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DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS OF

BLOSSOM TRACE

A PLANNED UNIT DEVELOPMENT

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DECLARATION OF COVENANTS, CONDITIONS,

AND RESTRICTIONS OF BLOSSOM TRACE

This Declaration of Covenants, Conditions, and Restrictions of Blossom Trace, a Planned Unit Development (hereinafter the Declarant), made as of the 9th day of July, 2001 by Blossom Trace, LLC, a Tennessee limited liability company, hereinafter referred to as "Declarant", for itself, its successors, grantees, beneficiaries and assigns,

WITNESSETH:

1. SUBMISSION TO PLANNED UNIT DEVELOPMENT OWNERSHIP.

(a) The purpose of this Master Deed is to submit the land hereinafter described in Exhibit A, and the improvements constructed thereon, to the planned unit development form of ownership and use, consistent with the manner provided under the provisions of the Tennessee Code Annotated. Title 66, Chapter 27, Section 101, et seq., as amended, known as "The Horizontal Property Act".

(b) The name by which this planned unit development is to be identified is "Blossom Trace, a Planned Unit Development", hereinafter called the " Subdivision or Planned Unit Development".

(c) The address of the Association is 908 Jaywood Court, Old Hickory, TN 37138.

(d) The land, which is hereby submitted to this form of ownership, is fully described in Exhibit A hereto, which, by reference, is made a part hereof as fully as if copied herein. The improvements located on such land include, but are not limited to, thirty-nine (39) residential lots, hereinafter referred to as the Lots. This land as more particularly described in Exhibit A shall hereinafter be referred to as the "Land".

(e) The description and identification of the Lots are shown on the Survey of Blossom Trace, a Planned Unit Development, hereinafter referred to as the "Plat", which Plat is attached hereto as Exhibit A-2 and which is further incorporated by reference herein.

2. DEFINITIONS.

The terms used herein and in the By-Laws, which are attached hereto as Exhibit B, shall have the meanings as follows:

(a) Assessment means a share of the funds required for the payment of expenses and charges which from time to time may be assessed against each Lot Owner with respect to each Lot.

(b) Association means Blossom Trace Homeowners Association, Inc., a Tennessee corporation, not for profit, being the entity responsible for the operation of the Planned Unit Development and its successors. Copies of the By-Laws and Charter of the Association are attached hereto, and made a part hereof as Exhibit B and C, respectively.

(c) Board of Directors means the Board of Directors of the Blossom Trace Homeowners Association, Inc.

(d) Common Areas - all portions of the Land and all improvements located except for the Lot Areas or as is specifically provided herein.

(e) Common Expenses means the following:

(1) Expenses of administration of the planned unit development;

(2) Expenses of maintenance, operation, repair. or replacement of the Common Areas;

(3) Expense of Utility Services to the Common Areas

(4) Expenses declared Common Expenses by provisions of this Declaration or by the By-Laws; and

(5) Any valid charge against the planned unit development as a whole.

(f) Declarant means Blossom Trace, LLC, a Tennessee Limited Liability Company, its successors, beneficiaries and assigns, provided such successors and assigns are designated in writing by Declarant as a successor or assignee of the rights of Declarant set forth herein, or to the rights of the Members comprising the Declarant.

(g) The Land means the improved real property described on Exhibit A to this Master Deed.

(h) Members shall include all Lot Owners of record.

(i) Planned Unit Development shall been the entire project consisting of the Land and all improvements situated thereon as shown on the plat of record in Instrument number 20010724 - 0078049 Register's Office for Davidson County, Tennessee which has been created pursuant to T.C.A. 66-27-103.

(j) Lot shall mean the fee simple estates, as such area is identified, located and described on the Plat and as hereinafter set forth.

(k) Lot Owner means the person or persons holding title in fee simple to a Lot.

(l) Utility Services shall include, but not be limited to, water, sewer, garbage collection, gas, and electricity required to operate the lights and other elements deemed to be Common Area by this Declaration.

3. OWNERSHIP OF COMMON AREAS AND COMMON EXPENSE LIABILITY.

(a) Each Lot Owner shall own a share in the Common Areas, and shall be liable for payment of the percentage of Common Expenses equal to the percentage of the undivided interest in the Common Areas appertaining to each Lot as set forth in Exhibit A-1 attached hereto and by reference incorporated herein; provided.

(b) Any conveyance of an individual Lot shall be deemed to also convey the undivided interest of the Lot Owner in the Common Areas even if such conveyance does not specifically refer to such undivided interest.

4. MAINTENANCE AND ALTERATION OF LOTS.

(a) The maintenance and repair of the Lot shall be the responsibility and expense of the Lot Owner.

(b) If a Lot Owner fails to maintain and repair his or her Lot as required herein, the Association may perform such maintenance or repair and assess the Lot Owner for all

expenses incurred, together with up to a twenty percent (20%) service charge for the Association's services.

5. MAINTENANCE AND ALTERATION OF COMMON AREAS.

(a) The maintenance, operation and repair or the Common Areas shall be the responsibility and the expense of the Association. Included in the responsibilities of the Association shall be the maintenance of the retention pond and the seeding and mowing of all lawns located in the Common Areas of the Planned Unit Development.

(b) There shall be no alteration or further improvement of the Common Areas without prior approval in writing by the Board of Directors. The shares of any cost of such alteration or improvement shall be assessed to the Lot Owners in accordance with their interest in the Common Areas. There shall be no change in the shares and rights of a Lot Owner in the Common Elements which are altered or further improved.

(c) The Declarant shall not need the approval of any Lot Owner or any other party to make changes and/or alterations to the Common Areas until such time as it has sold all thirty-nine (39) Lots in the Planned Unit Development.

6. ASSESSMENTS.

(a) Assessments against Lot Owners for Common Expenses shall be made pursuant to the By-Laws and shall be allocated as set forth in Paragraph 3 of this Declaration.

(b) Assessments, and installments thereon, paid on or before fifteen days after the date when due shall not bear interest, but all sums not paid on or before fifteen days after the date when due shall bear interest at the rate of fifteen percent per annum or at such other rate of interest determined by the Association not to exceed the maximum rate allowed under applicable laws of the State of Tennessee and shall be subject to a $20.00 late charge or such other late charge amount as may be adopted by the Association. All payments upon account shall be first applied to late charges, then interest and then to the assessment payment first due.

(c) The Association shall have a lien for unpaid assessments as provided by the Horizontal Property Regime Act and this Declaration. Such lien shall also secure reasonable attorney's fees and all costs of collection incurred by the Association incident to the collection of such assessment or enforcement of such lien.

(d) In any foreclosure of a lien for assessments, the Lot Owner of the Lot subject to the lien shall be required to pay a reasonable rental for the Lot after foreclosure proceedings are commenced, and the Association shall be entitled to the appointment of a receiver to collect such rental.

(e) The Lot Owner and his/her grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance, but without prejudice to the rights of the grantees to recover from the grantor the amounts paid by the grantee for delinquent assessments. Such liability may not be avoided by a waiver of the use of any Common Areas or by the abandonment of the Lot. The Association shall have the right to sue for and collect any such unpaid as assessments, to foreclose upon the lien securing the

assessments or to institute any other competent proceeding. In any event, the Association shall be entitled to recover all delinquent payments, together with late charges, interest, and all costs of collection, including reasonable attorneys' fees.

(f) A purchaser of a Lot at a foreclosure sale upon a first deed of trust shall be liable only for assessments coming due after such sale and for the portion of due assessments prorated for the period after the date of such sale.

(g) In no event shall the Declarant pay, or be responsible for, the payment of assessments until all of the thirty-nine (39) Lots have been sold and title has been conveyed to purchasers by the Declarant. However, the Declarant reserves the right to contribute to the Association such funds as may be required to maintain the Common Areas, to the extent that the assessments paid by other Lot Owners are insufficient to pay the cost thereof.

7. POWER OF SALE TO ENFORCE ASSESSMENT LIEN.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Areas, the assumption of the obligations of Lot Owners set forth in this Declaration by Lot Owners, their successors and assigns, the receipt of which is hereby acknowledged, and to secure the payment of assessments for Common Expenses, and other assessments, assessed against a Lot Owner by the Association as provided in this Master Deed and By-Laws, interest, late charges and attorney fees as provided herein, hereinafter collectively referred to as the Secured Charges, a lien is expressly retained in favor of the Association on each and every Lot Owner's Lot and prorata interest in the Common Areas.

(b) For the purpose of better and more effectively securing the secured charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of the secured charges, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Lot Owners, their heirs, successors, administrators, and assigns, hereby transfer and convey unto Robert J. Notestine III, hereinafter referred to as Trustee, his successors and assigns, their respective Lots with the appurtenances, estate, title and interest thereto belonging upon the uses and trusts set forth in this Paragraph 8.

(c) The Lot Owners (hereinafter, also referred to as Trustors) agree (i) to pay the Secured Charges when due, as provided in this Declaration (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against their Lot and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to keep their respective Lots in good repair and preservation; (iv) to comply with all of the terms and conditions of this Declaration and By-Laws and all rules and regulations of the Association; and (v) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Declaration and By-Laws or any rule and regulation of the Association. If any Trustor fails to do any of these things, then Trustee

or the Association may do any or all of these things, and the amounts so paid shall bear interest at the highest rate allowed under applicable laws in effect from time to time from the day of payment and shall become a part of the Secured Charges secured hereby.

(d) If a Trustor shall pay the Secured Charges when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Lot. If the Secured Charges with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty days notice by three publications in any newspaper, daily or weekly, published in Davidson County, Tennessee to sell said Lot 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 of the Secured Charges, 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 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 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 attorneys' 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 Lot;

(3) Third, to the payment of all unpaid Secured Charges with respect to such Lot;

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

(e) In the case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts 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 in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

8. EASEMENTS.

Easements are hereby granted as follows:

(a) The following easements are granted to the Association for the following purposes:

(1) Easements through or over any Lot, wiring and other facilities for the furnishing or repair of utility service to Lots.

(2) Easements through or over the Lots for the purpose of maintaining or repairing any portion of the Common Areas or any Lot. All incidental damage caused to a Lot by such maintenance or repair work shall be promptly repaired at the expense of the Association.

(3) Easements are reserved to Declarant, its agents and invitees to the extent necessary, as determined by Declarant, to enable Declarant to carry on any sale or leasing activity, as more specifically provided for in Paragraph 16 of this Declaration.

9. ASSOCIATION.

The operation of the Planned Unit Development shall be conducted by the Blossom Trace Homeowners Association, Inc., herein called the Association, a corporation, not for profit, under the laws of the State of Tennessee, which shall be organized and shall fulfill its functions pursuant to the following provisions:

(a) A representative or representatives of the Declarant shall serve as the sole member of the Board of Directors of the Association until such time as one hundred (100) percent of the existing Lots in the Planned Unit Development are sold.

(b) After one hundred (100) percent of the Lots have been sold by the Declarant, the Board Members of the Association shall be elected by the Lot Owners, and the Declarant shall resign from the Board of the Association.

(c) The By-Laws of the Association shall be in the form attached as Exhibit "B."

(d) The Association shall be incorporated under a Charter in the form attached as Exhibit "C."

(e) The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to a Lot.

(f) Whenever the decision of a Lot Owner is required under any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the Lot Owners or by his or her duly authorized and appointed proxy who would cast the vote of such Lot Owner if in an Association meeting, unless the joinder of the record owners of the Unit is specifically required by this Declaration.

(g) The Lot Owners shall be Members of the Association.

10. INSURANCE.

(a) The Association shall maintain the following insurance coverage:

(1) Public liability insurance shall be secured in such amounts, and with such coverage, as shall be determined by the Board of Directors of the Association but such policy or policies shall be in an amount not less than One Million Dollars ($1,000,000) per occurrence, including, but not limited to, hired automobile and non-owned automobile, with cross-liability endorsement to cover liabilities of the Lot Owners as a group to individual Lot Owners;

(2) Flood insurance, if available, and if the Planned Unit Development is determined by the U. S. Corp of Engineers to be in a flood plain, in an appropriate amount at least

equal to the lesser of (I) the maximum coverage available now or hereafter under the National Flood Insurance Program for all buildings and other insurable property within any portion of the Planned Unit Development located within a designated flood hazard area; or (ii) 100% of current "replacement cost" of all such buildings and other insurable property.

(3) Worker's compensation as required by law.

(4) Directors and officers liability insurance in an amount determined by the Board of Directors, but not less than $250, 000 per occurrence and

(5) Such other insurance as the Association shall determine from time to time to be desirable and in the best interest of Unit Owners:

(b) All policies of insurance shall show the named insured, in form and substance, similar to the following:
Blossom Trace Homeowners Association, Inc., for use and benefit of the individual Lot Owners. All policies shall contain, or have issued in connection therewith, a loss payable clause which shall provide that any proceeds due shall be paid to the Insurance Trustee, as hereinafter defined, subject to the provisions of this Declaration for the use and benefit of the mortgagees of individual Units, if any, and Lot Owners as their interests may appear. Such policies must provide for at least ten (10) days notice to the Association prior to the cancellation or substantial modification of the insurance coverage.

(c) Premiums upon insurance policies purchased by the Association shall be paid by the Association and the costs thereof included in the Common Expenses.

(d) The Association is hereby irrevocably appointed agent for each Lot Owner to purchase insurance as described and set forth in (a), (1), (2), (3), (4) and (5) above and to adjust all claims arising under insurance policies purchased by the Association with the consent of mortgagees holding liens on the affected property and with the consent of such mortgagees to execute and deliver releases upon the payment of claims. However all insurance drafts, notices, policies, invoices, and other necessary documents shall be delivered, after settlement, directly to the affected mortgagee.

11. USE RESTRICTIONS.

The use of the Land and the Lots in the Planned Unit Development shall be in accordance with the following provisions:

(a) Each of the Lots shall be occupied only by a family, individuals, or guests as a residence, and for no other purpose.

(b) No Lot may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred.

(c) The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Lots.

(d) No use or practice shall be permitted in the Planned Unit Development which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use

of the Planned Unit Development by its residents. All parts of the Planned Unit Development shall be kept in a clean and sanitary condition, and no rubbish, refuses, or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No Lot Owner shall permit any use of his Lot, or of the Common Areas, which will increase the rate of insurance upon the Planned Unit Development. No immoral, improper, offensive, or unlawful use shall be made of the Planned Unit Development or any part thereof. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies, which require maintenance, modification, or repair of the Planned Unit Development shall be the responsibility of the person or entity responsible for the maintenance and repair of the property concerned.

(e) Reasonable rules and regulations concerning the use of the Planned Unit Development Land and the Lots may be made and amended from time to time by the Board of Directors in the manner provided by its Charter and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Lot Owners and residents of the Planned Unit Development upon request.

(f) No inoperable motor vehicles may be kept or lodged on any Lot.

(g) Any detached garages or sheds must first be approved in writing by the Board of Directors.

12. DECLARANT'S LOTS AND PRIVILEGES.

(a) Declarant is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease, or rent Lots to any person approved by it. Declarant shall have the right to transact, on the Planned Unit Development property, any business deemed necessary by Declarant to consummate the sale, lease, or resale of Lots, including, but not limited to, the right to post signs, to use the Common Areas and to show Lots. Signs and all items pertaining to sales shall not be considered Common Areas and shall remain the property of Declarant.

(b) As long as any Lot belonging to Declarant remains unsold, neither the Lot Owners, nor the Association, nor the use of the Planned Unit Development property, shall interfere with the sale of any Lot owned by the Declarant. The Declarant shall own such Lot under the same terms and conditions as other Lot Owners, save for the right to sell, rent or lease as contained in this paragraph, including the privilege to vote and the duty to pay assessments on the Lot so held.

(c) The Declarant may waive in writing any power, duty, or office it may have pursuant to the Declaration.

13. PROFESSIONAL MANAGEMENT.

The Association may enter into a contract for the management of the Planned Unit Development with a professional property management company approved by the Board of Directors.

The management contract shall be for an initial term of one (1) year and may be canceled by either party upon ninety (90) days written notice. A decision to establish self-management by the Association shall require the prior written consent of sixty-seven percent (67%) of the votes of the Association.

14. NOTICE OF MORTGAGE LIEN OR SUIT.

(a) A Lot Owner shall give notice to the Association of every lien upon his or her Lot other than for taxes and special assessments, within ten (10) days after the attaching of the lien.

(b) Notice shall be given to the Association of every suit or other proceeding which may affect the title to a Lot within five (5) days after the Lot Owner receive knowledge thereof.

(c) Failure to comply with this Paragraph will not affect the validity of any mortgage instrument or the enforcement thereof at any public or judicial sale.

15. COMPLIANCE DEFAULT AND REMEDIES.

Each Lot Owner shall be governed by, and shall comply with, the terms of this Declaration, the Charter, By-Laws, and Rules and Regulations adopted pursuant thereto, as any of the same may be amended from time to time. In addition to the remedies provided by the Horizontal Property Regime Act, a default by a Lot Owner shall entitle the Association, acting through the Board of Directors or through the Managing Agent, to the following relief:

(a) Additional Liability. A Lot Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Lot, or its appurtenances.

(b) Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a Lot Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

(c) No Waiver of Rights. Failure of the Association or any Lot Owner to enforce any covenant, restriction or other provision of the Horizontal Property Regime Act, this Declaration, the Charter, the By-laws, or the Rules and Regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter. All rights, remedies and privileges granted to the Association or any Lot Owner pursuant to the terms of the Horizontal Property Regime Act, this Declaration, the By-laws or Rules and Regulations of the Association shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising such other privileges as may be granted to such party by any acts, statutes

or ordinances named in this instrument or at law or equity.

(d) Abating and Enjoining Violations. The violation of any provisions of the Declaration and the Bylaws, or any restriction, condition or regulation adopted by the Board of Directors, or the breach of any covenant or provision herein contained, shall give the Board of Directors or its Managing Agent the right, in addition to any other rights provided for in this Declaration:

(1) To enter (either peaceably or forcibly) without liability to such Lot Owner for such entry) upon the Lot, or any portion of the Planned Unit Development upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board of Directors, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or

(2) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach or

(3) To take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Lot Owner's interest in the Land and to maintain an action for possession of such Lot in the manner provided by law.

(4) The privilege and right of the Lot Owner as a Member of the Association will be revoked.

(e) Legal Proceedings, Any violation of the provisions of the Horizontal Property Regime Act, this Declaration, the By-laws, or the Rules and Regulations adopted pursuant thereto, shall be grounds for relief including, but not limited to, an action for money damages, injunctive relief, specific performance, foreclosure of the lien for payment of all assessments, or sale of the Lot pursuant to subparagraph (f) hereof. All expenses of the Association incurred in connection with any such actions or proceedings, including court costs, attorney's fees, all damages and interest thereon at the highest rate allowed by applicable law, shall be assessed against such defaulting Lot Owner and shall be deemed part of his respective share of the Common Expenses. The Association shall have a lien for all of the same upon the Lot and its appurtenant interest in the Common Elements, upon all of the Lot Owner's additions and improvements thereto and upon all of his personal property in his Lot or located elsewhere on the land. Such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit. In the event of any such default by a Lot Owner, the Board of Directors and the Managing Agent, if so authorized by the Board of Directors, shall have the authority to correct such default, and to do whatever may be necessary for such purpose. All expenses incurred in connection therewith shall be charged to and assessed against such defaulting Lot Owner.

(f) Judicial Sale. If any violation by a Lot Owner (or other occupant of a Lot) continues or occurs repeatedly during any ten (10) day period after notice of such violation from the Board of Directors, the Board of Directors shall have the power to terminate such Lot Owner's rights as a Unit Owner. The Board of Directors shall issue a written notice to such defaulting Lot Owner terminating his right to continue to occupy, use or control his or her Lot. Thereafter, the Board of Directors shall file an action seeking a decree

terminating such Lot Owner's right to occupy, use or control his Lot, and ordering that all right, title and interest of such defaulting Lot Owner in his or her Lot and in the Common Areas be sold at a judicial sale. The judicial sale shall be held upon such notice and terms, as the Court shall determine, except that the court shall enjoin the defaulting Lot Owner from reacquiring his interest at the sale. Such judicial sale shall be subject to the lien of any existing deed of trust or mortgage. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Lot Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Lot Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Lot and the Lot Owner's corresponding percentage of ownership in the Common Ares, and to immediate possession of the Lot sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in such Lot and the Common Areas subject to this Declaration. Nothing in this subparagraph (f) shall be construed to limit or abrogate any other right of the Association in the event of a default or violation by a Lot Owner as is otherwise provided herein. Nor shall the Association be obligated to pursue this remedy of judicial foreclosure.

(g) Sale for Non-payment of Assessments. Notwithstanding any term or provision of this Paragraph 18, the Association shall obtain the written consent of a majority of the votes of the Board of Directors prior to the Association's exercise of any of the remedies provided in this Paragraph 18 to terminate the rights of any Lot Owner to occupy, use or control the Lot owned by him or her, except that in the case of the sale of a Lot for non-payment of assessments no such consent shall be required.

16. ASSOCIATION'S RIGHT TO PURCHASE AT A FORECLOSURE SALE.

(a) The Board shall have the power and authority to purchase, on behalf of the Association, any Lot, or interest therein, at a sale pursuant to this Declaration, a mortgage foreclosure, a foreclosure of the lien for Common Expenses under the Horizontal Property Regime Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Lot Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements.

(b) The Board of Directors shall have authority to make special assessments proportionately among the respective Lot Owners, and such other financing arrangements as the Board of Directors may deem desirable, in order to close and consummate the purchase of a Unit, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in property other than the Lot to be purchased and such Lot's appurtenant interest in the Common Areas.

17. AMENDMENTS

This Declaration may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Members of the Association. Directors and Members not present in person or by proxy at the meetings in which the amendment is considered may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Such approval must be by fifty-one percent (67%) of the eligible votes of the Association. However, except as is otherwise provided in this section, the Declarant may amend this Declaration, without the joinder or consent of any Lot Owner, until it has conveyed the thirty-nine (39) Lots.

(c) This power to amend may be used to correct clerical errors and make other clarifications and to adjust boundary lines where necessary for clarification or to reflect accurate surveys. This power to amend shall be completed by filing an amendment of record in the Register's Office of Davidson County Tennessee.

(d) The vote of the Members of the Association shall be necessary to approve a proposed amendment, as set forth in this Declaration, unless a higher percentage vote is required elsewhere in this Declaration, to approve any amendment which would materially effect or change:

(i) The voting rights of Lot Owners;

(ii) The method of assessment of common expenses or the priority of the lien of the

Association for unpaid assessments:

(iii) The requirement of a reserve fund for the repair or replacement of the Common Areas;

(iv) The allocation of responsibility for maintenance or repair of the Common Areas or Lots;

(v) The percentage ownership interest in the Common Areas allocated to each Unit, or the rights of Lot Owners to use the Common Areas;

(vi) The boundaries of a Lot;

(vii) Or which would convert a Lot, or portion of a Lot, to Common Areas, or vice versa;

(viii) Or which would add additional property to the Planned Unit Development, or withdraw a portion of existing property from the Planned Unit Development;

(ix) The right of a Lot owner to lease, sell or transfer a Lot;

(x) Any provision of this Declaration, which expressly benefits any mortgagee, insurer or guarantor.

(e) No amendment shall discriminate against any Lot Owner, or against any Lot or class or group of Lots, unless the Lot Owners so affected shall consent. No amendment shall change any Lot, nor the share of the Common Areas appurtenant to it, nor increase the Lot Owner's share of the Common Areas, unless such Lot Owner and all record owners of liens thereon, shall join in the execution of the amendment.

(f) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Register's Office of Davidson County, Tennessee.

18. TERMINATION.

The Planned Unit Development may be terminated as follows:

(a) The Planed Unit Development may be terminated at any time after obtaining the prior approval in writing of all Lot Owners, and by all record owners of liens thereon in accordance with T.C.A. 66-27-109.

(b) The termination of the Planned Unit Development shall be evidenced by a deed in compliance with T.C.A. 66-27-109, certifying the facts effecting the termination, which deed shall become effective upon being recorded in the Register's Office of Davidson County, Tennessee.

(c) Any distribution of funds resulting from the termination of the Planned Unit Development shall be distributed to the Lot Owners according to their ownership interest in the Common Areas, as set forth in paragraph 3 of the Declaration. In the event a mortgagee endorsement has been issued as to a Lot, the share of the Lot Owner shall be paid to the Lot Owner and the mortgagee, as their interests may appear.

19. NON- LIABILITY OF THE DECLARANT, DIRECTORS AND OFFICERS OF THE ASSOCIATION.

The directors and officers of the Association shall not be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any

nature whatsoever as such Declarant, director or officer, except for any acts or omissions found by a Court to constitute gross negligence or fraud. The Lot Owners shall indemnify and hold harmless each of the directors, officers, or Declarant, and their respective heirs, executors, administrators, successors and assigns, in accordance with the provisions of Paragraph 8 of the By-Laws.

20. SERVICE CONTRACTS.

Declarant shall assign and the Association shall assume certain service contracts designated by Declarant dealing with the maintenance and operation of the Planned Unit Development. These contracts may include, but not be limited to, lawn care, and pool maintenance and garbage disposal.

21. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any paragraph, subparagraph, sentence, clause, phrase, or word, or other provision of this Declaration and the Charter, By-Laws, and Regulations or the Association shall not affect the validity of the remaining portions thereof.

By: James David Carter, Chief Manager

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath acknowledge himself to be of, the within named bargainor, a, and who executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as of the company.

Witness my hand and official seal at Davidson County, Tennessee, this 9th day of July, 2001.

Notary Public Patricia A. Ray

My Commission Expires: Nov. 30, 02

EXHIBIT A

TO THE DECLARATION OF BLOSSOM TRACE, A PLANNED UNIT DEVELOPMENT

LEGAL DESCRIPTION

EXHIBIT A-1

PERCENTAGE OF EACH LOTS UNDIVIDED OWNERSHIP

INTEREST IN COMMON AREAS

LOT NUMBER

PERCENTAGE OF OWNERSHIP

IN COMMON ELEMENTS

1	2.564%
2	2.564%
3	2.564%
4	2.564%
5	2.564%
6	2.564%
7	2.564%
8	2.564%
9	2.564%
10	2.564%
11	2,564%
12	2.564%
13	2.564%
14	2.564%
15	2.564%
16	2.564%
17	2.564%
18	2.564%
19	2.564%
20	2.654%
21	2.564%
22	2.564%
23	2.564%
24	2.564%
25	2.564%
26	2.564%
27	2.564%
28	2.564%
29	2.564%
30	2.564%
31	2.564%
32	2.564%
33	2.564%
34	2.564%
35	2.564%
36	2.564%

37 2.564%
38 2.564%
39 2.564%

TOTAL 100%

EXHIBIT B TO DECLARATION OF

BLOSSOM TRACE HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS FOR THE BLOSSOM TRACE HOMEOWNERS ASSOCIATION, INC.

1. Identity.
   (a) These are the By-Laws of Blossom Trace, herein called the "Planned Unit Development", and Blossom Trace Homeowners Association, Inc. herein called the "Association", a corporation not for profit, incorporated under the laws of the State of Tennessee, the Charter of which was filed in the Office of the Register of Davidson County, Tennessee.
   (b) The Association has been organized for the purpose of administering the Planned Unit Development established by a Declaration of record in Instrument _____, Registers Office of Davidson County, Tennessee, herein called the "Declaration, pursuant to Title 66, Chapter 27 Section 101 et seq., as amended, Tennessee Code Annotated, herein called the "Horizontal Property Regime Act", which Planned Unit Development is identified by the name of Blossom Trace, a Planned Unit Development and is located in Davidson County, Tennessee..

2. Members.
   The Lot Owners, including the Declarant shall be the initial members of the Association. After all thirty-nine (39) Lots are sold, the Declarant shall resign as the initial member of the Association and the Lot Owners shall become the sole Lot Owners in the Blossom Trace Homeowners Association, Inc.

3. Meetings Of Members.
   (a) The Members of the Association shall have an annual meeting. The annual meeting of Members shall be held on a date as scheduled by the Board of Directors.
   (b) Special meetings of members shall be held called by the President, Vice-president, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members entitled to cast not less than one-third (1/3)

of the votes of the entire membership.

(c) Notice of all Members' meetings, stating the time and place, and the objects for which the meeting is called, shall be given by the President, Vice-President or Secretary, unless waived in writing.

(d) The aggregate number of votes for all Lot owners shall be thirty-nine (39) and one (1) vote shall be allocated to each Lot. The Declarant will have one (1) vote for each unit it owns.

(e) If a Lot is owned by one (1) person, his or her right to vote shall be established by the record title to his Lot. If a Lot is owned by more than one (1) person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a certificate of appointment signed by the President or Vice-President, of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote of a Lot may be revoked by any Lot Owner at any time. If no certificate is presented to the Secretary and a Lot is owned by two (2) or more individuals, any record owner present at a meeting of the Association may cast the vote of the Lot. If more than one (1) record owner of a Lot is present at a meeting, only one such owner may cast the vote of the Lot. If the record owners of a Lot cannot unanimously agree as to who may cast the vote of the Lot, the vote of the Lot shall not be counted.

Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

(f) Any Lot Owner who is delinquent for more than sixty (60) days in the payment of any assessment owing for his Lot as determined by the books of the Association as of the date of a meeting, shall not be entitled to vote at such meeting.

(g) The presence of individual Lot Owners entitled to cast a majority of the votes of the Association is required at members' meetings to adopt decisions, except where approval by a greater number of members is required by the Declaration, Charter, or these By-Laws.

(h) The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

(1) election of a chairman of the meeting, if the President is unavailable to preside;
(2) calling of the roll and certifying the proxies;
(3) proof of notice of meeting or waiver of notice;
(4) reading and disposal of any unapproved minutes
(5) report of officers
(6) reports of committees;
(7) election of Board members;
(8) unfinished business;

(9) new business, and
(10) adjournment.

4. Directors.
   (a) The affairs of the Association shall be managed by a Board of Directors. The Board of Directors shall consist of three (3) persons, all of whom shall be persons appointed by the Declarant until such time as one hundred (100) percent of the Lots have been sold or conveyed to third parties. After the sale or conveyance, of one hundred (100) percent of the Lots, the Board of Directors shall be comprised of persons, all of whom shall be Lot Owners current in their assessment fees. In the event any Lot is owned by a partnership, corporation, or fiduciary, such person shall be a partner, officer of the corporation, or the Fiduciary or officer of the Fiduciary, as the case may be. The Board of Directors shall serve without compensation. Thereafter, the compensation, if any, of the Directors shall be as fixed by the vote of a majority of the Lot Owners.
   (b) Three persons shall be elected to serve as the Board of Directors, and the term of office of those elected shall be as follows: the term of office of the one person shall be fixed at three (3) years; the term of office of the one person shall be fixed at two (2) years; and the term of office of one person shall be fixed at one (1) year. The election shall be by a plurality of the votes cast, each member voting must cast his vote (or votes) for as many nominees as there are vacancies to be filled, but there shall be no cumulative voting.
   (c) Vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors until the next annual meeting at which time a Director shall be elected to fill the remaining term of any such vacancy, except as provided in paragraph a hereinabove.
   (d) Any Director may be removed by concurrence of sixty percent (66 2/3%) of the votes of the Board at a Board meeting called for that purpose, except that in the event the Declarant, or its designees serves as Directors, neither Declarant nor such designees may be removed or voted from the Board until such time as the Declarant has sold all thirty-nine (39) Units in the Planned Unit Development.
   (e) In the event of vacancies during the existence of the term of the Board of Directors, the remaining Directors shall fill the vacancies.

5. Directors' meetings.
   (a) The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting of which they were elected, and no further notice of the organizational meeting shall be necessary providing a quorum shall be present.
   (b) Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

(c) Special meetings of the Directors may be called by the President. Notice of the meeting shall be given at least three (3) days prior to the day named. Notice shall state the time, place, and purpose of the meeting.

(d) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

(e) A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration, Charter, or these By-Laws. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting-any business which might have been transacted at the meeting originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

(f) The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

(g) The order of business at a Directors' meeting shall be:
(1) calling of roll;
(2) proof of due notice of meeting;
(3) reading and disposal of any unapproved minutes;
(4) reports of officers and committees;
(5) election of officers (if necessary)
(6) unfinished business;
(7) new business; and
(8) adjournment.

(h) The Directors may adopt any resolution by an instrument in writing, signed by all of the then qualified and acting Directors, provided there then be at least three (3) in number, and any such resolution, when so executed, shall have the force and validity of a resolution adopted at any regular or special meeting.

(i) All minutes and records of actions of the Directors, and all records pertaining to operations of the Association, shall be kept at the management office or at such place as may be designated by the Board of Directors, and shall be available to members for inspection at all times during normal business hours.

6. Powers and Duties of the Board of Directors.

(a) All of the powers and duties of the Association existing under the Horizontal Property Regime Act, the Declaration, the Charter, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Unit Owners when such is specifically required. Compensation of employees of the Association shall be fixed by the Directors. A Director may be an employee of the Association, and a contract for management of the

Unit may be entered into with a Director. The Board of Directors is specifically charged with the responsibility of providing for the care and upkeep of all Common Areas of the Planned Unit Development pursuant to the provisions of the Declaration. Specifically included in the foregoing general powers of the Board of Directors are the following powers and duties, which are listed by way of enumeration and not by limitation:

(1) To elect and remove the officers of the Association;

(2) To administer the affairs of the Association and the Planned Unit Development;

(3) To designate and/or remove, subject to the terms and conditions of paragraph 13 of the Declaration relating to the professional management of the Planned Unit Development, the services of an agent, hereinafter sometimes called the "Managing Agent", to maintain, repair, replace, administer and operate the Planned Unit Development or any part thereof for all the Lot Owners upon such terms and for such compensation and authority as the Board of Directors may approve;

(4) To formulate policies for the administration, management and operation of the Planned Unit Development and the Common Areas;

(5) To adopt rules and regulations, with written notice thereof to all Lot Owners, governing the administration, management, operation and use of the Planned Unit Development property and the Common Areas, and to amend such rules and regulations from time to time;

(6) To provide for the maintenance, repair, and replacement of the Common Areas as required by the Declaration, to make payments therefore, and to approve payment vouchers or to delegate such approval to the officers or Managing Agent;

(7) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Planned Unit Development property and the Areas, and to delegate any such powers to the Managing Agent or any employees of the Managing Agent);

(8) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board of Directors;

(9) To determine the Fiscal year of the Association and to change said fiscal year from time to time as the Board of Directors deems advisable;

(10) To fix the estimated annual budgets, and to provide the manner of assessing and collecting from Lot Owners the respective shares of such estimated expenses, as hereinafter provided;

(11) To borrow money for the purpose of repair or restoration of Common Areas without the approval of the members of the Association

(12) To secure insurance policies as required by the Declaration and in this regard, annually to review the amounts of coverage afforded by such policy or policies;

(13) To maintain or defend any action in any court or other proceeding on behalf of the Lot Owners which arises in connection with the Common Areas,

including but not limited to condemnation or eminent domain actions;

(14) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of Lot Owners as expressed in resolutions duly adopted at any annual or special meeting of Lot Owners;

(15) To exercise all other powers and duties of Lot Owners as a group referred to in the Horizontal Property Act, in the Declaration or these By-Laws.

(16) To grant permits, licenses and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Association.

(b) Specifically, whenever in these By-Laws or in the Master Deed the Association is given the power to take any action, it is the intention of such instruments that the Board of Directors shall act for the Association in all cases, except to the extent that it is expressly provided that action may be taken upon vote of the Lot Owners.

(c) Nothing in these By-Laws shall be considered to grant to the Board of Directors, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to the Lot Owners.

7. Officers.

(a) The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director and a Secretary-Treasurer who shall also be a Director, all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary-Treasurer. The Board of Directors may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation, if any, of officers shall be fixed by the Board of Directors.

(b) The President shall be the Chief Executive Officer of the Association. He or She shall have all of the powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determined appropriate, to assist in the conduct of affairs of the Association.

(c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary-Treasurer shall keep the minutes of all proceedings of the Directors and the members. He/She shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He or She shall keep the records of the Association and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.

(e) In the event the Declarant or its designee serves as any Officer of the Association, neither the Declarant nor its designee may be removed from office until Declarant has

sold one hundred (100) percent of the Lots in the Planned Unit Development.

8. Indemnification.

(a) To the extent not covered by insurance, the Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, the Board of Directors and the Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members or Declarant, on behalf of the Lot Owners, or arising out of their status as directors, Board, officers, committee members or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement: reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative other, in which any such director, officer, Board, committee member or Declarant may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Declarant provided, however, that such indemnity shall not be operative with respect to:

(1) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Declarant, or

(2) any matter settled or compromised, unless the Board determines there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Declarant.

(b) To the extent that the Declarant or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraph (a) or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith

(c) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Paragraph 8.

(d) The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Paragraph, provided, however, that the liability of any Lot Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, board, officers, members of such committees, or Declarant

shall be limited to such proportion of the total liability hereunder as said Lot owner's percentage of interest in the Common Areas, bears to the total percentage interest of all the Lot Owners in the Common Areas. Every agreement made by the directors, Board, officers, members of such committee Declarant or by the Managing Agent on behalf of the Lot owners shall provide that the directors, Board, officers, members of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Lot owner and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Areas bears to the total percentage interest of all Lot Owners in the Common Areas. The indemnification provided by this Paragraph 8 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Declarant or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

9. Assessments.
   (a) An annual assessment shall be made every twelfth (12^{th}) month or as otherwise determined by the Board, and shall be payable in twelve (12) equal payments due on the first day of each month of the year for which the assessment is made. The Board shall provide the Lot Owners with a copy of the proposed Association budget at least twenty (20) days prior to the adoption of such budget. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the same amount as the immediately preceding annual assessment. No annual assessment shall increase by more than five percent (5%) in any year over the assessment of the previous year without the approval of fifty one percent (51%) of the Lot owners.
   (b) If a Lot Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the Lot Owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the Lot Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.
   (c) In the event that during the course of any year it shall appear to the Board of Directors that the annual assessment, payable monthly, determined as aforesaid, is insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board of Directors shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be Furnished to each Lot Owner, and thereupon a

supplemental assessment shall be made to each Lot Owner for his proportionate share of such supplemental budget, and such supplemental assessment shall be paid in a time and manner directed by the Board of Directors.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors. The Directors may contract with a Managing Agent to provide that the Managing Agent shall collect assessments from Lot Owners and other moneys of the Association and disburse Association Funds pursuant to the terms of such contract: provided, however, all employees of the Managing Agent handling or responsible for Association funds must be covered by fidelity bonds as set forth below in subparagraph (9). The signatures of two officers of the Association or in the event a Managing Agent is employed, the signatures of at least one Board member and one management employee specified in the contract, shall be required to sign any check in excess of $10,000.00. All reserve funds of the Association shall be kept in a separate bank account and all checks written on such account shall be signed by at least two officers of the Board or the Managing Agent. If there is no Managing Agent, the signatures of two officers shall be sufficient.

(e) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member not later than one hundred twenty (120) days following the year for which the report is made.

(f) Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least one-fourth (1/4) of the amount of the total annual assessments against members for Common Expenses plus the amount of the reserve account. The premiums on such bonds shall be paid by the Association. The Managing Agent shall be required to provide satisfactory evidence that all employees handling Association funds are protected by a bond naming the Association as the insured.

(g) The Board of Directors shall cause to be kept detailed and accurate records in chronological order of its receipts and expenditures affecting the Common Elements, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board of Directors may determine.

(h) The Board shall, upon receipt of ten (10) days written notice to the Association and upon payment of a reasonable fee, furnish any Unit Owner a statement of his accounts setting forth the amount of any unpaid assessment or other charges due and owing from such Lot Owner.

(i) No assessments whatsoever shall be paid by the Declarant.

10. Rules and Regulations.

The Directors are expressly empowered to adopt and promulgate, from time to time, reasonable rules and regulations governing the use of the Lots and the Common Areas,

including the imposition of penalties for violation thereof. All such rules and regulations shall be binding rules and regulations of the Association unless rejected by a resolution adopted at a meeting of the members or by a writing signed by Members representing at least sixty percent (60%) of the votes of the Association. The Directors shall give written notice to all Members of the adoption of any new rules and regulations or of the amendment of any existing rule or regulation.

11. Amendments.
These By-Laws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Members of the Association. Directors and Members not present in person or by proxy at the meetings to consider the amendment may express their approval in writing, providing such approval is delivered to a Board member or management agent prior to the meeting. Such approvals must be by sixty-seven percent (67%) of the votes of the eligible voting membership of the Association.

(c) No amendment shall discriminate against any Lot Owner or against any Lot or class or group of Lots unless the Lot Owners so affected shall consent. No amendment shall change neither any Lot, nor the share in the Common Areas appurtenant to it, nor increase the Lot Owner's share of the Common Expenses, nor the method of assessment for Common Expenses, nor change the voting rights of Members. unless the record owner of the Lot concerned and all record owners of liens thereon shall join in the execution of the amendment giving their written approval.

(d) A copy of each amendment shall be certified by the President and Secretary of as having been duly adopted and shall be effective upon recording in the Register's Office for Davidson County, Tennessee.

(e) The Bylaws may not be amended by any party except for the Declarant, until sold or otherwise conveyed all thirty-nine (39) Lots to third parties.

12. Parliamentary Rules.
Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meeting when not in conflict with the Declaration, the Charter or these By-Laws.

13. Definition of Terms.
The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration. The term "Member as used in these By-Laws, means Lot Owner, as defined in the Declaration.

14. The Declarant may waive in writing any power, duty, or position it may have pursuant to these By-Laws.

15. Compliance with Statute.
These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of Tennessee, Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time. In case any of these By-Laws conflict with the provisions of

said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing By-Laws are hereby adopted as the By-Laws of the Blossom Trace Homeowners Association, Inc. by the undersigned as of July 9, 2001.

PRESIDENT

James Daniel Carter

SECRETARY-TREASURER

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Before me, the undersigned a Notary Public of the State and County aforesaid, personally appeared, James David Coates, 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 the Blossom Trace Homeowners Association, Inc., the within named bargainor, a corporation, and who executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by James David Coates, Chief Manager self as President of the Corporation.

Witness my hand and official seal at _____, Davidson County, Tennessee, this day of 4th, _____, 2001.

Notary Public Patricia A. Gray

My Commission Expires: 11/30/02

STATE OF TENNESSEE

COUNTY OF _____

Before me, the undersigned a Notary Public of the State and County aforesaid, personally appeared, _____, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath acknowledged _____self to be Secretary-Treasurer of the Blossom Trace Homeowners Associations, Inc., the within named bargainor, a corporation, and who executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by ____self as Secretary-Treasurer of the Corporation.

Witness my hand and official seal at _____, _____County, Tennessee, this _____ day of _____, 2001.

Notary Public

My Commission Expires:_____

CHARTER
OF
BLOSSOM TRACE HOMEOWNERS ASSOCIATION, INC.

The undersigned natural person, having capacity to contract, and acting as the incorporator of a corporation under the Tennessee General Corporation Act, adopts the following Charter for such Corporation:

1. The name of the Corporation is BLOSSOM TRACE HOMEOWNERS ASSOCIATION, INC. hereinafter referred to as the Association.
2. The duration of the Association is perpetual.
3. The address of the principal office of the Association in the State of Tennessee shall be 908 Tanywood Ct. Old Hickory, TN 37138 County, Tennessee_____..
4. The Association is not for profit and shall be a mutual benefit corporation.
5. The purpose for which the Association is organized is to provide a townhouse corporation, pursuant to Title 66, Chapter 27, Section 101 et seq. as amended, of Tennessee Code Annotated, which may hereinafter be referred to as the "Horizontal Property Regime Act", for the operation of Blossom Trace, a Planned Unit Development, hereinafter referred to as the "Planned Unit Development, located at Hermitage_____, Davidson County, Tennessee.
6. This Association is to have members.
7. The Association shall make no distributions of income to its members, directors, or officers; provided, however, this provision shall not preclude the payment of reasonable sums for services rendered or supplies furnished to the Association by the aforesaid persons.
8. The Association shall have all of the common law and statutory powers of a corporation not for profit, which are not in conflict with the terms of this Charter.
   (a) The registered agent for service of process for the Corporation shall be Robert J. Notestine III, Attorney at Law, 104 Woodmont Blvd., Suite 115, Nashville, Davidson County, Tennessee.
   (b) Distribution of Corporate assets upon dissolution of the Corporation shall occur as

follows: Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of section

(c) (3) of the Internal Revenue Code, or corresponding or similar section of any future tax code, or shall be distributed to the federal government, or to any state or local government, for a public purpose.

Any such assets not disposed of shall be disposed of by the Circuit Court of Davidson County, Tennessee, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

9. The Association shall have all of the powers and duties of a homeowners association as set forth in the Horizontal Property Regime Act, and all of the powers and duties reasonably necessary to operate the Planned Unit Development as set-forth in The Declaration establishing the Planned Unit Development to be recorded in the Register's Office for Davidson County, Tennessee, hereinafter referred to as the "Declaration," and as it may be amended from time to time, including, but not limited to, the following:
   (a) To make and collect assessments against members to defray the costs, losses of the Planned Unit Development.
   (b) To use the proceeds of assessments in the exercise of its powers and duties, in accord with the Declaration and the By-Laws of this Association, hereinafter referred to as By-Laws
   (c) To maintain, repair, replace, and operate the Planned Unit Development property;
   (d) To purchase insurance upon the Planned Unit Development property and insurance for the protection of the Association and its members:
   (e) To reconstruct improvements after casualty and to further improve the property:
   (f) To make and amend reasonable regulations respecting the use of the property in the Planned Unit Development;
   (g) To enforce, by legal means, the provisions of the Horizontal Property Regime Act, Declaration, this Charter, the By-Laws and the regulations for the use of the Planned Unit Development property;
   (h) To contract for the professional management of the Planned Unit Development; and
   (i) To employ personnel to perform the services required for proper operation of the Planned Unit Development.

10. All funds, and the titles of all properties acquired by the Association, and the proceeds thereof, shall be held in trust for the members, or used to pay Common Expenses in accordance with the provisions of the Declaration, this Charter, and the By-Laws.
11. The powers of the Association shall be subject to, and shall be exercised in accordance with, the provisions of the Declaration and the By-Laws.
12. The Members of the Association shall consist of all of the Lot Owners in the Planned Lot Development, in accordance with the By-Laws.
13. Change of membership in the Association shall be consummated by the transfer of title to a Lot.

14. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to a Member's Lot.
15. The aggregate number of votes for all members of the Association shall be thirty-nine (39), and one (1) vote shall be allocated to each Unit. The procedures to be followed by multiple or corporate owners of a Lot and the manner of exercising voting rights shall be determined by the By-Laws.
16. The affairs of the Association shall be managed by a board consisting of the number of directors as shall be determined by the By-Laws, but not less than three directors, and, in the absence such determination shall consist of three directors.
17. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed, and vacancies on the Board of Directors shall be filled, in the manner provided by the By-Laws.
18. The affairs of the Association shall be administered by officers elected by the Board of Directors in accordance with the By-Laws. The officers shall serve at the pleasure of the Board Directors.
19. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by, or imposed upon him, in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being, or having been, a director or officer of the Association, or any settlement thereof, whether or not he is a director or officer at the time expenses are incurred, except in such cases wherein the director officer is adjudged guilty of willful misfeasance or malfeasance the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled.
20. The By-Laws have been adopted by the Declarant of the Planned Unit Development.
21. Amendments to the Charter shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution approving a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meetings considering the amendment may express their approve writing, providing such approval is delivered to the Secretary at or prior to the meeting.

(c) Approval of an amendment must be by, and not less than 67% of the entire membership of the Board of Directors, and be not less than 67% of the votes of the eligible membership of the Association, or, (ii) not less than 80% of the votes of the entire membership of the Association (if not proposed by the directors).

(d) No amendment shall make any changes in the qualifications for membership, nor the voting rights of members, without approval in writing by all members.

(e) A copy of each amendment shall be filled with the Secretary of State of Tennessee and shall be recorded in the Office of the Register of Davidson County, Tennessee.

WITNESS MY HAND effective this 9TH day of July, 2001.

INCORPORATOR /Members

NAME James David Carter Chief Manager