DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR HARPETH CREST

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THIS DECLARATION, is made this 9TH day of APRIL, 2002, by Harpeth Crest, L.L.C., a Tennessee Limited Liability Company, hereinafter sometimes referred to as the "Declarant"

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Exhibit "A" attached hereto and desires to create thereon a residential community consisting of single-family residences with permanent common areas for the benefit of said community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said common areas; and to this end, desires to subject the real property described in Exhibit "A" attached hereto to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Property and the subsequent Owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an Association to which should be delegated and assigned the powers and duties of maintaining and administering the common areas and administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed the "Harpeth Crest Home Owners Association, Inc.", as a non-profit Tennessee corporation for the purpose of carrying out the powers and duties aforesaid;

NOW, THEREFORE, the Declarant hereby declares that all of the Properties described in Exhibit "A" attached hereto and such other property as may be subjected to the provisions hereof pursuant to Article II, shall be held, sold and conveyed subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, and any subdivision plat which includes the Property 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

Davidson County REST
Recvd: 04/11/02 09:18 35pgs
Fees:177.00 Taxes:0.00
20020411-0044759

DEFINITIONS

The words in this Declaration which begin with capitalized letters, other than words which would be normally capitalized, unless the context otherwise requires, shall have the same meanings as the definitions of those words in this Article 1.

1.1 "Articles" shall mean those Articles, filed with the Secretary of Tennessee incorporating Harpeth Crest Home Owners Association, Inc. as a corporation not for profit under the provisions of § 48-51-101 of the Tennessee Non-Profit Corporation Act, as the same may be amended from time to time. A true copy of the Articles as shown in Exhibit "B" is attached hereto and made a part hereof.

1.2 "Architectural Control Committee" shall mean the Architectural Control Committee of Harpeth Crest Home Owners Association, Inc,, which is the Declarant or its successors and/or assigns, until such time as the Development Period ends.

1.3 "Association" shall mean and refer to Harpeth Crest Home Owners Association, Inc., its successors and assigns.

1.3 "Board" shall mean the Board of Directors of Harpeth Crest Home Owners Association, Inc., which shall also be known as the "Board of Directors".

1.4 "Builder" shall mean and refer to any party who acquires one or more developed Lots from the Declarant for the purpose of resale to an Owner or for the purpose of constructing improvements thereon for resale to an Owner.

1.5 "By-Laws" shall mean the By-Laws of the Association, as the same may be amended from time to time, pursuant to Section 48-51-101 of the Tennessee Non-Profit Corporation Act. A true copy of the By-Laws as shown on Exhibit "C" is attached hereto and made a part hereof.

1.6 "Common Areas" shall mean and refer to subdivision entrance walls, signs, landscape mounds, fences, Storm Water Detention Facilities as recorded in Instrument Number _____, Register of Deeds, Davidson County, Tennessee, and landscaping constructed for the common use and enjoyment of the Owners, and such areas designated as either "common areas", "open-space easements" or "natural buffer easements" on the record plat or plats for the Property.

1.5 "Common Driveway" shall mean and refer to any private road or passageway which is built or installed as part of the original construction on the Property to serve more than one (1) Lot, and which is situated on a dividing line between Lots or partly on one Lot and partly on another Lot, which road or passageway may be specifically designated by the Declarant on the record plat as "Common Driveway".

1.6 "Declarant" shall mean and refer to Harpeth Crest, L.L.C., a Tennessee Limited Liability Company, its successors and assigns if such successors or assigns should acquire all unsold Lots and/or unplatted real property which adjoins any property already developed and which is intended to be developed into Lots.

1.7 "Development Period" shall mean the period commencing on the date on which this Declaration is recorded and terminating on the earlier of: (a) June 24, 2004, or (b) the day next following the day on which the Declarant or a Builder own no part of the Property.

1.8 "Developer" shall mean and refer to Harpeth Crest, L.L.C., a Tennessee Limited Liability Company, its successors and assigns if such successors or assigns should acquire all unsold Lots and/or unplatted real property which adjoins any property already developed and which is intended to be developed into Lots.

1.9 "Living Unit" shall mean and refer to any single-family residence designated and intended for use and occupancy as a residence by a single family.

1.10 "Lot" shall mean and refer to any parcel of land upon any recorded subdivision plat of the Properties with the exception of the Common Areas.

1.11 "Member" shall mean any one of those Owners who are Members of the Association as provided in Article IV hereof.

1.12 "Owner" shall mean and refer to the record owner that acquires such lot from the Declarant or a Builder, 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.

1.13 "Harpeth Crest" shall mean and refer to all phases or sections of the record plat for Harpeth Crest, a subdivision in the city of Nashville, Davidson County, Tennessee and consisting of all the Property from time to time made subject to the provisions of this Declaration.

1.14 "Private Access Roadway" shall mean and refer to the curb and pavement between the curbs; it does not include the driveways serving individual Lots. The Private Access Roadway at the end of Morton Mill Road to be maintained by adjacent property owner.

1.15 "Properties" or "Property" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.16 "Storm Water Detention Facilities" shall mean and refer to storm sewers, storm sewers swales, streams, ditches, catch basins, drainage lines, man holes and detention basins situated on storm sewer easements or drainage easements encumbering certain of the Lots as

designated on the record plat or plats for the Property and owned by the Association for the common use and enjoyment of the Owners.

1.17 "Director" and "Directors" shall mean that person or those persons serving at the time pertinent as a Director or Directors of the Association and shall mean that same person or those persons serving in the capacity of a member of the Board of Directors of the Association.

ARTICLE II

PROPERTY DEVELOPMENT - ANNEXATION

2.1 Property subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in the County of Davidson, State of Tennessee, and is more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

2.2 Planned Development. Declarant reserves the right to subject all or any part of the real estate described in Exhibit "F" to the provisions of this Declaration so as to create a residential planned development consisting of various residential properties with permanent Common Areas for the benefit of said development. Such additional property shall be annexed to the real estate described in Exhibit "A" as provided in Section 2.3 hereof. Notwithstanding the above, nothing contained in this Declaration in the By-Laws or in any map, picture, drawing, brochure or other representation of a scheme of development shall obligate the Declarant to annex any additional property to the property described in Exhibit "A" and the real estate described in Exhibit "F" shall remain wholly free from any covenant or restriction herein contained until so annexed as hereinafter provided.

ARTICLE III

PROPERTY RIGHTS

3.1 Owner's Right of Enjoyment. Every Owner shall have a right to an easement for the enjoyment of, in, and to the Common Areas, and such right and easement shall be appurtenant to and shall pass with title to every Lot, subject to the following:

(a) The right of the Association, in accordance with its Articles of Incorporation and By-Laws to borrow money for the purpose of improving the Common Areas.

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration.

(c) Easements and restrictions of record.

(d) The right of the Association or the Declarant to grant additional easements over the Common Areas and Lots as provided in Section 3.5.

3.2 Declaration of Use. Any Owner may delegate, in accordance with the applicable By-Laws of the Association his right of enjoyment in and use of the Common Areas to the members of his family, guests and his tenants or contract purchasers who reside on the Property.

3.3 Easements to Other Residents. The Declarant may designate that certain owners of real property outside of the Property and such other persons as the Declarant may designate shall have an easement of enjoyment in, on and over the Common Areas to the same extent as any Owner of a Lot located on the Property subject to the provisions of Section 3.1. Such individuals shall be subject to the rules and regulations of the Association concerning the use of said areas but shall not be subject to assessments by the Association.

It is the intent of the Declarant that there may be reserved similar easements in favor of the Owners on and over other tracts of land. Such easements however, shall be created solely by instruments other than this Declaration and such easements shall be governed by the terms therein contained. The establishment of any such easements are wholly contingent upon (a) the commencement of further development of land located outside of the Property (b) consent of the owners of such land, and (c) approval by appropriate governmental authorities. Accordingly the Declarant neither represents nor guarantees that any such easements of enjoyment will be established for the Owners.

3.4 Title to Common Areas. The title to any portion of the Common Areas that is to be owned by the Association in fee simple shall be conveyed to the Association prior to the expiration of the Development Period, free and clear of all liens and encumbrances; provided however that the Declarant shall have the right from time to time to reserve for the purpose of development of the Property all or any portion of the Property for various easements and rights of way together with the right to dedicate same where applicable and customary and the right of ingress and egress across the Common Areas in connection with the development of the Property. The Declarant's rights hereunder shall not unreasonably interfere with the Owner's easement of enjoyment.

3.5 Right to Grant Easements. Declarant hereby reserves the right to grant, on behalf of the Association and/or the Owners and without the consent of the Association, or any owner, easements, across, through or under the Common Areas. Such easements, which shall be exclusive or non-exclusive, shall be limited to utility easements (including cable television), green belt easements, sign easements, access easements or roadway easements. Declarant's rights under this Section shall terminate upon expiration of the Development Period.

The Association, without the consent of any owner, shall have the right at any time to grant easements as set forth in this Section.

3.6 Declaration of Covenants. The Owners of the Lots shall be subject to and benefitted by this Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Harpeth Crest as recorded in the Register's Office for Davidson County, Tennessee.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

4.1 Members. 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.

4.2 Classes of Members; Voting. The Association shall have two classes of voting membership:

4.21 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.

4.22 Class B Member(s) shall be the Declarant and the Declarant shall be entitled to five (5) votes for each Lot owned provided however, that each Class B membership shall terminate after the Class A Members are entitled to elect all of the Board. At such time as Class B membership shall terminate, which shall be the earlier of 75% of the owners of the lots owned by end users or June 24, 2004, whichever occurs first, the Declarant for any Lot owned, shall be deemed a Class A Member with reference to such Lot or Lots and entitled to the voting and all other rights of such Class A Member.

ARTICLE V

ASSESSMENTS

5.1 Covenant of Payment; Creation of Lien. Each Owner of a Lot (other than Declarant, or a Builder who acquires the lot from the Declarant, except as hereinafter provided), by acceptance of a deed or other instrument of conveyance for a Lot, agrees to pay to the Association the annual assessments, special assessments and individual assessments (collectively, the "Assessments") provided in this Article 5. The Assessments (including late charges and costs of collection, as provided below) shall be a charge and lien on each Lot and shall be the personal obligation of the Owner of each Lot to the extent and for the period provided in this Article 5.

5.2 Initial Assessment. Upon the initial conveyance of a Lot by the Declarant or by a Builder which acquired title from the Declarant to an Owner, the Owner or end user shall pay an initial assessment of $250.00. The initial assessment shall be used as working capital for the Association and not collected in lieu of any installments of the annual assessment. The initial

assessment is non-refundable. No initial assessment shall be due on any Lot purchased from an Owner other than the Developer or a Builder, nor shall any initial assessment be due on any Lot purchased from the Developer by a Builder.

The initial assessment may be waived in the Board's sole discretion.

5.3 Annual Assessment. The Association shall be entitled to collect from all Owners an annual assessment for Common Expenses and other purposes described in Article 5.4 below. The annual assessment or prorated portion thereof for each Lot Owner in each respective Phase of Harpeth Crest shall commence on the first day of the month following the conveyance of the first Lot from the Declarant or a Builder who acquires a lot from the Declarant to an Owner in that phase of Harpeth Crest. Upon the initial conveyance of a Lot in a Phase to an Owner, the Developer shall convey all Common Property within that specific Harpeth Crest Phase to the Association. The annual assessment shall be due and payable on such date or dates as determined by the Board. That portion of the annual assessments allocated to Lots owned by the Developer or a Builder may, at the Developer's or Builder's discretion, be paid in equal monthly installments. It shall be the duty of the Board to determine the amount of the annual assessments allocated to each Lot. Notwithstanding anything herein to the contrary, the annual assessment allocated to Lots owned by the Developer or a Builder, if they are not occupied, shall be equal to fifty percent (50%) of the annual assessment allocated to Lots owned and occupied by others. The Board shall make reasonable efforts to determine the assessment amount, by the first day of December of each year and shall at that time prepare a roster of the Lots and the portion of the assessments allocated thereto which shall be kept in the office of the Association and shall be open for inspection by any Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the Owners of all Lots subject thereto. All assessments levied by the Association under this Article shall be due and payable by the Owner within seven (7) days after a billing thereof. The Board shall be entitled to change the method of collection of assessments as it may from time to time elect.

Failure to act within any time period established in the Declaration shall not affect the rights of the Board to collect assessments as provided herein.

5.4 Calculation of Annual Assessment. Each Owner shall be responsible for and shall pay that portion of the annual assessment allocable to the respective Lot as determined by the Board. The Board shall have the right to require the annual assessment to be paid in periodic installments during the year or in a single installment as determined by the Board. Each calendar year the Board will establish a budget setting forth the estimate by the Board of the Common Expenses for the upcoming year. The annual assessment shall equal the estimate of the Common Expenses for the year, together with a reasonable addition to the reserves of the Association, not to exceed $30 per month in the first year. The Board during any calendar year shall be entitled to increase the annual assessment for that year if it should determine that the estimated or current assessment is insufficient to cover Common Expenses for that year provided that the Board shall give at least thirty (30) days advance notice thereof to the Owners. In the event that the annual assessment is less than the Common Expenses incurred for said year the Board shall notify the owners and

furnish the Owners with a statement of the additional sums due and owing by the Owners and the same shall be immediately due and payable.

5.5 Interest. Delinquent assessments shall bear interest at such interest rates as are from time to time established by the Board (which interest rate shall not exceed the maximum legal interest rate allowed to be charged to an individual under the laws of the State of Tennessee). The Board shall have the right to establish a late charge for delinquent payments in addition to interest charges.

5.6 Purpose of Annual Assessment. The annual assessment is established for the benefit and use of the Association and shall be used in covering all of the Common Expenses; the operation, maintenance, and repair of Common Property; other portions of the Property that the Association is obligated to repair under this Declaration; and the performance of all other duties and obligations to be performed by the Association under this Declaration. The Common Expenses may include but are not limited to the costs of employees, wages, materials, equipment, supplies, insurance premiums for the insurance of Common Property, Officers and Directors liability insurance, rental fees for any Common Property leased to the Association, the cost of reasonable reserves for contingencies, replacements and working capital, taxes and assessments on the Common Property, management fees, legal and accounting fees, capital improvements and additions for Common Property, and all other costs and liabilities incurred by the Association in the exercise of its powers and duties pursuant to this Declaration or the Bylaws.

5.7 Special Assessment (Operating Shortfalls). If in any year the Common Expenses exceed the income from the annual assessment, the amount of any operating deficit may at the Board's sole option be charged to the Developer until the Homeowners Association is turned over to the Owners; thereafter, such amount of any operating deficit may at the Board's sole option be charged to the Owners by means of a special assessment.

5.8 Individual Assessment. If any portion of the Common Property that the Association is obligated to maintain, repair and/or replace is damaged due to the willful or negligent act or omission of an Owner or an Owner's guest or invitee, the Board shall have the right to undertake the necessary maintenance, repair or replacement. The choice between repair and replacement is in the sole discretion of the Board. The cost so incurred by the Board shall be assessed as an individual assessment against all Lots owned by the Owner responsible for the damage. No such assessment may be levied against Lots owned by the Developer without the written consent of Developer.

Individual and special assessments shall be determined by the Board as provided in this Article. Assessments shall become a lien on the Lots on the date the Board mails written notice of any such assessments to the Owners of any Lot subject thereto.

5.9 Personal Obligation. Any Assessments becoming due and payable during the period the owner owns a Lot, together with any related penalties and costs of collection shall constitute the personal obligation of that Owner and shall remain the personal obligation of that Owner until

paid. This personal obligation shall automatically pass to an Owner's successor in title regardless of whether notice thereof is recorded pursuant to Article 5.10 or expressly assumed by the successor in title. The successor and the former Owner shall be jointly and severally liable for payment of the amount due and payable.

5.10 Notice and Priority of Liens. If an Assessment on any Lot remains unpaid within the period established under Article 5.3, the amount unpaid together with any late penalty, costs and reasonable attorney fees shall constitute a lien on that Lot in favor of the Association. The Association may give notice of the amount of the lien by recording a notice of lien with the Register of Deeds of Davidson County, Tennessee. Nonpayment of any Assessment or an installment of an Assessment shall be deemed and is declared to be a condition or event that creates an interest in real estate. The lien reflected in such notice of lien shall expire 5 years after the filing of a notice of lien unless preserved by the filing of a new notice of lien or the commencement of foreclosure proceedings. The lien shall be prior to all other liens and encumbrances whatsoever except real estate taxes and assessments, or other governmental instrumentalities to the extent made superior by applicable law, and all bona fide recorded mortgages filed prior to the assessment lien.

5.11 Enforcement of Lien. Any lien established under this Declaration may be enforced by the Association in the same manner and to the same extent (including appointment of a receiver, foreclosure sale and deficiency judgment) and subject to the same procedures as in the case of foreclosure of a real property mortgage. In any enforcement proceeding the amount that may be recovered by the Association shall include all costs of the proceeding, and to the extent permitted by law, reasonable attorneys' fees. In any foreclosure sale the Association may purchase the Lot.

5.12 Purchase at Foreclosure Sale. Any purchaser of a Lot at a foreclosure sale shall automatically become a member of the Association and shall be subject to all of the provisions of this Declaration. When the purchaser of a Lot acquires title to the Lot as a result of a foreclosure action, the purchaser shall not be solely liable for the share of the Assessments chargeable to the acquired Lot that became due prior to the acquisition of title to that Lot and not paid out of foreclosure proceeds due to lack of proceeds. Instead such unpaid share of the Assessments that became due and payable prior to the date of purchase shall be deemed to be part of the Assessments collectible from all of the Lots including that of the purchaser.

ARTICLE VI

INSURANCE

6.1 Liability Insurance. The Association shall obtain and maintain a Comprehensive policy of public liability insurance covering all of the Common Areas insuring the Association, Directors, and Owners and members of their respective families, tenants and occupants in an amount of not less than One Million and 00/100 Dollars ($1,000,000.00) per occurrence for personal injury and/or property damage. This insurance shall include protection against such risks as are customarily covered with respect to a development similar in construction, location and use,

as determined by the Board. The insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner, tenant or occupant because of negligent acts of the Association, the Board, or other Owners, tenants or occupants.

6.2 Other Insurance. In addition, the Association shall obtain and maintain contractual liability insurance, Directors' and Officers' liability insurance and such other insurance as the Board may deem desirable from time to time.

6.3 Insufficient Insurance. In the event the improvements forming a part of the Common Areas shall suffer damage or destruction from any cause or peril which is not insured against, or if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then; the Association shall advance such costs in excess of available insurance proceeds. The amount so advanced by the Association shall become a Special Assessment against all of the Lots for whose benefit the amount was so advanced, and such assessment shall have the same force and effect, and if not paid, may be enforced in the same manner as herein provided for the nonpayment of assessments. The action required to be taken by the Association under this Section shall not require any vote of the Members of the Association.

ARTICLE VII

ARCHITECTURAL CONTROL

7.1 Architectural Control. Except for initial construction of Living Units and improvements by a Builder or the Declarant prior to the time Declarant has sold and conveyed all Lots in Harpeth Crest, which construction and improvements shall be under the exclusive control of Declarant, no building, fence, wall or, other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition or change (including any change in color) or alteration thereof be made until a detailed set of plans and specifications showing the nature, shape, heights, widths and the other features of such contemplated improvements has been submitted to and approved by the Board. Such plans and specifications shall be in such form and shall contain such information as the Board may reasonably require, including but not limited to any or all of the following: a site plan; proposed landscaping; patio and walkway location; description of materials; location of lighting; architectural plans including cross-sections, floor plans and elevations; evidence of conformity with building codes; the exterior design, color and the location of the proposed improvements in relation to the surrounding improvements and topography of the surrounding Property. The Board's review of the plans and specifications shall include the following considerations: the continued maintenance of Harpeth Crest as a residential community of high aesthetic quality; the promotion of the health, safety and welfare of all Owners and Tenants; the preservation, beautification and maintenance of the Property and all structures thereof; the preservation and promotion of environmental quality; and the assurance of adequate water, sewer and drainage facilities and other utilities and services. The Board shall either (I) approve the plans and specifications or (II) disapprove them or (III) approve them with conditions or qualifications. The approval of the plans and specifications by the Board shall not constitute a

representation or warranty by it as to the quality of the workmanship, materials or architectural or engineering design covered thereunder, or the proposed work's feasibility or compliance with any applicable laws. In the event the Board fails to approve or disapprove such design and location within thirty (30) days after plans and specifications have been submitted to it, approval will not be required and this Article VII will be deemed to have been fully complied with. Such submission to the Board shall be in person, or by registered or certified mail, with return receipt, directed to the Association manager, or if there is no manager, to its President.

7.2 Enforcement. In the event of a violation of the provisions of this Article VIII, the Association shall have the right to enforce this Article by any proceedings authorized in this Declaration, the By-Laws, or by law.

7.3 Approval of Plans by Declarant. Each Builder, prior to initial construction of a Living Unit and/or accessory structures on a Lot shall secure the Declarant's approval of plans and specifications (as defined in Section 7.1, above). Approval of plans and specifications by the Declarant shall be conducted in the same manner and in the same time frame as set forth in Section 7.1, above. The Declarant shall have all legal and equitable remedies available under this Declaration to enforce its decision against Builders, Owners or their successors.

7.4 Handicap Accessibility. Notwithstanding the other provisions herein, an Owner of any Living Unit and Lot may, at his expense, have such reasonable modifications made to the interior and exterior of his Living Unit and Lot and the Common Areas as may be necessary to afford physically handicapped persons full enjoyment of his premises. Any modifications to be undertaken to the exterior of a Living Unit and Lot or the Common Areas shall comply with the guidelines and regulations of the United States Department of Housing and Urban Development for buildings and facilities providing accessibility and usability for physically handicapped people; and shall be undertaken pursuant to a contract, the terms, conditions and specifications of which, shall be approved by the Board of Directors. The approved contractor shall provide an adequate performance bond for the benefit of the Association.

Notwithstanding the other provisions herein, including those requiring approval of the Members of the Association, the Board of Directors is authorized to make reasonable accommodations to any rules, policies, practices or services as may be necessary to afford a handicapped person equal opportunity to use and enjoy his Dwelling Unit and Lot, including the Common Areas.

ARTICLE VIII

COVENANTS AND RESTRICTIONS

8.1 Real Covenants. The provisions of this Declaration are for the benefit of Declarant, Builder and Owners as provided herein, and run with the land and shall be binding on all parties and all persons claiming ownership under them, except as otherwise specifically provided herein.

8.2 Residential. All of the Lots shall be used for private residential purposes exclusively and for no other purpose. No profession or customary home industry shall be conducted in or on any part of any Lot or improvement thereon without the written approval of the Board. These restrictions shall not apply to Declarant or Builder in connection with model improvements and sales offices.

8.3 Activity Restrictions. Except for the activities of Declarant prior to the date on which the Declarant or Builder has sold and conveyed all Lots in Harpeth Crest:

A. No noxious or offensive trade shall be carried on, upon any Lot or within any improvement situated upon the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or the owners.

B. The maintenance, keeping, boarding or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited on any Lot except that this shall not prohibit the keeping of dogs, cats, caged birds or aquarium fish or other domestic pets provided they are not kept, bred, or maintained for commercial purposes and provided they are kept according to the rules and regulations of the Association. No Owner shall permit or conduct an activity which may violate any applicable law affecting any Lot.

C. No burning of any trash, accumulation or storage of litter, new or used building materials or trash of any kind shall be permitted on any Lot.

D. Except as provided herein no commercial vehicle, trailer, trucks of more than one ton, motorcycle, camper, camp truck, house trailer, boat or the like shall be kept or used upon the Property unless totally enclosed within an improvement or garage so as not to be visible from the exterior thereof. No junk vehicle, inoperative or unlicensed motor vehicle, structure of a temporary character, mobile home, tent, shack, barn, or other outbuilding, similar in nature and purpose, shall be kept or used upon any Lot, nor (except for bona fide emergencies) shall the major repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

E. Trash and garbage containers shall not be permitted to remain in the public view except on days of trash collection.

F. No signs of any character shall be erected, posted, or displayed upon any Lot except street and identification signs installed by the Association or the Declarant and excepting one (1) temporary real estate sign not to exceed six (6) square feet in area erected upon any Lot during hours when the Living Unit is open for public viewing and the owner or a licensed real estate agent is present and which advertises the same upon the market for sale or rent. This restriction shall not apply to Builders. Builders may erect such signs as are authorized by the Declarant.

G. No structure, planting or other material other than driveways or sidewalks shall be placed or permitted to remain upon any Lot which may damage or interfere with an easement for the installation or maintenance of utilities, or which may change, obstruct or retard direction or flow of any drainage channels.

H. All outside television or radio aerials or antennas, or other aerials or antennas, including satellite receiving dishes for reception or transmission larger than 1 meter in size are prohibited. Such devices less than 1 meter in size may be regulated by the Association as provided for by law. Such regulation may include the implementation of landscaping or other improvements, the purpose of which are to reduce the negative impact of said devices to the other Owners.

I. No vegetable garden shall be larger than 200 square feet and must be maintained so as not to be unsightly. No Owner shall be allowed to store more than two cords of firewood on any Lot. Firewood must be neatly stacked and free of unsightly debris.

J. No oil drilling, quarrying or mining operation shall be permitted on any Lot.

K. No above-ground swimming pools shall be permitted on any Lot. Inground pools are permitted provided they are located within the building set back area of the Lot and approved pursuant to Section 7.1.

L. Swingsets, jungle-gyms, playhouses or similar yard equipment, basketball courts or any other recreational facilities may not be placed, installed or maintained on any Lot without prior approval of the Board. Tennis courts shall not be permitted.

M. Mailboxes shall be subject to the approval of the Board. Mailboxes may be located within the signage, entrance way and landscaping easement.

N. Any fence constructed shall have prior Board approval.

O. There shall be no violation of any rule or regulation for the use of any Common Property which may from time to time be adopted by the Board and promulgated among the members in writing. The Board is hereby in this Declaration authorized to adopt such rules.

P. The Owner of a Lot upon which a portion of the Common Property is located shall not alter the Common Property and shall not otherwise adversely affect or interfere with the intended use of the Common Property.

Q. There shall be no violation of any additional restrictions which may be from time to time reasonably imposed on the owners by the Association in their use and enjoyment of the Lots.

8.4 Right of Association to Remove or Correct Violations. The Association and/or Declarant may, in the interest of the general welfare of all the Owners, and after reasonable notice to an Owner enter upon any Lot within reasonable hours on any day for the purpose of directing Owner to correct any violations or breach or any attempted violation of any of the covenants and restrictions contained in Article 9, or violation of the rules and regulations of the Board, or for the purpose of directing Owner to abate anything herein defined as a prohibited use or nuisance, provided, however, that no such actions shall be taken without a Resolution of the Board. Before any improvements constructed may be altered or demolished pursuant to this Article, judicial proceedings must be brought against the Owner, except any signs may be removed which are prohibited per Article 8.3 (F) and except as set forth above.

ARTICLE IX

EASEMENTS AND MAINTENANCE

9.1 Access Easements and Open-space Easements. All Lots shall be subject to an access easement in favor of the Declarant and the Association for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, replacing and otherwise dealing with the Common Areas, including all improvements thereon.

As set forth on the record plat or plats for the Property, certain Lots are subject to "open-space easements" or "natural buffer easements". Such open-space easements and natural buffer easements are in favor of the Declarant and the Association and are for the purposes of providing access to the Common Areas and for allowing the Declarant and the Association to maintain improvements constructed by the Declarant in such easement areas. Except as otherwise provided herein, no one other than the Declarant, the Association or the Owner on whose Lot is situated an open-space easement or natural buffer easement shall be permitted to have access to, or enter onto, such easement area.

9.2 Private Drainage Easements. Except as otherwise set forth on the record plat or plats for the Property, all Lots are subject to private drainage easements in favor of the Association. Such private drainage easements shall be varied and shall exist along all common lot lines, as dictated by the Plat of record, with the common lot line being the center line of said easement.

9.3 Common Driveway Easement. The Lots sharing a Common Driveway shall be subject to and benefitted by a perpetual nonexclusive easement for ingress and egress over the Common Driveway. The Owners of such Lots shall use the Common Driveway situated on the easements with due regard for the rights of any other Owner and its use of such driveway. No Owner shall use or permit the use of the driveway in any manner which impairs the right of any other Owner to its use, nor shall any Owner park or store vehicles or personal property on, or obstruct or encroach upon, or permit the use of, or permit the obstruction of or encroachment upon, the Common Driveway in any manner whatsoever without the concurrence of all Owners entitled to use the Common Driveway.

The Owners using the Common Driveway shall share equally in the expense and cost of maintaining, improving and repairing the Common Driveway, except that any damage other than ordinary wear and tear caused by any Owner, or any party claiming through such owner, whether by negligence or otherwise, shall be repaired at the expense of such Owner. The driveway shall be maintained in good repair and in a condition substantially similar to that of its original construction. Upon conveyance of a Lot, the Grantor of such Lot shall be, as of the closing date for such conveyance, relieved of the obligation to share in the expense and cost of future maintenance and repair imposed hereby, and those obligations shall bind thereafter the Grantee of said conveyance. The Grantor shall however be obligated personally during and after his period of ownership for expenses and costs incurred for maintenance and repair during his period of ownership of the Lot. The obligation of an Owner of a Common Driveway to share in the cost and expense of maintaining a Common Driveway is separate and distinct from the obligation of such Owner to pay the assessments levied pursuant to Article V.

9.4 Maintenance of Common Areas. The Association shall be responsible for the care and maintenance of the Common Areas of the subdivision. Such obligation of the Association shall include the care and maintenance of any improvements (other than landscaping) constructed by the Declarant or the Association in an open-space easement or natural buffer easement. The Association shall also be responsible for the care and maintenance of the Storm Water Facilities in a manner satisfactory to Davidson County including the replacing of any piping and the maintaining of good appearance around these easement areas. The Association shall be responsible for any required maintenance of pipes, concrete gutters, fixtures or mechanical devices. The Owner of a Lot shall be responsible for the care and maintenance of all other portions of such Owner's Lot including any landscaping situated in an open-space easement, natural buffer easement or detention basin areas. Should any Owner fail to maintain his Lot or a Common Driveway to the extent provided in the Declaration, the Association may do so, after notice, and assess such Owner for the cost. The assessment shall be a lien on the Owner's Lot to the same extent as other liens provided for herein.

9.5 Reservation of Easements. The Declarant shall have and hereby reserves easements in favor of itself, its successors and assigns, and such other persons or entities as it may designate as follows:

9.51 In, on and over a twenty foot (20') wide strip of land on either side of all publicly dedicated rights of way on the Property for the purposes of access to construct, use and maintain utilities, sidewalks, signage, lighting, landscaping and recreational uses and other uses deemed appropriate for or necessary to integrate the Property into other real estate.

9.52 In, on and over all utility and drainage easements set forth on the Property for the installation and maintenance of utility and drainage systems.

9.6 Use of Common Property by Declarant. In addition to the rights described in Article 5.1, Declarant and its affiliates shall have the right during the period Declarant owns Lots to use the Common Property, free of charge, for promotional, construction, management, maintenance, repair, remodeling, rental and sales purposes.

9.7 Warranty. Declarant warrants, in accordance with the Industry Standards established by the Home Builders Association, its construction of improvements located on or comprising part of the Common Property. Declarant makes no warranty, expressed or implied, for the landscaping, seeding and sod, painting and caulking, expansion cracks in concrete, radon levels, shrinkage of wood and drywall nail pops, if applicable.

Any warranty or warranties given pursuant to this Article shall be in effect for a period of one year, and shall commence on the date upon which the construction of Common Property in issue is completed, or upon which the Common Property in issue is submitted to the provisions of this Declaration or upon which the Common Property in issue is conveyed to the Association, whichever occurs first.

ARTICLE X

GENERAL PROVISIONS

10.1 Enforcement. The Declarant, 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 Declarant, 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.

10.2 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.

10.3 Amendment. Except as otherwise provided in this Declaration, 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 seventy- five percent (75%) of the Lot

Owners, and thereafter by an instrument signed by not less than fifty-one percent (51%) of the Lot Owners. Any amendment must be recorded. No amendment to the covenants and restrictions of this Declaration shall be binding upon any Lot owned by the Declarant or upon any additional property annexed to the terms of this Declaration by the Declarant, or upon any Lot upon which a single-family dwelling has not yet been erected unless the Declarant or any such Lot Owner agrees to said amendment in a recorded writing.

10.4 Right to Amend Documents. Notwithstanding anything above to the contrary, this Declaration and the By-Laws may be amended at any time without the vote of Owners by a written instrument executed by the Declarant for the purpose of: eliminating or correcting any typographical or other inadvertent error herein; eliminating or resolving any ambiguity herein; making nominal changes; clarifying Declarant's original intent; conforming to any requirements imposed or requested by any governmental agency, public authority or financial institution; provided, however, that no such amendment shall materially affect any Owner's interest in the Association. Each Owner and his mortgagees, by acceptance of a deed to a Lot or a mortgage encumbering such Lot, shall be deemed to have consented to and approved of the provisions of this paragraph and the amendment of this Declaration and the By-Laws by Declarant as provided in the immediately preceding sentence. All such Owners and their mortgagees, upon request of Declarant, shall execute and deliver from time to time all such instruments and perform all such acts as may be deemed by Declarant to be necessary or proper to effectuate the provisions of this paragraph.

10.5 Charter and By-Laws. Copies of the Charter and By- Laws for the Association are attached hereto as Exhibits "B" and "C".

IN WITNESS WHEREOF, the undersigned Declarant, Harpeth Crest L.L.C., a Tennessee Limited Liability Company, has hereunto set its signature on the day and year first above written.

Harpeth Crest L.L.C., a Tennessee Limited Liability Company

Harpeth Crest LLC
by: Robert A. Belden
Chief Manager

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, the undersigned, a Notary Public of said County and State, ROBERT A. BELDEN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged upon oath or affirmation

that he the CHIEF MANAGER for Harpeth Crest L.L.C., a Tennessee Limited Liability Company, the maker, and is authorized by maker to execute this document on its behalf.



WITNESS my hand, at Office, this 9TH day of APRIL, 2002.

Joseph L. Farrell, Jr.
Notary Public

My Commission Expires: 7/24/04

EXHIBIT A -- PROPERTY DESCRIPTION

Phase One –
LAND in the Second Civil District of Davidson County, Tennessee, being the property identified in the Plat for Harpeth Crest Subdivision, Phase I (Lots 26-30), as surveyed on August 16, 2001, by Gregory E. Daniels, Surveyor number 1489, Daniels & Associates, 4701 Trousdale Drive, Suite 121, Nashville, TN 37220, (615) 837-3664, of record in Instrument Number 20011207-0135038, Register's Office for Davidson County, Tennessee.

Phase Two –
LAND in the Second Civil District of Davidson County, Tennessee, being the property identified in the Plat for Harpeth Crest Subdivision, Phase II (Lots 1-25 and Lots 31-41), as surveyed on October 26, 2001, by Gregory E. Daniels, Surveyor number 1489, , Daniels & Associates, 4701 Trousdale Drive, Suite 121, Nashville, TN 37220, (615) 837-3664, of record in Instrument Number 20020403-0040556, Register's Office for Davidson County, Tennessee.

EXHIBIT "B"

CHARTER

OF

HARPETH CREST HOME OWNERS ASSOCIATION, INC.

Pursuant to the provisions of § 48-51-101 of the Tennessee Non-Profit Corporation Act, as amended, the undersigned incorporator delivers the following Charter for filing with the Secretary of State:

ARTICLE I

The name of the corporation is Harpeth Crest Home Owners Association, Inc. ("Harpeth Crest").

ARTICLE II

The corporation is a mutual benefit corporation and is not organized for profit.

ARTICLE III

The address of the principal office of the corporation in the State of Tennessee is 5945 Temple Road, Nashville, Tennessee 37221.

ARTICLE IV

The address of the registered office of the corporation shall be Robert A. Bolden. The registered agent at that office shall be CT Corporation System.

ARTICLE V

The purposes for which the corporation is organized are:

(a) To operate, manage, maintain and administer the affairs of Harpeth Crest subdivision established pursuant to that certain Declaration of Restrictive Covenants for Harpeth Crest dated April 9, 2002, filed for record in Instrument Number 20020411-0044759, Register's office for Davidson County, Tennessee, and the Plat filed for record in Instrument Number 20011207-0135038 (Phase I) and Plat filed for

record in Instrument Number 20020403-0040556 (Phase II), in said Register's Office (hereinafter referred to as the "Declaration" and the "Plat", respectively).

(b) To enter into and perform any contract and to exercise all powers which may be necessary or convenient to the operation, management, maintenance and administration of the affairs of Harpeth Crest in accordance with the Declaration.

ARTICLE VI

The corporation is to have members, and each Owner, as that term is defined in the Declaration, shall be a member of the corporation and no other person or entity shall be entitled to membership. No Owner shall be required to pay any consideration whatsoever solely for his membership in the corporation.

ARTICLE VII

(a) The share of an Owner in the funds and assets of the corporation cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Lot.

(b) Each Owner shall be entitled to a vote in accordance with the Lot Classification set forth in the Declaration.

(c) No Owner other than the Developer shall be entitled to vote at any meeting of the corporation until he has presented evidence of ownership of a Lot in Harpeth Crest to the corporation. The vote of each owner may only be cast by such owner or by a proxy given by such Owner to his duly authorized representative. If title to a Lot shall be in the name of two or more persons as Owners, any one of such Owners may vote as the Owner of the Lot at any meeting of the corporation and such vote shall be binding on such other Owners who are not present at such meeting until written notice to the contrary has been received by the corporation, in which case the unanimous action of all such owners (in person or by proxy) shall be required to cast their vote as Owners. If two or more of such owners are present at any meeting of the corporation, then unanimous action shall also be required to cast their vote as Owners.

(d) An Owner in default with respect to any provision of the Declaration shall not be entitled to vote at any meeting of the corporation so long as such default is in existence.

(e) Defined terms used in the Declaration shall have the same meanings ascribed to them herein.

ARTICLE VIII

(a) The number of Directors of the corporation shall be fixed by the Bylaws of the corporation but shall not be less than two (2). The Directors of the corporation shall be appointed by the Developer until after the transfer of control to the Owners, as provided in the Declaration. After such time, the Directors shall be elected by the members at the annual meeting of members as provided in the Bylaws of the corporation to serve in accordance with the term of office established in such Bylaws.

(b) Directors may take any action which they are required or permitted to take without a meeting on written consent setting forth the action so taken signed by all of the Directors entitled to vote thereon.

(c) The initial Board of Directors shall be composed of the following individuals:

Name
Robert A. Bolden
5945 Temple Road
Nashville, TN 37221.

Name
Joseph V. Ferrelli
104 Woodmont Boulevard, Suite 115
Nashville, TN 37205

ARTICLE IX

Upon the dissolution of the corporation, all assets of the corporation shall be distributed to a non-profit organization with purposes similar to those of the corporation; such organization to be chosen by the Board of Directors of the corporation as part of the plan of dissolution of the corporation.

ARTICLE X

No provision of this Charter shall be amended or modified unless two-thirds of the Lot Owners, as that term is defined in the Declaration, consent to such change.

ARTICLE XI

So long as the Developer under the Declaration retains a weighted vote within the corporation as described in paragraph 4.2 of the Declaration the corporation shall not annex any additional properties, participate in any merger or consolidation, mortgage any portion of the Common Areas, amend this Charter or dissolve the corporation without the prior consent of the Secretary of United States Department of Housing and Urban Development or the Director of the Veterans' Administration, as the case may be.

ARTICLE XII

The complete name and address of the Incorporator is as follows:

Joseph V. Ferrelli
104 Woodmont Boulevard, Suite 115
Nashville, TN 37205

IN WITNESS WHEREOF, the undersigned, having capacity to contract and acting as the Incorporator under the Tennessee Non- Profit Corporation Act, submits the foregoing Charter for Harpeth Crest Home Owners Association, Inc.

Dated this ____ day of _____, 2002.

_____
Joseph V. Ferrelli, Incorporator

EXHIBIT "C"

BYLAWS

OF

HARPETH CREST HOME OWNERS ASSOCIATION, INC.

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ARTICLE 1: DEFINITIONS

The words defined in the Declaration of Restrictive Covenants for Harpeth Crest recorded in Instrument Number _____, Register's Office for Davidson County, Tennessee (hereinafter referred to as the "Declaration") shall have the same meaning in these Corporate Bylaws.

ARTICLE 2: OFFICES

2.01. Registered Offices. The principal office of the corporation shall be at 5945 Temple Road, Nashville, TN 37221, and the name of the registered agent of the corporation is Robert A. Bolden, 5945 Temple Road, Nashville, TN 37221.

2.02. Other Offices. The corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 3: MEMBERS AND MEMBERSHIP PRIVILEGES

3.01. Membership. Each Owner shall be a Member of the corporation and no other person or entity shall automatically be entitled to membership. No Member shall be required to pay any consideration whatsoever solely for his membership in the corporation.

ARTICLE 4: MEETINGS OF MEMBERS

4.01. Place of Meetings. Meetings of the Members of the corporation may be held at a place to be determined by the Board of Directors within Davidson County, Tennessee.

4.02. Annual Meeting. Unless otherwise specified in a written notice from the Board of Directors, an annual meeting of the Members of the corporation shall be held each year on the second Thursday of the third month following the close of the fiscal year if not a legal holiday, and if a legal holiday, then on the, next

secular day following, at 7:00 p.m. at which time the Members shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting. Provided however, the annual meeting must be held no later than forty-five (45) days from the original scheduled date. The first regular annual meeting of the Members may be held, subject to the terms hereof, on any date, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four months after all of the Lots have been sold by the Developer; or (b) three years following conveyance of the first Lot by the Developer.

4.03. Special Meeting. Special meetings of the members, for any purpose or purposes, may be called by the president, the Board of Directors, or by Members having not less than five (5%) percent of the total percentage values of those votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of such meeting.

4.04. Notice. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the' purpose or purposes for which the meeting is called shall be delivered not less than fifteen (15) nor more than sixty (60) days before the date of the meeting either personally or by mail by or at the direction of the president, the secretary, or the officer or person calling the meeting to each Member of the corporation entitled to vote at such meeting.

4.05 Quorum. The presence in person or by proxy of more than ten (10%) percent of the percentage values of those votes entitled to be cast at a meeting of the Members and at least ten percent (10%) of the percentage values of each class of Members shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, the Members entitled to vote there present in person or represented by proxy shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

4.06. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting the vote of the holders of more than fifty per cent (50%) of the percentage values of those votes entitled to be cast of Members qualified to vote and present in person or by proxy shall decide any question brought before such meeting unless the question is one upon which by express provision of the Declaration, the Charter of the corporation or these Bylaws, a different vote is

required in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

4 .07. Method of Voting; Proxies. Each Member shall be entitled to a vote for each Lot owned by such Member. No Member, other than the Developer, shall be entitled to vote at any meeting of the corporation until such Member has presented evidence of ownership of a Lot in Harpeth Crest to the Board of Directors. The vote of each Member may only be cast by such Member or by a proxy given by such Member to his duly authorized representative bearing a date not more than eleven months prior to such meeting. Such proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting. If title to a Lot shall, be in the name of two or more persons as Co-owners, all of such persons shall be Members of the corporation and are referred to herein as "Joint Co-owners". Any one of such Joint Co-owners may vote at any meeting of the Members of the corporation and such vote shall be binding upon such other Joint Co-owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint Co-owners (in person or by proxy) shall be required to cast their vote as Members. If two or more of such Joint Co-owners are present at any meeting, their unanimous action shall also be required to cast their vote as Members of the corporation.

4.08. Cumulative Voting Denied. Cumulative voting for Directors shall not be permitted.

ARTICLE 5: DIRECTORS

5.01. Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Declaration, the Charter, or these Bylaws, directed or required to be exercised or done by the Members.

5.02. Number; Qualifications; Election; Term. The Board of Directors shall consist of two (2) Directors each of whom shall be a Member of the Association or a partner or employee of the Developer, or its subsidiaries or

affiliates. The Members of the initial Board of Directors shall serve terms of two (2) years until the annual meeting of Members following such election in the designated term of office of such Directors. Each Director elected to replace an original Director upon the expiration of his term of office shall serve for a term of office ending with the third annual meeting of Members following his election or until his successor shall be elected and shall qualify. The Directors shall be appointed by the Developer until after the first of (a) the conveyance by the Developer by deed to Owners other than the Developer of Lots to seventy-five percent (75%) of the percentage ownership in Harpeth Crest or (b) June 30, 2004. Directors shall serve without compensation.

5.03. Removal; Change in Number; Vacancies . Any Director may be removed either for or without cause at any special meeting of the Members of the corporation by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of Members called for that purpose and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

5.04. Place of Meetings. The Directors of the corporation shall hold their meetings, both regular and special within Davidson County, Tennessee.

5.05. Annual Meetings. The annual meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members of the corporation and at the same place unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

5.06. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time' and place as shall from time to time be determined by the Board.

5.07. Special Meetings. Special meetings of the Board of Directors may be called by the president on a three (3) days notice to each Director either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by statute, the Charter

or these Bylaws, neither the business to be transacted at nor the purpose of any special meeting need be specified in a notice or waiver of notice.

5.08. Quorum. At all meetings of the Board of Directors the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors when present at any meeting at which there is a quorum, shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of Directors, the Directors present there may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present.

5.09. Committees Having Board Authority. The Board of Directors may by resolution approved by vote or written consent by a majority of the whole Board designate an Architectural Control Committee, a Nominating Committee for members of the Board of Directors and such other committees as deemed necessary. Any such committee, to the extent provided in said resolution, shall and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation except where action of the full Board of Directors is required by statute or the Charter.

5.10. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present or by the president thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors or Members of the corporation.

5.11. Procedure. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when required.

5.12. Managing Agents. The Board of Directors may employ for the corporation a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to the Harpeth Crest Subdivision as :the Board of Directors shall authorize and the Board of Directors may delegate to such management agent such duties with respect to management, repair and maintenance of the Harpeth Crest Subdivision which are not by statute, the Declaration, the Charter or these Corporate Bylaws required to be performed by or have the approval of the Board of Directors or the Members of the corporation.

ARTICLE 6: NOTICES

6.01. Method. Whenever notice is required to be given to any Director or Member and no provision is made as to how such notice shall be given it shall not be construed to mean personal notice but; any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or Member at such address as appears on the records of the corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

6.02. Waiver. Whenever any notice is required to be given to any Member or Director of the corporation a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall he deemed equivalent to the giving of such notice.

ARTICLE 7: OFFICERS

7.01. Number; Titles. The officers of the corporation shall be elected by the Directors from among the members of the Board of Directors and shall be a president, a secretary and a treasurer. Any two (2) or more offices may be held by the same person except the offices of president and secretary shall not be held by the same person.

7.02. Election. The Board of Directors at its first meeting after each annual meeting of Members shall choose a president, a secretary, and a treasurer, all of whom shall be members of the Board.

7. 03. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

7.04. Salaries. The salaries of all officers of the corporation, if any, shall be fixed by the Board of Directors.

7.05. Term of Office; Removal. Each officer of the corporation shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal

shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer become vacant for any reason, the vacancy may be filled by the Board of Directors.

7.06. President. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect and shall perform such other duties as the Board of Directors shall prescribe.

7.07. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or president under whose supervision he shall be.

7.08. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors taking proper vouchers for such disbursements and shall render to the president and Directors at the regular meetings of the Board, or whenever they may require it an account of all his transactions as treasurer and of the financial condition of the corporation and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.01. Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time in their discretion think proper to provide for contingencies, or to repair or maintain any portion of Harpeth Crest or for such other purposes as the Directors shall think

beneficial to the corporation and the Directors may modify or abolish any such reserve in the manner in which it was created.

8.02. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

8.03. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

8.04. Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

8.05. Indemnification. The corporation shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the corporation, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer, or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Directors, officer or employee the reasonable costs of settlement of any such action, suit or proceedings if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the corporation that such settlement be made and that such Director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under bylaw, agreement, vote of Members or otherwise.

8.06. Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall be controlling.

8.07. Amendment of Bylaws. These bylaws may not be altered, amended or repealed except by the affirmative vote of more than fifty (50) percent of the percentage values of those votes entitled to be cast by Members qualified to vote. Notwithstanding the foregoing, for so long as the Developer maintains its weighted vote as described in paragraph 4.2 of the Declaration, any and all amendments to

these Bylaws shall be subject to the veto of the Veteran's Administration or the Federal Housing Administration.

8.08. Table of Contents; Headings. The table of contents and headings used in these bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

CERTIFICATION

I hereby certify that the foregoing Bylaws were adopted by the Members of Harpeth Crest Home Owners Association, Inc. on the 9TH day of APRIL, 2002.

Joseph V. Farrell Jr.
Registered Agent