Davidson County REST
Recvd: 08/26/02 12:17 23pgs
Fees:117.00 Taxes:0.00
20020826-0102843

This Instrument Prepared By:
Gail P. Pigg, Attorney
219 Second Avenue, North
First Floor Suite
Nashville, Tennessee 37201

NEW OWNER(S) ADDRESS:	SEND TAX BILLS TO:	MAP & PARCEL NO.
Michael A. Cochrane, Trustee	**Same**	**Map: 131**
1400 Nashville City Center		**Parcels: 49 and 65**
511 Union Street		
Nashville, TN 37219		

DECLARATION
ESTABLISHING CATO CROSSINGS,
A PRIVATE ELEMENT REGIME

THIS DECLARATION is made this 26th day of August, 2002, by Michael A. Cochrane, Trustee, having full right to sell, transfer or convey without the joinder of any beneficiary (herein called "Developer"), for himself, his successors or assigns, wherein the Developer makes the following declarations and submissions.

1. PURPOSE. The purpose of this Declaration is to submit the land described in Paragraph 3 and the improvements thereon to a Private Element Regime established pursuant to Chapter 27 of Title 66 of Tennessee Code Annotated, and expressly Section 66-27-103, et. seq.

2. NAME AND ADDRESS. This Private Element Regime is identified as Cato Crossings and it is located at 1138 Battery Lane extending to Biltmore Drive, Nashville, Davidson County, Tennessee.

3. SUBMISSION OF THE PROPERTY. The Developer hereby submits the following described property together with the buildings and improvements thereon, owned by the Developer in fee simple absolute, to the provisions of Chapter 27 of Title 66, Tennessee Code Annotated, hereby establishing a Planned Unit Development pursuant to said Chapter. The property and the location of the units is described as follows:

> All that property shown on Exhibit A hereto attached and being a portion of Lot 24, Battery Park, as recorded in Plan Book 1130, p. 103, Register's Office for Davidson County, Tennessee. The Private Elements to be owned in fee simple title by the respective unit owners are shown on said exhibit.
>
> Being the same property conveyed to Michael A. Cochrane, Trustee, by deed from Jack W. Derryberry, Jr., of record in Instrument No. 20020722-0087822, Register's Office for Davidson County, Tennessee.

4. LAND INCLUDED IN PROPERTY. The land included in the property, as well as the individual lots, is described on Exhibit A, which is made a part hereof by reference. Said land will sometimes be referred to as the "Property" or "Cato Crossings." The fee simple absolute title to the lot area shown on Exhibit A as Lots 1, 2, 3 and 4 and the improvements located thereon shall be conveyed to the owner of each such lot for the exclusive use of such owner. Fee simple absolute title in any common elements, i.e., firewall, driveways which are not shown as private elements, shall be vested in an Association owned by the unit owners which shall operate as a Townhouse Corporation under the name of Cato Crossings, Inc. (herein called "Association").

5. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Every person who is a record owner of a fee or undivided fee interest in any lot and dwelling unit situated within Cato Crossings shall automatically be a member of the Association; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be a member, except as hereinafter set forth and set forth in the By-Laws of the Association, which are incorporated herein by reference.

6. THE BUILDING AND GROUND AREA. The Development consists of four dwelling units, with the dwellings on Lots 1 and 4 being one story with a bonus room above the garage and those on Lots 2 and 3 being a two-story design. The foundation for the aforesaid units is reflected on Exhibit A attached hereto. The ground area consists of a lawn and driveways serving each unit or lot. However, the lawn area depicted by the appropriate shading for that unit shall be specifically limited to the use of the unit which it serves, i.e., the lawn areas serving Lots 1 and 4 are shown as white and the lawn areas serving Lots 2 and 3 are shown as gray and each lawn is limited to the use of the unit it served.

The units are of concrete block foundation and a wood frame construction with brick veneer exterior. Ceilings are dry-wall on wood frame construction. Interior walls are dry-wall on wood frame construction. The units are centrally heated by gas, and electrically air conditioned with individual controls in each unit. Each unit has an individual gas water heater.

7. UNITS. The anticipated number of square feet of each lot is shown on Exhibit A hereto attached. Each unit will be located on a lot as shown on said exhibit. (The words unit, dwelling, dwelling unit and apartment have the same meaning throughout this Declaration and By-Laws appended hereto, and are used interchangeably.)

8. PRIVATE ELEMENTS. The fire wall between each unit constitutes Private Elements, pursuant to T.C.A. §66-27-102(14). The lot area and improvements located thereon are for the exclusive use of the fee simple owner thereof. A deed conveying title to such elements shall transfer fee simple absolute ownership thereto. Limited common elements located upon private elements shall be deemed to be private elements.

9. USE OF APARTMENTS. Each of the apartments shall be used as a single family residence only.

10. ENCROACHMENTS. If any portion of the common elements now encroaches upon any dwelling or if any dwelling now encroaches upon any other dwelling or upon any portion of the common elements, as a result of the construction of a building or any building, or if any such encroachment shall occur hereafter as a result of settling or shifting, a valid easement for the encroachment and for the maintenance of the same so long as such building stands, shall exits. In the event such building, a dwelling, any adjoining dwelling, or any adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any dwelling or of any dwelling upon any other dwelling or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as any such building shall stand.

11. DWELLING UNITS SUBJECT TO DECLARATION. All present and future co-owners and tenants of dwelling units shall be subject to and shall comply with the provisions of this Declaration and the By-Laws appended hereto. The acceptance of a deed of conveyance, devise, inheritance or the entering into of a lease of a dwelling or entering into occupancy of a dwelling, shall constitute an agreement that the provisions of this Declaration and such By-Law provisions, covenants and restrictions are accepted

and ratified by each co-owner and tenants, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such dwelling, as though such provisions were recited and stipulated in full in each and every deed or lease thereof.

12. DWELLING UNITS SUBJECT TO BY-LAWS AND RULES AND REGULATIONS. All present and future co-owners, tenants and occupants of a dwelling unit shall be subject to, and shall comply with, the provisions of the By-Laws and the Rules and Regulations appended hereto and recorded herewith, pursuant to Tennessee Code Annotated, Section 67-27-101, et. seq., as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a dwelling unit, or the entering into occupancy of any dwelling unit shall constitute an agreement that the provisions of the said By-Laws and the Restrictions, as they may be amended from time to time, are accepted and ratified by such co-owner, tenant and occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such apartment and lot, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease, thereof.

13. AMENDMENT. This Declaration may be amended by a deed of amendment joined in by co-owners representing at least sixty-seven (67%) percent of the total then existing dwelling units in the Planned Unit Development, which deed shall be recorded in the Register's Office of Davidson County, Tennessee, provided, however, no such amendment shall affect fee simple title or change the land area owned by any lot owner without the written and acknowledged and duly recorded consent of such lot owner.

14. WAIVER. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce it, regardless of the number of violations or breaches which may occur.

15. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference and neither define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

16. GENDER. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the singular shall be deemed to refer to the plural and visa versa, whenever the context so requires.

IN WITNESS WHEREOF, the Developer has executed this Declaration at Nashville, Davidson County, Tennessee, on this the 26th day of August, 2002.

DEVELOPER:

MICHAEL A. COCHRANE, TRUSTEE

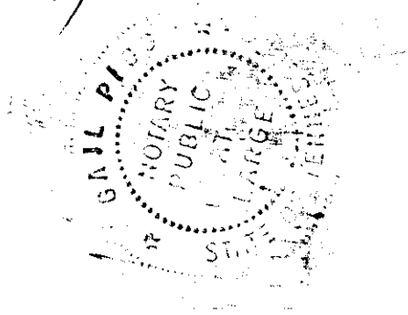
STATE OF TENNESSEE
COUNTY OF DAVIDSON

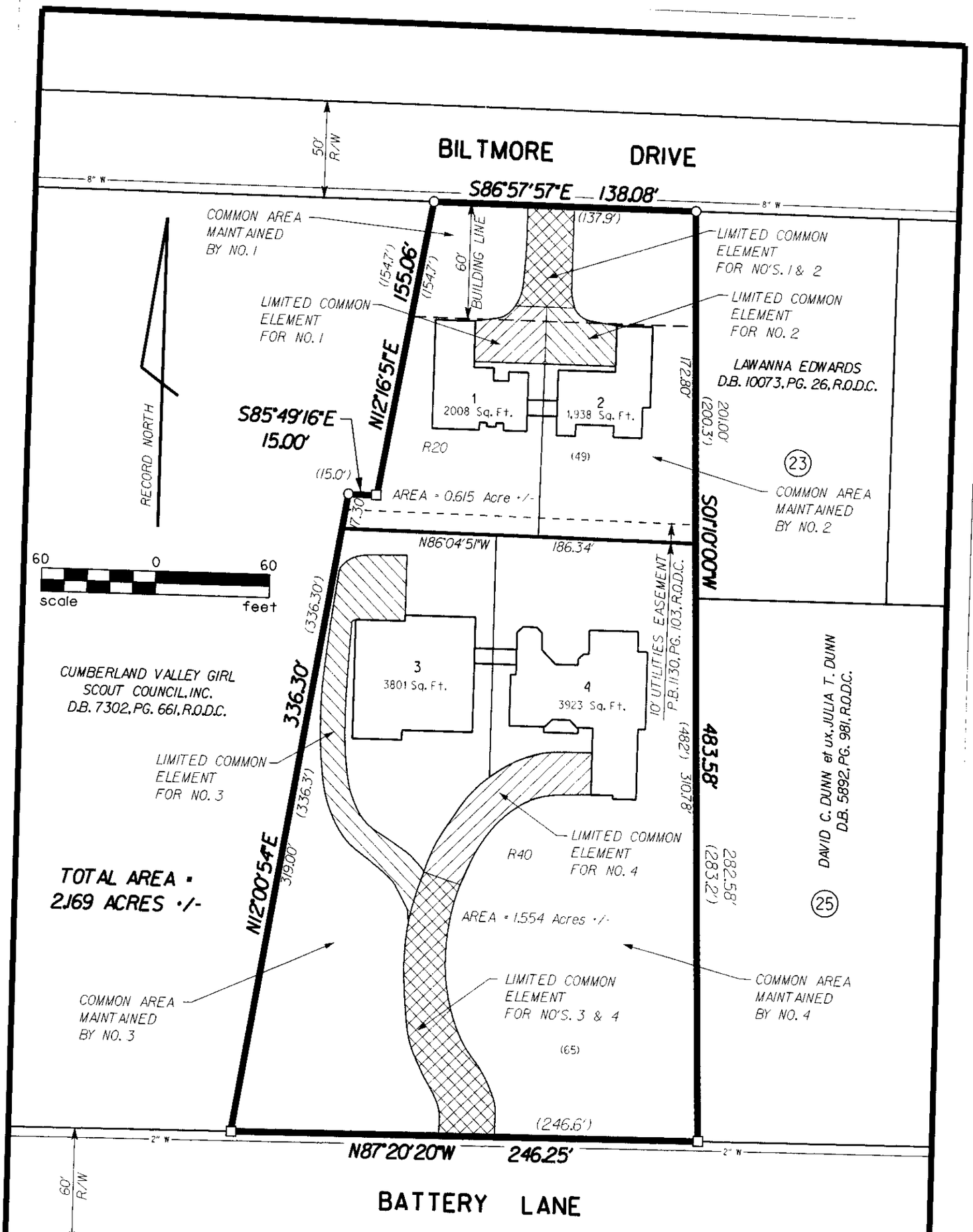
Personally appeared before me, the undersigned, a notary public, in and for said County and State, MICHAEL A. COCHRANE, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, the within named bargainor, and, who, upon oath, acknowledged that he executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and seal this 26th day of August, 2002.

NOTARY PUBLIC

My commission expires: 5/30/04.





CATO CROSSINGS

33RD COUNCILMANIC DISTRICT, NASHVILLE, DAVIDSON COUNTY, TENNESSEE

GRESHAM, SMITH AND PARTNERS
1400 Nashville City Center 511 Union Street
Nashville, Tennessee 37219
(615) 770-8100

PARCELS 49 & 65, TAX MAP 131-12

SCALE 1"=60'

DATE: 08-23-02

COVENANTS, CONDITIONS AND RESTRICTIONS
AND
BY-LAWS
OF
CATO CROSSINGS

(a Private Element Regime)

Section 1. Dwelling Unit Ownership. The property located at 1138 Battery Lane, extending to Biltmore Drive, Nashville, Davidson County, Tennessee, has been submitted to the provisions of chapter 27 of Title 66 of Tennessee Code Annotated by a Master Deed and Declaration recorded in the Register's Office of Davidson County, Tennessee, simultaneously herewith, to which these By-Laws are appended and shall hereinafter be known as Cato Crossings, a Private Element Regime (hereinafter called the "Development").

Section 2. Applicability of By-Laws. The provisions of these By-Laws and the Covenants, Conditions and Restrictions herein contained are applicable to the property of the Development, as described in the Declaration Establishing Cato Crossings to which this document is affixed, and to the use and occupancy thereof. The term "Property" as used herein, shall include the land, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are submitted to the provisions of said Chapter 27 of Title 66 of Tennessee Code Annotated.

Section 3. Application. These By-Laws and each change made in accordance herewith and pursuant to Tennessee Code Annotated, Sections 66-27-101, et. seq., are and shall be covenants running with each unit and binding on each successive co-owner, lessee or mortgagee of each unit in the Development. All present and future owners, mortgagees, lessees and occupants of units and their employees and any other persons who may use the facilities of the property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations. The acceptance, whether from Developer or a co-owner, of a deed or conveyance, or mortgage, or the entering into of a lease with the Developer or a co-owner, or the act of occupancy of a unit shall constitute a covenant and an agreement by the grantee, conveyee, mortgagee, lessee or occupant that these By-Laws, the Covenants, Conditions and Restrictions and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with, and further, that he will make the provisions herein known to any subsequent purchaser, lessee or mortgagee.

Section 4. Office. The office of the Development and of the Board of Directors of the Association shall be located at such place as the Board may from time to time designate.

Section 5. Definitions. The following words when used in these By-Laws, unless the context shall prohibit, shall have the following meanings:

(a) "Association" shall mean and refer to Cato Crossings Association, Inc., a non-profit corporation under the laws of the State of Tennessee, incorporated and organized for the purposes of owning, maintaining and administering the Association properties and facilities and administering and enforcing the covenants and restrictions related thereto, pursuant to and in accordance with Tennessee Code Annotated, Section 66-27-103.

(b) "Cato Crossings" shall mean and refer to all that tract or parcel of land described in the Declaration Establishing Cato Crossings to which this document is affixed.

(c) "Association Properties" shall mean and refer to any property which constitutes "common area" for the lot owners, in addition to any personalty owned by the Association.

(d) "Lot" shall mean and refer to any plot of land shown as a numbered parcel on Exhibit A or referred to in the preceding paragraph as the same may be revised, modified or amended from time to time.

(e) "Private Elements" refers to the land upon which a dwelling unit is located, its respective lot area as designated on Exhibit A, and the dwelling unit itself. Limited common elements located upon private elements shall be deemed to be private elements in accordance with Tennessee Code Annotated, Section 66-27-102(14).

(f) "Limited Common Elements" not located upon private elements are those areas limited to the use of the unit owner or unit owners which they serve.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons, of the fee simple title to the Private Elements; excluding, however, those persons having such interest merely as security for the performance of an obligation.

(h) "Developer" shall mean and refer to Michael A. Cochrane, Trustee.

(i) "Mortgage" shall mean and refer to any security instrument by means of which title to property is conveyed or encumbered to secure a debt.

(j) "Mortgagee" shall mean and refer to any one or more persons who hold a recorded or unrecorded Mortgage or mortgages.

(k) "Declaration" shall mean and refer to the document establishing this Private Element Regime to which these By-Laws are appended, also interchangeably referred to as Master Deed.

Section 6. Mergers. Pursuant to a merger or consolidation of the Association, the properties, rights and obligations of such corporation or corporations may be transferred to another non-profit corporation, or the properties, rights and obligations of another non-profit corporation may be transferred to the Association. The surviving or consolidated corporation may administer the covenants and restrictions applicable to the property described in the Declaration together with the covenants and restrictions which either the merging corporation or corporations or the surviving or consolidated corporation was, or were, otherwise entitled to administer. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions hereby made applicable to the property, except that the members of the Association may, as an incident to any such merger or consolidation, make changes in the method of calculating and the maximum amount of the annual assessments and may authorize special assessments as provided herein.

Section 7. Membership and Voting Rights in the Association. Every person who is a record owner of a fee or undivided fee interest in any lot and dwelling unit situated within Cato Crossings shall automatically be a member of the Association; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be a member, except as hereinafter set forth and set forth in the By-Laws of the Association, which are incorporated herein by reference.

Section 8. Voting Rights. The Association shall have two classes of voting membership:

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

Class B. The Class B members shall be the Declarant who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or

(b) Two (2) years from the date of the conveyance of the first lot or occupancy of the first home constructed on any lot.

Section 9. Suspension of Membership Rights. The membership rights of any member, including the right to vote, may be suspended by the Association's Board of Directors, pursuant to authority granted in the Association's By-Laws, as amended from time to time. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of suspension and shall not affect the permanent charge and lien on the member's property in favor of the Association. Suspension of such membership rights shall not affect the obligation of each lot owner to comply with all the covenants, conditions and restrictions herein set forth.

Section 10. Meetings of the Membership. All matters concerning meetings of members of the Association, including the time in which and the manner in which notice of any of said meetings shall be given to said members and the quorum required for the transaction of business at any of said meetings, shall be as specified in this Declaration or in the By-Laws of the Association, as amended from time to time, or by law.

Section 11. Easements Subject to Certain Rights of Developer and The Association. The members' rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to suspend the voting rights and right to use the Association Properties of any member for any period during which any assessment against his lot remains unpaid, and for such period as it considers appropriate for any infraction of its restrictions; and

(b) If applicable, the right of the Association to charge reasonable admission and other fees for the use of the Association Properties, or any portion thereof; and

(c) The right of the Association to dedicate or transfer all or any part of the Association Properties to any public agency or authority or utility for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon; provided that no such dedication or transfer, determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by members of the Association entitled to cast two-thirds (2/3) of the total votes of all classes of members entitled to vote has been recorded, agreeing to such dedication,

transfer, purpose or condition, and written notice of the proposed agreement and action thereunder is sent to every member entitled to vote at least sixty (60) days in advance of any action taken.

(d) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the privately owned Association Properties.

Section 12. Extension of Rights and Benefits. Every member of the Association shall have the right to extend the rights and easements of enjoyment vested in him hereunder to each of his tenants and to each member of his family who resides with him within Cato Crossings and to such other persons as may be permitted by the Association's Board of Directors, subject, however, to all conditions and restrictions herein set forth.

Section 13. Assessments.

(a) Creation of the Lien and Personal Obligation for Assessments. Each owner of any lot situated within Cato Crossings, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (1) annual assessments and charges and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon and cost of collection thereof, as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

(b) Purpose of Assessments. The assessments levied under this Section shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of Cato Crossings and, in particular, for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and relating to the use and enjoyment of the Association Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. Such portion of the annual assessments levied by the Association under this Section, as the Board may determine, may be used for establishing and maintaining reserves for the maintenance, repair, replacement and operation of the improvements situated within Cato Crossings which comprise a portion of the Association Properties.

(c) Commencement and Due Date of Annual Assessments. Any annual assessments shall commence as of the date of conveyance of each lot to the owner. The Association's Board of Directors shall fix the amount of the annual assessment payable to the Association against each lot and send written notice of same to every owner subject thereto at least thirty (30) days in advance of each annual assessment period. Unless otherwise provided by the Association's Board of Directors, one-fourth (1/4) of the annual assessment for each lot shall become due and payable to the Association on the first day of each quarter during the assessment period and shall be paid to the Association when due without further notice from the Association.

(d) Certificate of Payment. The Association shall, upon demand, at any time, furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

(e) Increase in Annual Assessments. From and after January 1, 2005, the maximum annual assessments may be adjusted effective January 1st each year, as determined by the Board of Directors, provided, however, the increase may not exceed twenty five (25%) percent of the assessment for the previous year without a vote of the members, pursuant to the following sections. The annual assessments may be increased above twenty five (25%) percent as provided in Section 13, paragraph (f). After consideration, the Board of Directors may fix the actual annual assessments at amounts not in excess of the maximums.

(f) Change in Basis and Maximum of Annual Assessments. From and after June 1, 2005, the maximum annual assessments may be increased above those established in the preceding paragraph in the following manner: Assessments as to any such increase of more than fifty (50%) percent in the established maximum assessments shall require the assent of two-thirds (2/3) of the total votes of all classes of members who are voting upon written ballot which shall be sent to all members at least thirty (30) days in advance of the canvass thereof; an increase from twenty five (25%) percent to and including fifty (50%) percent shall require the assent of two-thirds (2/3) of the total vote of all classes of members who are voting in person or by proxy or through a representative (as provided for in the By-Laws of the Association) at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

(g) Special Assessments for Capital Improvements. In addition to the annual assessments authorized herein, the Association may levy special assessments for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon their respective Properties, including the necessary fixtures and personal property related

thereto, subject, however, to the following: Any special assessment levied by the Association in excess of $1,000.00 per lot for any assessment year shall require the assent of two-thirds (2/3) of the total votes of all classes of members who are voting upon written ballot which shall be sent to all members at least thirty (30) days in advance of the canvass thereof; special assessments in the amount of $1,000.00 or less per lot shall require the assent of two-thirds (2/3) of the total votes of all classes of members who are voting in person or by proxy or through a representative (as provided for in the By-Laws of the Association) at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

(h) Quorum for Any Action to Increase Annual Maximum and For Special Assessments. The quorum required for any action authorized by Paragraphs (f) and (g) of this Section 13 hereof shall be as follows: At the first meeting called, as provided in Paragraphs (f) and (g) hereof, the presence at the meeting of members or of proxies or of representatives entitled to cast sixty (60%) percent of the total votes of all classes of members shall constitute a quorum. In the case of any vote by written ballot, as provided in Paragraphs (f) and (g) hereof, a return at the first canvass of ballots representing sixty (60%) percent of the total votes of all classes of members shall constitute a quorum. If the required quorum is not forthcoming at any meeting or canvass, another meeting or canvass may be called, subject to the notice requirements set forth in Paragraphs (f) and (g) hereof, and the required quorum at any such subsequent meeting or canvass shall be one-half (1/2) of the required quorum at the preceding meeting or canvass, (thirty (30%) percent of the total votes of all classes of members) provided that no such subsequent meeting shall be held or canvass taken more than sixty (60) days following the preceding meeting or canvass.

(i) Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association.

(1) If an assessment is not paid on the date when due (being the dates specified in Paragraph (c) of this section), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns; in addition thereto, the personal obligation of the delinquent owner to pay such assessment shall continue as a personal obligation, and such owner and such successors in title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such owner and such successors in title to the contrary.

(2) If an assessment is not paid within thirty (30) days after the delinquency date, such full assessment shall be automatically accelerated as to any balance then due and shall bear interest form the date of delinquency at the maximum legal rate per annum. A penalty shall likewise be added after a sixty (60) day delinquency of twenty (20%) percent

of the delinquent amount. If not then paid, the Association may bring legal action against the owner personally obligated to pay the same or foreclose its lien against such owner's lot, in which event, penalty, interests and costs, plus reasonable attorney's fees shall be added to the amount of such assessment as may then be due. Each owner, by his acceptance of a deed or other conveyance to a lot, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding in law or in equity. The lien provided for in this Paragraph (i) shall be in favor of the Association and shall be for the benefit of all other owners. The Association acting on behalf of the owners, shall have the power to bid on the lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Association Properties and facilities or by abandonment of this lot.

(3) If an assessment is not paid within thirty (30) days after the delinquency date, the Association may also suspend the membership rights of the delinquent owner, pursuant to authority granted in the By-Laws, as amended from time to time, including the right to vote, the right of enjoyment in and to the Association Properties and facilities and the right to receive and enjoy such services and other benefits as may then be provided by the Association. Any such suspension shall not affect such owner's obligation to pay assessments coming due during the period of such suspension; shall not affect the permanent charge and lien on such owner's property in favor of the Association and shall not affect such owner's obligations, pursuant to the Covenants, Conditions and Restrictions.

Section 14. Subordination of the Charges and Liens to Mortgages.

(a) The lien for assessments payable by a lot owner shall be subordinate to the lien of recorded first mortgage or deed of trust on the interest of said lot owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the mortgages or beneficiary thereunder either takes possession of the unit encumbered thereby, accepts the conveyance of any interest therein (other than as security) or forecloses its mortgage or deed of trust. This Paragraph shall not be amended, changed, modified or rescinded without the written consent of all mortgagees and beneficiaries of record.

(b) No sale or transfer of such property to the mortgagee or to any other person pursuant to a decree of foreclosure, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any existing or previous owner of such property of any personal obligation, or relieve such property or the then owner of such property from liability for any assessments or charges authorized hereunder coming due after such sale or transfer.

(c) Notwithstanding the foregoing, the Association's Board of Directors may at any time, either before or after any mortgage or mortgages are placed on such property, waive, relinquish or quitclaim in whole or in part the right of the Association to assessments and other charges collectible by the Association hereunder with respect to such property coming due during the period while such property is or may be held by a mortgagee or mortgagees, pursuant to such sale or transfer.

(d) The Association's Board of Directors whenever so requested in writing by a mortgagee of a unit, shall properly report any then unpaid common charges due from or any other default by the owner of the mortgaged unit.

(e) The Association's Board of Directors, when giving notice to an owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to them.

Section 15. Exempt Property. Each lot situated within Cato Crossings and owned by the Developer shall be exempt from the assessments, charges and liens created herein until the completion of improvements located thereon. The Developer will pay no common charges by reason of its ownership of unimproved lots or partially constructed units. The following property subject to this Declaration shall also be exempt from the assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated to and accepted by a local public authority and devoted to public use.

Section 16. Responsibility for Administration.

(a) The administration of the property subject to the jurisdiction of the Association, the maintenance, repair, replacement and operation of the Association Properties and facilities and those acts required of the Association by this Declaration shall be the responsibility of the Association. Such administration shall be governed by this Declaration and the Articles of Incorporation and by-Laws as amended from time to time, of the Association. The powers and duties of the Association shall be those set forth in said documents, together with those reasonably implied to effect their respective purposes.

(b) It is expressly understood that all maintenance of, and repairs to, any dwelling unit, structural or non-structural, or lot on which it is located, shall be made by the owner of such unit. It is further expressly understood that the driveways serving each dwelling are owned in fee simple by and for the use of the owners of that dwelling. The costs of maintenance, repair and replacement of such driveway shall be paid by the owner of the dwelling which it serves. The costs of maintenance and repair of the common elements shall be paid by the Association, subject to the terms of Paragraph (c) below.

(c) Lawn Areas and Driveways. The lawn area serving each individual lot as depicted by the appropriate shading shown for that lot on the recorded plat shall be maintained by the respective lot owner which it serves. The drives leading to the individual driveways shall be Limited Common Elements. The drives serving the driveway to Lots 1 and 2 shall be maintained by the owners of Lots 1 and 2 and the drives serving the driveway of Lots 3 and 4 shall be maintained by the owners of Lots 3 and 4. The cost for the respective drives shall be paid equally by the lot owners for which they serve. Those driveways directly serving each unit as shown on the Cato Crossings plat are limited common elements serving the individual lot which they abut. Each such lot owner shall maintain the driveway serving that owner's unit. However, if the lot owners fail to keep the drives and lawns properly maintained, the Association shall cause the repairs and maintenance to be paid, but charging said amount to the affected lot owners, which amount shall constitute a lien against the property and enforced in accordance with the provisions of these By-Laws and Tennessee Code Annotated, Section 66-27-101, et. seq.

(d) Management Agreements. The Association's Board of Directors may enter into such management agreements as it may deem necessary or advisable for the administration and operation of the property, subject to the jurisdiction of their respective organizations, and subject to Paragraph (a) of this Section 16. Any such management agreement may be entered into upon the favorable vote of a majority of the Board of Directors and shall provide therein that the same may be terminated by a majority vote of the entire Board.

(e) Limitation of Liability; Indemnification. Neither the Officers or Directors of the Association shall be liable to any of its respective members for injury or damage caused by such officers or directors in the performance of their duties unless due to the willful misfeasance or malfeasance of such officers or directors. Each officer or director of the Association shall be indemnified by the members against all expenses and liabilities, including attorney's 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 such an officer or director, or any settlement thereof, whether or not he is such an officer or director at the time such expenses and liabilities are incurred, except in such cases wherein the officer or director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board of Directors of the Association approves such settlement and reimbursement as being for the best interest of the Association.

Section 17. Insurance and Casualty Losses; The Association.

(a) Insurance. The Associations's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements constructed on the Association Properties against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient

to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Association Board of Directors shall also obtain insurance coverage for the units as set forth in Paragraph __ above. Such Board of Directors or its duly authorized agent shall also obtain a public liability policy covering all Association Properties and facilities for the hazards of premises operations or actions arising out of bodily injury, property damage, false arrest, invasion of privacy and libel and slander caused by the negligence of the Association or any of its agents, which public liability policy shall be at least $1,000,000.00 single limit as respects the hazards enumerated herein. Premiums for all such insurance shall be common expenses paid for by the Association. All policies shall be written with a company licensed to do business in the State of Tennessee. It shall be the individual responsibility of each owner at his own expense to provide as he sees fit, liability insurance for the interior of his unit, and other insurance covering both personal property damage and loss. The Association's Board of Directors shall conduct an annual insurance review which shall include a replacement costs appraisal, without respect to depreciation of all insurable improvements constructed on the Association Properties.

Co-owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by any co-owner.

(b) Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any building as a result of fire or other casualty (unless more than 2/3rds of all buildings require reconstruction), the Board shall, as it in its sole and absolute discretion determines and without intervention of any co-owner, arrange for the prompt repair and restoration of the Building or Buildings, including any damaged units and damaged kitchen and bathroom fixtures, bathroom vanities and kitchen and bathroom cabinet work, wood floors, carpeting, light fixtures, wallpaper, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not including any wall, ceiling or floor decorations or covering or other furniture, furnishing, fixtures or equipment installed by tenants or co-owners in the apartments (unless insurance thereof is specifically provided for in the insurance policy obtained by the Board) and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the Board may assess all the co-owners directly affected by the damage for such deficit as part of the common charges.

If two-thirds or more of all buildings are destroyed, the property, including all lots, shall be sold; in which event the net proceeds of the sale, together with the net proceeds of insurance policies, shall be divided by the Board or the Insurance Trustee,

as the case may be, among all the co-owners in proportion to their respective common interests, after paying out of the share of each co-owner the amount of any unpaid liens on his unit, in the order of priority of such liens. If there shall have been a repair or restoration pursuant to the first paragraph of Section (b) above, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the Board or the Insurance Trustee, as the case may be, among the co-owners in the same manner.

Section 18. Construction, Review and Approval.

(a) From and after the completion of construction and first sale by the Developer of all improved lots situated within Cato Crossings, no house, garage, carport, playhouse, outbuilding, fence, wall or other above-ground structure shall be commenced, erected or maintained upon any such lot, nor shall any exterior addition to, change in or alteration of any of said structures be made until complete final plans and specifications showing the nature, kind, shape, heights, materials, basis exterior finishes and colors, location and floor plan thereof, and showing front, side and rear elevations thereof and the names of the building, general contractor and all sub-contracts have been submitted to and approved by the Developer prior to sale of all the lots in Cato Crossings or, after such time, by the Association's Board of Directors as to harmony of exterior design and general quality with the existing standards of the neighborhood and as to location in relation to surrounding structures and topography. All exterior paint or siding colors must also be approved by the Developer or the Board of Directors. The approvals required by this paragraph shall not be unreasonably withheld.

(b) Violations, Remedies of Association. Any such construction or painting made or performed without application having first been made and approval obtained as provided above, shall be deemed in violation of this covenant and may be required to be restored to the original condition or the paint colors changed at the owner's cost. Upon the failure or refusal of any owner to perform the required restoration, the Association's Board of Directors, its designated committee or their authorized agents or employees may, after 14 days' notice to such owner, enter upon such lot and perform such restoration or painting as said Board of Committee, in the exercise of its sole discretion, may deem necessary or advisable. Such owner shall be personally liable for the direct and indirect costs of such restoration or painting, and the liability for such costs shall be a permanent charge and lien upon such lot enforceable by any appropriate proceeding in law or in equity.

Section 19. Exterior Maintenance.

(a) Association Properties. The responsibility for the maintenance, in a neat and attractive condition of all Association Properties and facilities shall be as prescribed in Section 19 of this Declaration.

(b) Lots and Improvements Thereon. (a) All dwelling units subject to this Declaration, together with the exterior of such units, shall be maintained in a neat and attractive condition by their respective owners. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and caring for roofs, gutters, downspouts, building surfaces, trees, shrubs, grass, walks and other exterior improvements. Upon the failure or refusal of any owner to maintain his lot and the exterior of all improvements located thereon in a neat and attractive condition, the Association's Board of Directors, its designated committees or its authorized agents or employees, may, after fourteen (14) days notice to such owner, enter upon such lot and perform such exterior maintenance as said Board or Committee, in the exercise of its sole discretion, may deem necessary or advisable. Such owner shall be personally liable to the Association for the direct and indirect costs of such maintenance and the liability for such costs shall be a permanent charge and a lien upon such lot enforceable by such organization by any appropriate proceeding in law or in equity. (b) Notwithstanding the foregoing, nothing herein contained shall apply to the maintenance of any lot as long as title to same is held by the Developer primarily for the purpose of sale.

(c) Liability for Repairs, Etc. As hereinabove stated, each unit owner is liable for the payment of maintenance and repairs to his driveway, as well as to the dwelling unit which it serves. The cost of maintenance and repair of the common elements shall be paid by the Association.

Section 20. Easements. There is hereby granted a blanket easement to the Association, its officers, directors, agents and employees, and to all policemen, firemen, ambulance personnel and all similar persons to enter upon the property subject to this Declaration or any portion thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights accompanying the easements provided for in this Section 20 shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with the permission of the owner or owners directly affected thereby.

Section 21. Restrictions On Use of Dwelling Units. In order to provide for congenial occupancy of the property and for the protection of the values of the dwelling units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) Each of the units shall be used for single family residences only;

(b) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the units;

(c) No nuisances shall be allowed in the development nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the property by its residents;

(d) No immoral, improper, offensive or unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the respective co-owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the property;

(e) No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein;

(f) No sale of any kind shall be conducted on the premises except to sell the personal effects of a deceased co-owner or tenant or his or her spouse; provided, however, that such permitted sale shall be conducted for no longer than two consecutive days and between the hours of 9:00 a.m. and 5:00 p.m.;

(g) No radio or television aerial shall be attached to or hung from the exterior of a building or patio, and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of any of the buildings;

(h) Refuse from the units shall be placed in containers in the rear of each unit and shall be attractively concealed.

(i) Nothing shall be hung at the interior windows of each unit except standard window treatments. In no event shall sheets, towels or items of like nature be used in lieu of drapes or other standard window treatment.

(j) No vehicle belonging to a unit owner or to a member of the family or guest, tenant or employee of a unit owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from any lot by another vehicle, or ingress or egress to and from Battery Lane or Biltmore Drive. Also, any vehicle belonging to a unit owner, member of his family or guest, tenant or employee shall at all times be parked in the garage, drive or parking area of that co-owner. Such vehicles shall never be parked on the drive or parking area of the other co-owner without the express consent of such co-owner. No vehicle shall be parked on the grass

of any co-owner, except for temporary entertainment or emergency purposes.

(k) Unit owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their units.

(l) No chain link fence shall be installed on any lot nor shall any other fence be installed on the front of the premises without permission of the Board or the Developer. Permission shall not be unreasonably withheld.

(m) Vehicles without wheels shall not be permitted on the property at anytime. No dirt bikes or motorcycles shall be operated on the property except for purposes of going to and from the specific unit which the owner of such vehicle occupies and then only over the driveway serving that specific unit.

(n) No unit may be used for the purpose of a day care center.

(o) No more than two domestic animals may be kept by any unit owner. Such pets shall not be permitted to run free over the lots. Any dog must be kept on a leash or within boundaries of each lot outside the unit. Each lot owner covenants to the other that no pet shall be permitted to become a nuisance so as to disturb the peace of the other lot owner.

Section 22. General Provisions.

(a) Duration. The covenants and restriction of this Declaration shall run with and bind the land, shall be and remain in effect, and shall inure to the benefit and be enforceable by the Association, the owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years form June 1, 2003. Said covenants and restrictions may be renewed and extended, in whole or in part, beyond said thirty (30) year term for successive periods not to exceed ten (10) years each if an agreement for renewal and extension is signed by members of the Association entitled to cast at least two-thirds (2/3) of the votes in each class of members of the Association and is filed for record in the Office of the Clerk of the Register's Office of Davidson County, Tennessee, at least 180 days prior to the effective date of such renewal and extension; provided, however, that each such agreement shall specify which of the covenants and restrictions are so renewed and extended and the term for which they are so renewed and extended. Every purchaser or guaranty of any interest in any property subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that the covenants and restrictions of this Declaration may be renewed and extended as provided herein.

(b) Amendment. The covenants and restrictions of this Declaration may be amended at any time during the first thirty (30) year period provided above by any instrument signed by members of the Association entitled to cast at least sixty-seven (67%) percent of the votes of the total membership of the Association, and, thereafter, by an instrument signed by members of the Association entitled to cast at least sixty-seven (67%) percent of the votes of each class of members of the Association; provided, however that any such amendment of these covenants and restrictions must be in full compliance with all applicable laws and regulations and shall not become effective until the instrument evidencing such change has been duly filed for record in the Office of the Register's of Davidson County, Tennessee, and unless written notice of the proposed amendment is sent to every owner at least sixty (60) days in advance of any action taken. Every purchaser or grantee of any interest in any property subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that the covenants and restrictions of this Declaration may be amended as provided herein.

(c) Notices. Any notice required to be sent to any member or owner pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postage prepaid, addressed to the member or owner to whom it is intended at his last known place or residence, or to such other address as may be furnished by the Secretary of the Association and such service shall be deemed sufficient. The date of service shall be the date of mailing.

(d) Enforcement. Enforcement of the covenants and restrictions contained herein and of any other provision hereof shall be by any appropriate proceeding at law or in equity against any person or persons violating or attempting to violate said covenants and restrictions or provisions, either to restrain violation, to enforce personal liability, or to recover damages, or by any appropriate proceeding at law or in equity against the land. Failure to enforce any charge or lien arising by any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the first right and duty to institute appropriate proceedings for enforcement, but failure or refusal of the Association to act within a reasonable time shall authorize any affected owner to do so.

(e) Assignability. Notwithstanding any other provision herein to the contrary, the Developer shall at all times have the right to fully transfer, convey and assign all of its right, title and interest under this Declaration, provided that such transferee, grantee or assignee shall as the substitute Developer, take such rights subject to all obligations also contained herein.

(f) Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or

application; and to this end, the provisions of this Declaration are declared to be severable.

(g) Captions. The captions of each Section hereof as to the contents of each Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Section to Which they refer.

(h) Gender. The masculine gender shall be construed to include a female or any legal entity where the contest so requires.

IN WITNESS WHERE, the Developer has caused this Declaration to be exercised by its duly authorized office, and its corporate seal to be hereunto affixed, the day and year first above written.

This 26th day of August, 2002.

Michael A. Cochrane

MICHAEL A. COCHRANE, TRUSTEE

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a notary public, in and for said County and State, MICHAEL A. COCHRANE, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, the within named bargainor, and, who, upon oath, acknowledged that he executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and seal this 26th day of August, 2002.

Gail Page

NOTARY PUBLIC

My commission expires: 5/30/04.

GAIL PAGE NOTARY PUBLIC DAVIDSON COUNTY TENNESSEE LARGE SEAL