, ceilings, floors, doors, windows, and permanent fixtures and appurtenances thereto, patios and other easement areas appurtenant to such Unit, and such other portions of his Unit for which care and maintenance is his responsibility, in a clean, sanitary and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating.

(c) Association to Landscape Common Area and Additional Maintenance Areas. The Association shall have the right and the obligation at any

time to plant, replace, maintain, and cultivate shrubs, trees, grass, planting, and other landscaping upon the Common Area.

(d) Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any Residential Unit or portion of the Common Area, except for (1) directional or informational signs, established by Declarant or the Association, (2) signs used by Declarant, or by its successors or assigns, to advertise the Properties, provided such signs are located on the Common Area or on Residential Units owned by Declarant, and (3) signs not in excess of ten (10) square feet per side erected by an Owner upon or about that Owner's Residential Unit to advertise the sale of that Unit.

(e) Quiet Enjoyment. No noxious or offensive activity shall be carried on, in or upon any Residential Unit or any part of their Properties, nor shall anything be done thereon that shall interfere in any way with each Owner's quiet enjoyment of his respective Residential Unit, or that shall increase the rate of insurance in any way. The provisions of this Paragraph are subject to the rights of Declarant and its successors and assigns to develop the Properties as provided in Article XII, Section 7.

(f) Temporary Structures. No structure of a temporary character, or other out-building shall be placed or used on or about the Common Area or Limited Common Area at any time, as, either temporarily or permanently, except for Units 1 through 6. No trailer, camper, boat, or similar equipment shall be permitted to remain upon or within the Common Area unless on a space designated for such use by the Association. Declarant or its agents shall have the right to conduct any business necessary for the sale of Residential Units, including showing model units and maintaining a sales and/or constructions office on the Common Area or in any Residential Units owned by Declarant. In furtherance thereof Declarant shall have an easement over all of the Common Area for ingress, egress, and parking for itself, its agents, employees, and prospective buyers of Residential Units for so long as Declarant or any subsidiary or affiliated company owns any interest in the Properties.

(g) Animals. No animals, reptiles, rodents, livestock, birds, fish, or poultry of any kind shall be raised, bred, or kept in or on the Common Area except that dogs, cats or such other household pets approved by the Association may be kept in the Residential Units, provided such pets are not kept, bred, or maintained for any commercial purposes or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept in any Residential Unit if such keeping results in an annoyance or is obnoxious to residences in the vicinity. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees and tenants and to the Association for any and all damage to person and property caused by any pets brought or kept in or upon any Residential Units or on the Common Area or Limited Common Areas by any Owner or by members of his family, guests or invitees. Upon the written request of any Owner, the Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this Paragraph (g), a particular species of animal, bird, fowl, poultry, or livestock is a generally recognized house or yard pet or a nuisance or whether the number of animals or birds is reasonable.

(h) Exterior Structures. No fences, ornamental screens, awnings, screen doors, sunshades, walls, or hedges shall be erected or permitted upon the Common Area or Limited Common Areas, except such as are installed in accordance with the initial construction of the improvements or approved by the Association. No building, including out-buildings, patios, fences, and porches, shall be removed from, erected on, placed or altered on any portion of the Common Area or Limited Common Areas until the construction plans and specifications and a plan showing the exact location of the structure or improvements have been approved in writing by the Association with respect to quality of workmanship and materials, harmony of external design with existing structure or structures, and location. Any alteration in the exterior color of any structural improvement shall be subject to the prior approval of the

Association. The prohibitions set forth herein shall not apply to Declarant nor shall they apply to units 1 through 2.

(i) Parking - Motor Vehicles. Owners of Units Nos. 1 through 2 shall provide their own parking on their respective Units. Ownership of all other Units shall entitle the owner or owners thereof to the use of not more than two (2) automobile parking spaces which shall be provided by the Association on the Common Area, and which spaces shall be as near and convenient to said Unit as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Board of Directors may impose rules and regulations not inconsistent with this Declaration with respect to the maintenance and use of parking spaces provided on the Common Area and the uses, operating and control of motor vehicles thereon.

(j) Exterior Radio and Television Equipment. Unless approved by the Association, no towers, antennae, aerials, or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected and maintained on any portion of the Common Area or Limited Common Areas.

(k) Garbage Collection. All refuse containers and all storage areas shall be kept in a neat and orderly condition in conformity with the original plan set forth by Declarant. No incinerators shall be kept or maintained on or about the Common Area, Limited Common Areas, or any Residential Unit.

(l) Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his respective Residential Unit and the utility charges for said Residential Unit.

(m) Infections, Plant Diseases or Insects. No Owner shall permit any thing or condition to exist upon any portion of such Owner's Residential Unit or Limited Common Areas allocated to such Unit that shall induce, breed, or harbor infections, plant diseases, vermin or noxious insects.

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

Section 2. Additional Restrictions. The Board of Directors shall be entitled to invoke additional rules and regulations from time to time for the operation, use, and maintenance of the Properties, including the Units, Common Area, and Limited Common Areas, provided such rules and regulations are not inconsistent with this Declaration.

Section 3. Inspection and Enforcement.

(a) During reasonable hours, any member or representative of the Board shall have the right to enter upon and inspect any portion of the Properties and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with. Such Persons shall not be deemed guilty of trespass by reason of such entry, provided 24 hours' prior written notice has been given to the Owner of any Residential Unit entered upon.

(b) In the event that an Owner fails to comply with the provisions of this Article or any other provisions of this Declaration, the Board shall notify such Owner in writing of such lack of compliance, which notice shall specify the nature of such lack of compliance. If, within five (5) days following receipt of such notice, such Owner (1) fails to remedy such lack of compliance and (2) fails to deliver written notice to the Board requesting a hearing before the Board with regard to the matters of non-compliance set forth in such notice, the Association may enter in or upon such Owner's Residential Unit for the purpose of remedying the matters set forth in such notice and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall promptly hold a hearing

and shall provide the Owner with at least seven (7) days' written notice concerning the date, time, and place thereof. At the hearing, the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Board's original notice of non-compliance and the Board will determine what action, if any, is to be taken by the Owner. The decision of a majority of the members of the Board present at the hearing will be binding on the Association and the Owner. In the event that it is determined that the Owner has not complied with the provisions of this Article, the Board shall establish a reasonable time within which the Owner shall so comply. If the Owner fails to comply within such time period, the Association may enter in or upon the Owner's Residential Unit for the purpose of remedying such matters and shall not be liable for trespass in connection therewith. The cost of remedying an Owner's failure to comply with the provisions of this Article shall be assessed to the Owner by the Board. Such Assessment shall be due and payable thirty (30) days from the date of written notice thereof and shall be collected and enforced in the manner provided in Article IX of this Declaration. Notwithstanding any other provision hereinabove, if the non-complying Unit is Unit 1 and 2 the Board's sole remedy shall be by action in a Court of law or equity and the Board shall not be authorized to enter and cure the non-complying condition.

ARTICLE XII
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 sixty-seven percent (67%) 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.

Section 2. Amendment.

(a) Subject to the provisions of Paragraph (b), Declarant may amend this Declaration at any time prior to the recording of the deed conveying the first Residential Unit to an Owner unaffiliated with Declarant. After the recording of such deed, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing sixty-seven percent (67%) of the total voting power of the Association. However, the percentage of voting power 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 of Davidson County, Tennessee.

(b) Notwithstanding Paragraph (a) above, Declarant or its successors shall have the unilateral right to amend this Declaration without the approval or consent of the Class A members during such time as Declarant or its successor is a Class B member.

(c) 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 of privilege.

Section 3. Indemnification. The Association shall indemnify every officer and director 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 or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officer and directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees, subject to such rules and regulations as the Board of Directions may adopt.

Section 5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between such Residential Unit and such portion or portions of the Common Area or Limited Common Areas adjacent thereto or as between adjacent Residential 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 five (5) feet, as measured from any point on the common boundary between each Residential Unit and the adjacent portion of the Common Area or as between said adjacent Residential 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 conduct on the part of an owner, tenant or the Association.

Section 6. Easements for Utilities, Etc.

(a) There is hereby reserved to the Declarant and granted to the Association blanket easements upon, across, over and under all of the Properties for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, telephones, gas, and electricity. The Board shall, upon written request, grant such easements as may be reasonably necesary for the development, maintenance or alteration of any Properties described in Exhibit "A".

(b) Declarant hereby reserves unto itself and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as set forth in this Declaration, the Charter, By-Laws, and Association Rules.

(c) Notwithstanding anything herein expressly or implied to the contrary, this Declaration and the conveyance of each Residential Unit shall be subject to all easements heretofore or hereafter granted by Declarant, by the Board, or otherwise, for the installation and maintenance of utilities and drainage facilities necessary for the use, operation, maintenance, and development of the Properties.

(d) Whenever sanitary sewer connections, water connections, or electricity, gas, or telephone lines are installed within the Properties, which connections or any portion thereof lie in or upon the Common Area, Limited Common Areas or Residential Units owned by Owners other than the Owners of the Residential Units, served by said connections, the Owner of each Residential Unit served by said connections is hereby granted an easement with respect to those connections and shall have the right, and hereby is granted an easement to the full extent necessary

therefore, to enter upon or have the utility companies enter upon the Residential Unit or Common Area or Limited Common Areas upon which said connections, or any portion thereof, lie for the purpose of repairing, replacing, and generally maintaining said connections as and when the same may be necessary.

(e) Whenever sanitary sewer connections, water connections, or electricity, gas, or telephone lines are installed within the Properties, which connections serve more than one Residential Unit, the owner of each Residential Unit served by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Residential Unit.

(f) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon the written request to the Association of any one of such Owners, the matter shall be submitted to the Board, which shall decide the dispute and make an assessment against any or all of the Owners involved which assessment shall be collected and enforced in the manner provided by Article IX of this Declaration.

(g) Each of the easements provided for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Residential Units and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Properties. In furtherance of the easements provided for in this Declaration, the individual deeds to Residential Units may, but shall not be required to, set forth said easements.

Section 7. Construction and Sale by Declarant. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Residential Units shall continue, it shall be expressly permissible for Declarant to construct, maintain and carry on upon portions of the Properties, other than Residential Units owned by persons other than Declarant, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such residences, including, but not limited to, business offices, signs, Residential Units, utilities, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use residences owned by the Declarant as models and sales offices. This Section may not be amended without the express written consent of the Declarant.

Section 8. 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 9. Right of Entry. The Association shall have the right to enter into any Residential Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include the right of the Association to enter a Residential unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

ARTICLE XIII
Party Wall

Section 1. General Rules of Law Apply. Each wall of fence built as a part of the original contruction of a structure upon the Properties

and placed on the dividing line between two Residential Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liabilty for property damage due to negligence or wilful acts or ommissions shall apply thereto.

Section 2. Sharing of Repair or Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall, in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and, if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, to the right of any such Owner to call for a larger contribution from any other Owner under any rule of law regarding the liability for negligent or willful acts or omissions.

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

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

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

ARTICLE XIV
Obligation to Rebuild

Section 1. Damage and Destruction -- Duty to Rebuild. If all or any portion of any residence constituting a part of a Residential Unit is damaged or destroyed by vandalism, malicious mischief, fire, windstorm, or other casualty, it shall be the duty of the Owner of said residence to rebuild, repair, or reconstruct said residence in a manner that will restore it substantially to its appearance and condition immediately prior to the casualty.

Section 2. Time Limitation. The Owner of any damaged residence shall be obligated to proceed with all due diligence and commence reconstruction within forty-five (45) days after the damage occurs and to complete reconstruction within eight (8) months after the damage occurs for any major structural damage and within sixty (60) days for any minor non-structural damage, unless prevented by causes beyond their resonable control, except that disputes concerning insurance coverage shall not be deemed as an adequate cause for delay.

ARTICLE XV
Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, 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 of the County of Davidson.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration, this 5th day of April, 1989.

W. L. Bainbridge, Inc.

BY: _____

ITS: President

STATE OF TENNESSEE
COUNTY OF Davidson

Before me, the undersigned, of the state and county aforesaid, personally appeared W.L. Bainbridge, III, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be President of W.L. Bainbridge, Inc., the within named bargainor, a corporation, and that he is such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal, at office in Nashville, this 5th day of April, 1988.

Notary Public

My commission expires: 7-13-91

Land in the 5th, formerly the 7th Civil District of Davidson County, TN, described according to a survey made by Anderson - Delk & Associates, Inc., dated March 16, 1988, as follows:

BEGINNING AT A POINT in the southerly right-of-way of Tusculum Road, said point being the NW curve of a tract of land conveyed to Metro Government in Book 4890, page 330 (William A. Pitts Park); thence S 11 deg. 38' 28" E 576.07 feet to the southeasterly corner of the property herein described; thence S 83 deg. 56' 26" W 451.31 feet to a point which is the southwesterly corner of the property herein described; thence N 1 deg. 36' 47" E 176.30 feet to a point; thence N 1 deg 58' 38" E. 371.13 feet to a point in the southerly margin of Tusculum Road; thence along the southerly right-of-way of Tusculum Road N 76 deg 35' 47" E 306.21 feet to a point; S 13 deg. 24' 13" S 10.00 feet to a point; thence N 76 deg. 35' 47" E 15.00 feet to the POINT OF BEGINNING, containing 4.97 acres, more or less.