This instrument prepared by
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Nashville, Tennessee 37238-0091

DECLARATION

OF COVENANTS, CONDITIONS, AND RESTRICTIONS

(VILLAGES OF LARCHWOOD)

THIS DECLARATION, made on the date hereinafter set forth by Villages of Larchwood Joint Venture, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Nashville, County of Davidson, State of Tennessee, which is more particularly described as:

All that real estate described in Exhibit "A" attached hereto.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Villages of Larchwood Property Owners Association, its successors and assigns to be organized as a not-for-profit corporation.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Plat" shall mean the Plat of Villages of Larchwood, Section 1 of record in Book 7900 page 106, R.O.D.C., Tennessee, and such other plats as are submitted to this Declaration pursuant to the provisions of Article VII hereof.

Section 4. "Properties" shall mean and refer to that certain real property submitted to this Declaration and described on Exhibit A attached hereto, and such other property as may be submitted to this Declaration pursuant to Article VII hereof. The properties shall not include any public streets included within a plat.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners and designated as such on any recorded plat. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All that real estate described in Exhibit "B" attached hereto.

Section 6. "Lot" shall mean and refer to any lot shown upon any recorded plat. The term "Lot" shall not include Common Area or dedicated streets.

Section 7. "Declarant" shall mean and refer to Villages of Larchwood Joint Venture, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development (undeveloped lot shall mean a lot without a single family residence constructed thereon) and provided such successors and assigns are designated in writing by the Declarant as a successor or assign of the rights of the Declarant as set forth herein.

ARTICLE II

PROPERTY RIGHTS

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

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

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3 of each class of members has been recorded.

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

Section 3. Certain Prohibitions. Anything herein to the contrary notwithstanding, the Association shall not be dissolved nor shall it dispose of all or any portion of the 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, Tennessee, and said dedication be approved by the Metropolitan Planning Commission.

In the event the Association or its successor shall at any time fail to maintain the Common Area in reasonable order and condition in accorance with the adopted master development plan, the Zoning Administrator of the Metropolitan Government of Nashville and Davidson County, Tennessee may serve written notice upon the Association and/or the members 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 year . When the Zoning Administrator determines that the organization is not prepared for the maintenance of the Common Area, such agency shall continue maintenance for yearly periods.

The cost of such maintenance by such agency shall be assessed against the owners proportionately and shall become a lien on the Properties. Provided, however, said lien shall be subordinate to the lien of any first mortgage or deed of trust. However, the sale or transfer of any lot pursuant to any mortgage or deed of trust foreclosure of any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer.

ARTICLE III

USE RESTRICTIONS

Section 1. Single Family Residential Construction. No building shall be erected, altered, or permitted to remain on any lot other than one detached single family residential dwelling.

Section 2. Minimum Square Footage within Improvements. The total living area of the main structure upon any Lot, exclusive of open porches, patios, garages and breezeways, shall not be less than nine hundred fifty (950) square feet.

Section 3. Location of the Improvements Upon the Lot. All lots are and shall remain subject to the minimum building setback lines, maximum lot coverages, and side yard requirements prescribed by the

appropriate zoning ordinances for the R-10 Residential Planned-Unit-Development District as per the Recorded Plat.

Section 4. Prohibition of Offensive Activities. No activity for profit or not, shall be carried on, on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the neighborhood. Provided, however, Declarant and any residential builder to whom Declarant sells any undeveloped Lots may conduct sales activities within the Properties and may in connection therewith erect for sale and other advertising signs and may install certain lighting effects for the purpose of displaying model homes. All such activities, signs, and lighting shall be subject only to the reasonable discretion of Declarant.

Section 5. Use of Temporary Structures. No structure of a temporary character, (trailer, basement, tent, shack, garage, barn or other outbuildings) shall be used on any Lot at any time as a residence. Temporary structures used as building offices and for the related purposes during the construction period must be sightly and maintained in such a manner so as not to be detrimental to the appearance of the development.

Section 6. Storage of Automobiles, Boats, Trailers, and Other Vehicles. No boat trailers, boats. travel trailers, inoperative automobiles, campers or vehicles of any kind are to be stored in the public street right-of-way. Permanent and semi-permanent storage of such items and vehicles must be screened from public view, either within the garage or behind a fence which encloses the rest of the Lot. Semi-permanent is determined as exceeding a seventy-two (72) hour period of time.

Section 7. Removal of Trees. No tree with a trunk diameter larger than six (6) inches shall be removed from any lot without permission of the Declarant or such agent or successors as it may designate. Permission for the removal of said trees for the construction of residential structures or other related improvements will be readily granted, provided all due concern and care is used in the layout of said improvements to minimize losses of trees.

Section 8. Mineral Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot. No Derrick or other structure designed for the use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 9. Animal Husbandry. No animals of any kind shall be raised, bred, or kept on any Lot except dogs, cats, or other common household pets, provided they are not kept, bred or maintained for commercial purposes and no more than two of each type of pet is kept.

Section 10. Lot Maintenance. The Owners or occupants of all improved Lots shall at all times keep all weeds and grass thereof cut in a sanitary, healthful and attractive manner and shall in no event use any lot for storage of materials and equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn anything (except by use of an incinerator as permitted by Law). The drying of clothes in full public view is prohibited and the Owners or occupants of any lots at the intersection of streets or adjacent to designated open space or other facilities where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a drying yard or other suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, wood piles or storage piles, which are incident to the normal residential requirements of a typical family.

Section 11. Sign, Advertisements, Billboards. Except for signs owned by Declarant or builders advertising their homes during the period of original home construction and home sales, no sign, advertisement, or billboards or advertising structure of any kind other than normal "For Sale", "Pending Contract", or "Sold" signs of a temporary nature, not to exceed five (5) square feet in total size, may be erected or maintained on any Lot in said subdivision. Declarant, or its assigns, will have the right to remove any sign, advertisement or billboard structure that does not comply with the above, and in doing shall not be subject to any liability for trespass or other sort on the conjunction therewith or arising with such removal.

Section 12. Maximum Height of Antennae. No radio or television aerial wires or antennae shall be maintained on any portion of any Lot forward of the front building line of said Lot; nor shall any free standing antennae of any style be permitted to extend more than ten (10) feet above the roof of the main residential structure on said Lot.

Section 13. Walls, Fences, and Hedges. No hedge in excess of three (3) feet in height, walls or fence shall be erected or maintained nearer to the front Lot line than the walls of the dwelling exiting on such Lot. No side or rear fence, wall or hedge over six (6) feet high, shall be constructed on any Lot.

Section 14. Roofing Material. The determination of materials to be used for the roof of any building to be located on any Lot shall rest exclusively with the Architectural Control Committee and the type and coloring of roofing material shall be permitted only at it's sole discretion upon written notice.

Section 15. Fence Construction. The determination of materials to be used for the construction of any fence to be located on any Lot shall rest exclusively with the Architectural Control Committee and type and coloring of fence materials shall be permitted only at its sole discretion upon written request. No chain link fence shall be located on any Lot.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

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

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

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

Class B. The Class B member shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall be converted to Class A membership while the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership. In the event the Developer annexes additional land as permitted under Article VII, Section 4, the Developer will have three (3) votes for each Lot owned in the annexed Land and the Developer's three (3) votes for each Lot owned in the land already subject to this Declaration would be reinstated for so long as the total votes of the Class B member (Developer) exceeds the total votes of the Class A member. Anything to the contrary notwithstanding, the Class B membership shall be converted finally to Class A membership on December 31, 1997.

Section 3. The By-Laws of the Association are attached as Exhibit "C".

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

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

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be Seven and 50/100 Dollars ($7.50) per Lot.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

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

Section 5. Notice of Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

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

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

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

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon any lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of five (5) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The architectural committee shall also be referred to herein as the "Architectural Control Committee."

ARTICLE VII

GENERAL PROVISIONS

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

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

Section 3. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation.

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

(b) Notwithstanding paragraph (a) of this Section 4, additional land (including any presently developed Lots as well as undeveloped Lots and additional Common Area to be determined by the Declarant) within the area described in Exhibit D attached hereto may be annexed by the Declarant without the consent of the members of the Association within five (5) years of the date of this instrument, provided that the Federal Housing Administration (FHA) determines that the annexation is in accord with the general plan heretofore approved by it. The general plan is a Planned Unit Development (PUD). Any property so annexed shall become bound by this Declaration upon the recording of a Plat for the new section of the Development coupled with a statement of intent by the Declarant to subject the property shown in the new Plat to the provisions of this Declaration.

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 19TH day of MARCH, 1990.

VILLAGES OF LARCHWOOD JOINT VENTURE

By: B & P DEVELOPMENTS, INC.

By: David H. Parker, President

Its:

By: James M. Fischer, Jr.

James M. Fischer, Jr.

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared DAVID H. PARKER, 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 or other officer authorized to execute this instrument of the B. AND P. DEVELOPMENTS, INC., the within named bargainor, and that he as such PRESIDENT, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as PRESIDENT.

WITNESS my hand and official seal at office on this the 14th day of MARCH, 1990.

Notary Public

My Commission expires:
11-27-93

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared James M. Fischer Jr., the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal at office, on this the 19 day of March, 1990.

Notary Public

My Commission expires:
11-27-93

EXHIBIT "A"

(The Properties)

Section One of VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION of record in Book 7900, page 106, Register's Office for Davidson County, Tennessee.

EXHIBIT "B"

(Common Area)

All that area shown as "Open Space" on the Plat of Section One of VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION of record in Book 7900, page 106, Register's Office for Davidson County, Tennessee.

EXHIBIT "D"

(Additional Land for Annexation by Declarant)

All that area shown as Lot "2" on the Boundary Plat for the Revised Larchwood Planned Unit Development of record in Plat Book 7900, Pages 104 and 105, Register's Office for Davidson County, Tennessee.

EXHIBIT "C"

BY-LAWS
OF
VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

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

Section 1. "Association" shall mean VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION, a Tennessee not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. "Charter" shall mean the Articles of Incorporation of the Association as filed with the Office of the Secretary of State for Tennessee.

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

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

Section 4. "Declarant" shall have the meaning given it in the Declaration.

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

Section 6. "Common Area" shall have the meaning given it in the Declaration.

Section 7. "Lot" shall have the meaning given it in the Declaration.

Section 8. "Owner" shall have the meaning given it in the Declaration.

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

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

ARTICLE II
NAME AND LOCATION

The name of the Association is VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION. The principal office of the Association shall be located at _____, meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

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

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

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

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, forty percent (40%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors of the Association shall consist of three (3) persons, who need not be Members of the Association, who shall be appointed by the Declarant and who shall serve until the first annual meeting of the Members. From the first annual meeting of the Members and thereafter, the Board of Directors shall consist of seven (7) directors who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect three directors for a term of one year, two directors for a term of two years and two directors for a term of three years. Thereafter, at each annual meeting the Members shall elect directors for a term of three years for the vacancies that are to be filled.

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

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

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

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to

serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may case, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETING OF DIRECTORS

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

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

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

ARTICLE VII
POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) Cause the Common Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

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

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

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

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

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

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

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall

simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

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

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

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

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

ARTICLE IV
COMMITTEES

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

ARTICLE X
BOOKS AND RECORDS

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

ARTICLE XI
ASSESSMENTS

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

ARTICLE XII
AMENDMENTS

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

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

ARTICLE XIII
MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the directors of VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION, have hereunto set our hands this _____ day of _____, 1990.

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CERTIFICATE

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of VILLAGES OF LARCHWOOD PROPERTY OWNERS ASSOCIATION, a Tennessee not-for-profit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 1990.

_____
SECRETARY

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IDENTIF. TREFERENCE

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DAVIDSON COUNTY TN.

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