This instrument prepared by:
Alvin L. Harris
Hubbard, Berry, Doughty, Harris & Barrick, PLLC
Suite 1420, SunTrust Bank Building
201 Fourth Avenue, North
Nashville, Tennessee 37219
(615) 251-5448

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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE VILLAS AT CONCORD PLACE

THIS INSTRUMENT ESTABLISHES A FEE-SIMPLE TOWNHOME COMMUNITY THAT IS A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS PURSUANT TO TENN. CODE ANN. § 66-27-103(b)

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,

RESTRICTIONS AND EASEMENTS

FOR

THE VILLAS AT CONCORD PLACE
A HORIZONTAL PROPERTY REGIME
WITH PRIVATE ELEMENTS

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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS AND EASEMENTS

FOR

THE VILLAS AT CONCORD PLACE

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS AND EASEMENTS FOR THE VILLAS AT CONCORD PLACE ("Declaration") is made as of the date set forth on the signature page hereof by CENTEX HOMES, a Nevada general partnership, having CENTEX REAL ESTATE CORPORATION, a Nevada corporation, as its managing general partner (the "Declarant").

Declarant is the owner of the real property described on **Exhibit "A"**, which is attached hereto and incorporated herein by reference. This Declaration imposes upon the Properties mutually beneficial restrictions under a plan of development for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall community, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for The Villas at Concord Place Homeowners Association, Inc., to operate and maintain Common Property and to administer and enforce the provisions of this Declaration, the Bylaws, and the Architectural Standards (capitalized terms are defined in Article 1 below).

Declarant hereby declares that all of the property described on **Exhibit "A"** and any Additional Property subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

ARTICLE 1: DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Additional Property": All of that certain real property which is more particularly described on **Exhibit "B"**, which is attached hereto and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Declaration in accordance with Article 8.

1.2. "ARB": The Architectural Review Board, as described in Section 10.2.

1.3. **"Architectural Standards":** The design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Properties which may be promulgated and administered pursuant to Article 10.

1.4. **"Area of Common Responsibility":** The Common Property, together with those areas or property, if any, which have been designated to be maintained by the Association or for which it has assumed responsibility.

1.5. **"Charter":** The corporate charter of The Villas at Concord Place Homeowners Association, Inc., as filed with the Secretary of State of the State of Tennessee.

1.6. **"Association":** The Villas at Concord Place Homeowners Association, Inc., a Tennessee nonprofit corporation, its successors or assigns.

1.7. **"Board of Directors" or "Board":** The body responsible for administration of the Association, selected as provided in the Bylaws and serving as the board of directors under Tennessee corporate law.

1.8. **"Builder":** Any Person who purchases one (1) or more Homesites for the purpose of constructing improvements for later sale to consumers or who purchases one (1) or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business. Any Person occupying or leasing a Homesite for residential purposes shall cease to be considered a Builder with respect to such Homesite immediately upon occupancy of the Homesite for residential purposes, notwithstanding that such Person originally purchased the Homesite for the purpose of constructing improvements for later sale to consumers.

1.9. **"Bylaws":** The Bylaws of The Villas at Concord Place Homeowners Association, Inc., attached hereto as Exhibit "C," as they may be amended from time to time.

1.10. **"Control Period":** The period of time during which Declarant is entitled to appoint the members of the Board of Directors as provided in Section 4.2.

1.11. **"Common Property and Limited Common Property":** "Common Property" is all real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in, for the common use and enjoyment of the Owners. "Limited Common Property" is all Common Property that is contiguous to and intended for the sole and exclusive use of a single Homesite or a certain number of Homesites to the exclusion of other Homesites as an inseparable appurtenance thereto. Limited Common Property shall include without limitation driveways, patios, steps and stoops that are not within a Homesite but are appurtenant to a Homesite or Homesites.

1.12. **"Common Expenses":** The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common Expenses shall not include any expenses incurred during the Control Period for initial

development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Members holding a Majority of the total votes of the Association.

1.13. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall initially be established by Declarant and may be more specifically determined by the Board of Directors and the Architectural Review Board.

1.14. "Cost Sharing Agreement": Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of, or within the Properties, for the allocation of expenses for amenities and/or services that benefit both the Association and the owner or operator of such property.

1.15. "Days": Calendar days; provided however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regular business day.

1.16. "Declarant": Centex Homes, a Nevada general partnership, or any successor, successor-in-title, or assign who takes title to any portion of the property described on **Exhibit "A"** for the purpose of development and/or sale and who is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one (1) "Declarant" hereunder at any time. Centex Homes (in the event its rights as Declarant have been transferred or assigned to another party), and any other Person who subsequently transfers or assigns the rights of Declarant to another Person shall be known as a "predecessor Declarant", and, unless otherwise agreed to in writing, shall be entitled to the rights of a predecessor Declarant established in this Declaration.

1.17 "Development". "Development" shall mean and refer to The Villas at Concord Place, the Properties, the Common Property, and all improvements located or constructed thereon, and any portion of the Additional Property subjected to this Declaration. The term shall be used generally to describe the residential community of The Villas at Concord Place.

1.18 "Development Period": The period of time during which (i) Declarant owns any property which is subject to this Declaration, (ii) any Builder owns a Homesite primarily for development and/or resale that was purchased from Declarant, or (iii) Declarant has the right to submit the Additional Property to this Declaration.

1.19 "General Assessment": Assessments levied on all Homesites subject to assessment under Article 9 to fund Common Expenses for the general benefit of all Homesites, as more particularly described in Sections 9.1 and 9.2.

1.20 "Governing Documents": The Declaration, Bylaws, Charter, all Supplemental Declarations, all Architectural Standards, the rules of the Association, all Cost Sharing Agreements,

and all additional covenants governing any portion of the Properties or any of the above, as each may be amended from time to time.

1.21 "Homesite": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached townhome for a single family, or an unplatted portion of the Properties. In case the Properties contain any unplatted parcels of land, such land shall be deemed to be a single Homesite until such time as a subdivision plat is filed with respect to all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Homesites determined as set forth in the preceding paragraph and any portions not encompassed by such plat shall continue to be treated as a single Homesite in accordance with this Section. For purposes of conveying fee simple title, the terms "Homesite" and "Unit" shall be synonymous.

1.22 "Majority": Those votes, Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.23 "Master Plan": The land use plan or development plan for "The Villas at Concord Place," as such plan may be amended from time to time, which plan includes the property described on **Exhibit "A"** of this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property from the Master Plan bar its later annexation in accordance with Article 8.

1.24 "Member": A Person subject to membership in the Association pursuant to Section 4.1.

1.25 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any similar form of security instrument affecting title to any Homesite, but expressly excluding mechanics' liens, materialman's liens and other such security interests.

1.26 "Mortgagee": A beneficiary or holder of a Mortgage.

1.27 "Owner": One (1) or more Persons who hold the record title to any Homesite, including Declarant and any Builders, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

1.28 "Person": A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.29 "Properties": The real property described on **Exhibit "A"** as such exhibit may be amended or supplemented from time to time to reflect any additions or removal of property in accordance with Article 8.

1.30 "Public Records": The Davidson County, Tennessee public records.

1.31 "Special Assessment": Assessments levied in accordance with Section 9.5.

1.32 "Specific Assessment": Assessments levied in accordance with Section 9.6.

1.33 "Supplemental Declaration": An instrument filed in the Public Records which subjects any portion of the Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

ARTICLE 2: PLAN OF DEVELOPMENT AND COMMON PROPERTY

The Villas at Concord Place, is a planned residential community, which is intended to consist of attached townhome dwellings. The Development is served by a combination of public and private streets. The Properties consist of approximately 5.53 acres of land initially, but may be expanded as permitted by this Declaration.

The Villas at Concord Place is part of an overall plan of development known as "Concord Place." Part of the Concord Place development that is contiguous to The Villas at Concord Place, is a free-standing, single family dwelling community known as "The Hills at Concord Place," which is governed by a separate community association known as The Hills at Concord Place Homeowners Association, Inc. The Villas at Concord Place and The Hills at Concord Place share a common entrance area along Concord Hills Drive.

In accordance with the Master Plan, each attached Homesite includes a portion of the building, as well as parcels of land as shown on **Exhibit "A-1"** hereto or on any recorded subdivision plat of the Properties. The Common Property, which is intended to consist of all those portions of the Properties lying outside the boundaries of the Homesites, including open space, the roads, and their rights-of-way, shall be conveyed to the Association.

The maintenance of each dwelling, and the improvements located thereon, shall be the responsibility of each Owner except as otherwise described herein. External yard maintenance and maintenance of exterior siding, including but not limited to painting of the homes, shall be the responsibility of the Association.

In recording this Declaration and in organizing the Association, it is the intention of Declarant to create a body of rules and regulations whereby the beauty of the community and the Homesites will be enhanced, and the Owners of the Homesites will have the means of enforcing the same to that end. It is further intended that each Owner have the right to use and enjoy the Common Property to the fullest extent possible, within the guidelines set forth in this Declaration, and subject to such other rules and regulations governing the use of said Common Property as may be adopted by the Board of Directors. The easements established herein shall be construed in a manner so as to provide each Owner with access to the Owner's Homesite, for ingress and egress, for the maintenance thereof, and access to all utilities necessary or convenient for the use and enjoyment of each Homesite. Accordingly, the easements established herein in the Common Property, and in the Property, shall be considered appurtenant to each Owner's Homesite, and shall be included with the conveyance of each Homesite, whether or not such easements are specifically or expressly included or described in the deed conveying the same.

ARTICLE 3: PROPERTY RIGHTS

3.1. Common Property - General. Common Property shall include all real property (together with any and all improvements now or hereafter located thereon), and all personal property, both tangible and intangible, owned by the Association for the common use and enjoyment of the Owners, including easements and leaseholds held by the Association for such purpose, and as set forth above, it is intended by Declarant that such Common Property shall include all of the real property within the community located outside the boundary lines of the Homesites. The Association may acquire, hold, and dispose of all Common Property. Declarant and its designees, with Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in **Exhibits "A" or "B"**, personal property and leasehold and other property interests, including, but not limited to easements. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members.

3.2 Common Property - Conveyancing. Conveyances of fee simple parcels of Common Property by Declarant shall be by quitclaim deed, free of all liens and mortgages, but subject to all matters of record and of survey. Declarant shall not be required to make any improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section including, without limitation, dredging or otherwise removing silt from any lake, pond or other body of water that may be conveyed. The Association covenants and agrees that with respect to improved Common Property, issuance of a certificate of occupancy (if required) by the local governing authority shall be conclusive evidence that said property complies with all building and construction standards. Neither Declarant nor any successor Declarant shall be responsible for compliance with any requirements prescribed by any local governing authority after the issuance of a certificate of occupancy. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no (or nominal) consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

3.3 Street Access Easement. Every Owner shall have a permanent and non-exclusive easement of use, access, and enjoyment in and to, over and across, the private streets of the Development to be owned by the Association, for the purpose of ingress and egress by all vehicular and pedestrian traffic to and from their respective Homesites to the public rights-of-way. The right-of-way easement herein granted shall permit joint usage of such easement by (a) the Owners and occupants, (b) the legal representatives, successors and assigns of the Owners, and (c) invitees and licensees of the Owners and occupants. Declarant hereby expressly reserves for itself, its successors and assigns, all rights and privileges incident to the ownership of the fee simple estate of any right-of-way easement area which are not inconsistent with the rights and privileges herein granted, including, without limitation, the right to maintain one or more proprietary signs on the easement area and the right to grant additional non-exclusive easements to third parties, over, under and across the easement area. Declarant hereby reserves for the benefit of Declarant and grants to the Association as Common Property, the perpetual nonexclusive right and easement upon, over and across those utility easement areas and private streets and roads for the installation, maintenance, and

use of such streets and roads, sidewalks, traffic directional signs, grading for proper drainage of said streets and roads, and related activities and improvements.

3.4 Use and Enjoyment of the Common Property. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Property, which is appurtenant to and shall pass with the title to each Homesite, subject to:

(a) This Declaration and all other Governing Documents;

(b) Any restrictions or limitations contained in any deed conveying Common Property to the Association;

(c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Property, including rules limiting the number of guests who may use the Common Property

(d) The right of the Association to rent, lease or reserve any portion of the Common Property to any Owner for the exclusive use of such Owner and his or her respective lessees, invitees, and guests upon such conditions as may be established by the Board;

(e) The right of the Board to suspend the right of an Owner to use any recreational and social facilities within the Common Property pursuant to Section 5.3;

(f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Property ;

(g) The right of the Board to permit use of any facilities situated on the Common Property by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(i) The right of the Association, acting through the Board, to dedicate or transfer all or any portion of the Common Property, subject to any approval requirements set forth in the Governing Documents;

(j) The right of Declarant to conduct activities and establish facilities within the Properties as provided in Article 14;

(k) The right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Property; and

(l) In addition to the foregoing, the private roadways shall be the subject to the following:

(i) The right of Declarant, during the Development Period, to adopt, amend and repeal rules regulating the use and enjoyment thereof, provided that Declarant shall not by the adoption of any rule or regulation bar access of the Owners access to the private streets;

(ii) The right of Declarant to dedicate all or any part of the private streets to a governmental authority;

(iii) The rights of Declarant to maintain the private streets during the Development Period if it so elects; and

(iv) The right of Declarant, during the Development Period, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the private streets.

Subject to the foregoing, any Owner may extend his or her right of use and enjoyment of the Common Property to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Homesite shall be deemed to have assigned all such rights to the lessee of such Homesite.

Prior to conveyance of the Common Property to the Association, the foregoing easement for use, access and enjoyment shall apply to all land outside the boundaries of the Homesites as shown on **Exhibit "A-1"**, subject to the right of Declarant to modify the boundaries of the Homesites. Such easement shall include, but shall not be limited to, the right to use the private streets for access to each Homesite, the right to install, use, maintain, repair and replace all utilities and drainage facilities necessary for the use and enjoyment of each Homesite, and the right to use, maintain, repair and replace all improvements and landscaping installed on said property and intended for the benefit of the community.

3.5 Designated Areas of Common Responsibility. The following property and features are designated as "Areas of Common Responsibility" of the Association. While the Association shall not own such property or features, nevertheless, the Association is obligated to maintain the same in accordance with the Community-Wide Standards:

(a) The storm drainage system established by Declarant and approved by Davidson County, which drainage system shall not be disrupted by Owners without approval of the ARB or the County;

(b) Any sidewalk or other improved area for pedestrian traffic located within a Homesite over which the Association has an easement for construction or maintenance;

(c) Water pipes and other utility conduits located within unfenced areas between a street and the exterior wall of the home located on a Homesite;

(d) Painting, maintenance, and nonstructural repair of all exterior building surfaces, roofs, gutters, downspouts, replacement trim and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Homesite);

(e) Such other Areas of Common Responsibility deemed necessary or appropriate by Declarant or the Board, and designated as such in accordance with this Declaration;

(f) The unpaved area within the public right of way that abuts Concord Hills Drive within the Properties;

(g) Notwithstanding any other provision of this paragraph or the Declaration, in no event shall the Areas of Common Responsibility include glass surfaces of any nature, exterior doors, window casements and/or window screens.

3.6 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Property. No Person shall seek any judicial partition unless the portion of the Common Property which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of other real property which may or may not be subject to this Declaration.

3.7 Condemnation. The Association shall be the sole representative with respect to condemnation proceedings concerning Common Property and shall act as attorney-in-fact for all Owners in such matters. If any part of the Common Property shall be taken by any authority having the power of condemnation or eminent domain or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members holding at least sixty-seven percent (67%) of the total votes in the Association and, during the Development Period, the written consent of Declarant, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds of such conveyance. The award made for such taking or proceeds of such conveyance shall be payable to the Association.

ARTICLE 4: MEMBERSHIP AND VOTING RIGHTS

4.1 Membership. Every Owner shall be a Member of the Association. There shall be only one (1) membership per Homesite. If a Homesite is owned by more than one (1) Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 4.2(a) and in the Bylaws. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner, or by any individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.

4.2 Voting.

(a) Each membership, except for Declarant, shall have one (1) equal vote for each Homesite in which they hold the interest required for membership under Section 4.1; provided however, there shall be only one (1) vote per Homesite and no vote shall be exercised for any property which is exempt from assessment under Section 9.10. When more than one Person has an interest in the same Homesite, the vote for such Homesite shall be exercised as they, among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Homesite. In the event of disagreement among such Persons and an attempt by two or more of them to cast the vote of such Homesite, such Persons shall not be recognized and the vote of such Homesite shall not be counted.

(b) Declarant shall not have a specific number of votes but may appoint all or a majority of the members of the Board of Directors during the Control Period which shall continue until the first to occur of the following:

(i) Within four (4) months after one hundred (100%) percent of the Homesites contemplated by the Master Plan, as it may be amended from time to time, have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(ii) ten (10) years after the date of recording of this Declaration; or

(iii) when, in its discretion, Declarant so determines and voluntarily relinquishes such right in writing.

After termination of the Control Period, but continuing through the Development Period, Declarant shall have the right to veto actions of the Board and committees.

ARTICLE 5: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

5.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Property and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 9. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in such Architectural Standards, as may be promulgated and adopted by the ARB. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Tennessee.

5.2 Personal Property and Real Property for Common Use. As set forth in Section 3.1, the Association may acquire, hold, and dispose of tangible and intangible personal property and real property, and Declarant and its designees, with Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in **Exhibits "A" or "B"**, personal property and leasehold and other property interests, including, but not limited to easements. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by

Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

5.3 Enforcement. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in the Bylaws. Such sanctions may include, without limitation:

(a) imposing monetary fines which shall constitute a lien upon the Homesite of the violator (In the event that any occupant, guest or invitee of a Homesite violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the occupant; provided however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);

(b) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;

(c) suspending an Owner's right to vote; provided that any such suspension shall be for the balance of the period in which said Owner shall remain in violation, breach or default, except that in the case of a violation of any use restrictions, or rules and regulations adopted by the Board relating to the use, operation and maintenance of the Common Property, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation;

(d) suspending any Person's right to use and enjoy the Common Property; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Homesite;

(e) suspending any nonessential services provided by the Association to an Owner or the Owner's Homesite if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association; and

(f) in the event any Owner is more than sixty (60) days delinquent in the payment of any assessment, notifying any or all Mortgagees having a security interest in the Owner's Homesite or Homesites that such Owner is in default in the performance of his obligations under this Declaration, and of those actions taken or proposed to be taken by the Association as a result of the default.

In the event that any occupant, guest or invitee of a Homesite violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction such occupant, guest or invitee and/or the Owner of the Homesite that the violator is occupying or visiting.

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of assessments and other charges, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Governing

Documents) without the necessity of compliance with the procedures set forth in the Bylaws. The Association may levy a Specific Assessment to cover all costs incurred in bringing a Homesite into compliance with the Governing Documents.

The Association may also elect to enforce any provisions of the Governing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the Bylaws.

All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, reasonable attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county, city, state and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

5.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the Bylaws, the Charter, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

5.5 Indemnification. The Association shall indemnify every officer, director, ARB member, and committee member against all damages, liabilities, and expenses, including reasonable attorneys fees, incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ARB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is not otherwise limited under this Section, the Charter and Tennessee law.

The officers, directors, ARB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, gross negligence, reckless conduct or bad faith. The officers, directors, ARB members, and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the

extent that such officers, directors, ARB members or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director, ARB member and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, ARB member or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and may obtain officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

5.6 Dedication of or Grant of Easements on Common Property. The Association may dedicate or grant easements across portions of the Common Property to Davidson County, Tennessee, or to any other local, state, or federal governmental or quasi-governmental entity.

5.7 Security. Each Owner and occupant of a Homesite, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Properties. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measure, including any mechanism or system for limiting access to the Properties, cannot be compromised or circumvented, nor that any such system or security measure undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Homesite that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Homesites and the contents of Homesites, resulting from acts of third parties.

5.8 Cost Sharing Agreements. Adjacent to or in the vicinity of the Properties, there may be certain residential, nonresidential or recreational areas, including without limitation single family residential developments, retail, commercial, or business areas, which are not subject to this Declaration and which are neither Homesites, Common Property or Common Property as defined in this Declaration (hereinafter "adjacent properties"). The owners of such adjacent properties shall not be Members of the Association, shall not be entitled to vote, and shall not be subject to assessment under Article 9 of this Declaration.

The Association may enter into Cost Sharing Agreements with the owners or operators of portions of the adjacent properties:

(a) to obligate the owners or operators of such adjacent properties to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the owners within the Properties;

(b) to permit use of any recreational and other facilities located on such adjacent properties by the Owners of all Homesites or by the Owners of Homesites within specified neighborhoods;

(c) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such adjacent properties, if any, which are used by or benefit jointly the owners or operators of such adjacent properties and the owners within the Properties; and/or

(d) to establish rules and regulations regarding the use of areas that benefit jointly the owners or operators of such adjacent properties and the owners within the Properties.

The owners or operators of such adjacent properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such adjacent properties, the Cost Sharing Agreement shall provide whether such payments by the Association shall constitute Common Expenses of the Association. The owners or operators of the adjacent properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

(e) The Association shall perform all maintenance and repair of the common entry area to Concord Place located within the Common Property along the northeast side of Concord Hills Drive and as may be depicted on a Master Plan of Concord Place (the "Entry Area"). Items to be maintained and repaired pursuant shall include the grass, shrubs, landscaping, lighting, signage, monuments and all other aspects and features of the Entry Area. The Hills at Concord Place Homeowners Association, Inc. shall contribute to the expenses for the Entry Area in an amount that is one-sixth (1/6) of such expense and shall pay such amount to the Association based upon actual costs Such payments shall be no more frequent than semi-annually. Notwithstanding the provisions regarding amendments to this Declaration contained in Section 15.2 hereof, this paragraph regarding the cost sharing with The Hills at Concord Place Homeowners Association, Inc. may not be amended by the Board or the Members of this Association.

ARTICLE 6: MAINTENANCE

6.1 Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which may include, but need not be limited to:

(i) all Common Property (other than Limited Common Property) including without limitation all sidewalks, private roads, and both sides of all retaining walls;

(ii) all designated Areas of Common Responsibility described in Section 3.5;

(iii) all perimeter fencing, landscaping and other flora, parks, ponds, structures, and improvements, including any entry features, water quality devices and irrigation systems within the Common Property, parking areas, bike and pedestrian pathways/trails, if any, and recreation facilities, if any, and central mailboxes, situated upon the Common Property;

(iv) all furnishings, equipment and other personal property of the Association;

(v) all street lighting located within the Properties that is not the responsibility of the Metropolitan Government of Nashville and Davidson County;

(vi) any landscaping and other flora, buffers, entry features, structures and improvements included within public rights-of-way located within or abutting the Properties or upon such other public land adjacent to the Properties as deemed necessary in the discretion of the Board;

(vii) such additional portions of any features and property included within the Area of Common Responsibility as may be designated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

(viii) all ponds, streams, detention ponds, and/or wetlands located within the Properties which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, storm water treatment equipment and similar equipment installed therein or used in connection therewith;

(ix) all storm water treatment and detention equipment and facilities required by that certain Stormwater Detention Agreement between the Association and the Metropolitan Government of Nashville and Davidson County, dated May 2, 2005, and recorded as Instrument Number 20050505-0050659; and

(x) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(b) The Association may, as a Common Expense, maintain other property and improvements which it does not own, including, without limitation, provide maintenance, inspection and service of the sprinkler system serving each building, if any, as installed in the attics, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(c) The Association shall maintain the facilities and equipment within the Common Property in continuous operation, except for any periods necessary to perform required maintenance or repairs. The maintenance shall continue unless Members holding seventy-five percent (75%) of the eligible votes in the Association and, during the Development Period, Declarant agree in writing to discontinue such operation.

(d) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or (ii) such property is dedicated to any local, state, or federal government or quasi-governmental entity; provided however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(e) Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the written consent of Declarant.

(f) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Homesites as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to the Governing Documents, any recorded covenants, or any agreements with the owner(s) thereof. Notwithstanding the foregoing, the Board may, within its sole discretion, allocate the expense of maintenance, repair, and replacement which benefits one (1) or more, but less than all Homesites, as a Specific Assessment in accordance with the benefit so received by such Homesites, pursuant to Section 9.4.

(g) In the event that the Association fails to properly perform its maintenance responsibilities hereunder and to comply with the Community-Wide Standard, Declarant may, upon not less than ten (10) Days notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

6.2 Owner's Responsibility.

(a) Except to the extent that the Association is responsible for maintenance of the Homesites as part of the Areas of Common Responsibility described in Section 3.5, each Owner shall maintain all aspects of his or her Homesite, any Limited Common Property appurtenant thereto and all improvements located on said Homesite or Limited Common Property. An Owner's responsibilities under this section shall include, without limitation, repair and maintenance of all interior electrical and plumbing, the HVAC unit serving the Owner's Homesite, driveways, porches and patios, all interior surfaces, any exterior lighting serving only the Owner's Homesite, and caulking and other maintenance of both interiors and exteriors of all doors and windows on the Owner's Homesite. Each Owner shall also maintain any unimproved portion of a public right of way

abutting said Owner's Homesite, which is not otherwise within the maintenance responsibility of the Association. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Homesite and the Owner in accordance with Section 9.6(b). The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Notwithstanding any other provision of this Section 6.1 or this Declaration, any damage to the Common Property or Areas of Common Responsibility that is caused by the negligence or intentional act of an Owner, the occupants of an Owner's Homesite, the Owner's agents, contractors, employees, licensees, guests or invitees shall be the responsibility of said Owner.

(b) In recognition of the Association's obligations of maintenance and repair of certain aspects of the Homesites pursuant to Sections 3.5 and 6.1 hereof, each Owner hereby assigns to the Association all of his right, title and interest in any and all manufacturers and builders warranties that the Owner receives with respect to roofs, gutters, downspouts, siding or any other aspect of the Homesite that is encompassed within the Areas of Common Responsibility. Such assignment shall include without limitation the rights to all monetary payments due under said warranties. Owners hereby covenant and agree to take all reasonable steps necessary to keep said warranties in full force and effect (so long as they shall last), to take all reasonable steps requested by the Association in connection with any warranty claims the Association asserts and to otherwise cooperate with the Association with respect to the warranties.

6.3 Standard of Performance. Responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all Governing Documents. Neither the Association nor any Owner shall be liable for any damage or injury occurring on, or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

ARTICLE 7: INSURANCE AND CASUALTY LOSSES

7.1 Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance on any Common Property or Area of Common Responsibility;

(ii) Commercial general liability insurance on the Common Properties, all private streets located within the Properties and on the Area of Common Responsibility, insuring the Association and its Members;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Fidelity insurance covering all Persons responsible for handling Association funds in an amount at least equal to 3 months General Assessments plus reserves; and

(v) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance and directors and officers liability coverage.

In the event of an insured loss, the deductible shall be treated as a Common Expense and assessed against all Homesites. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Homesites pursuant to Section 9.6.

(b) The Association shall arrange for annual reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in the Davidson County area.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.1(a).

(i) All insurance coverage obtained by the Board shall:

(1) be written with a company authorized to do business in the State of Tennessee which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(2) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Properties shall be for the benefit of the Association and its Members;

(3) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(4) contain an inflation guard endorsement;

(5) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(ii) In addition, after the Control Period ends, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(1) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(2) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(3) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one (1) or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(4) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(5) a cross liability provision; and

(6) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) In the event of any insured loss to the Common Property, only the Board or its duly authorized agent may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Property shall be repaired or reconstructed unless the Members holding at least eighty percent (80%) of the total eligible votes in the Association, and during the Development Period Declarant shall decide within sixty (60) Days after the loss not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Property shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Property shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared and maintained by the Association consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Homesite.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall.

7.2 Owners' Insurance. By virtue of taking title to a Homesite, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance covering those portions of the Owner's Homesite to the extent not insured by policies maintained by the Association. Upon request by the Board, the Owner shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Owner fails to obtain insurance or to provide copies of the policy or policies as required by this section, the Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner, to be collected in the manner provided for collection of assessments hereunder.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his or her Homesite, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 10. Alternatively, the Owner shall clear the Homesite of all debris and ruins and maintain the Homesite in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

ARTICLE 8: ANNEXATION AND WITHDRAWAL OF PROPERTY

8.1 Annexation by Declarant. Until ten (10) years after the recording of this Declaration in the Public Records, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in **Exhibits "A" or "B"** and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

8.2 Annexation by Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members holding a Majority of the votes of the Association represented at a meeting duly called for such purpose, and, during the Development Period, the written consent of Declarant. Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the president and the secretary of the Association, and by the owner of the annexed property, and by Declarant, if Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

8.3 Withdrawal of Property. Declarant reserves the right to amend this Declaration during the Development Period, for the purpose of removing any portion of the Properties from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not Declarant. If the property is Common Property, the Association shall consent to such withdrawal.

8.4 Additional Covenants and Easements. Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Specific Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

8.5 Amendment. This Article shall not be amended during the Development Period without the prior written consent of Declarant.

ARTICLE 9: ASSESSMENTS

9.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three (3) types of assessments: (a) General Assessments as described in Section 9.2; (b) Special Assessments as described in Section 9.5; and (c) Specific Assessments as described in Section 9.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and other charges, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall be a charge and continuing lien upon each Homesite against which the assessment or charge is made until paid, as more particularly provided in Section 9.7. Each such assessment or charge, together with interest, late charges, costs, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Homesite at the time the assessment arose. Upon a transfer of title to a Homesite, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Homesite by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer or designee setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Homesite and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Homesite, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the fifteenth (15th) day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Property, abandonment of his or her Homesite, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with Declarant for payment of Common Expenses.

9.2 Computation of General Assessments. At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, which may include a contribution to establish a reserve fund.

General Assessments shall be levied equally against all Homesites subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including any reserves. In determining the level of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, and any assessment income expected to be generated from any additional Homesites reasonably anticipated to become subject to assessment during the fiscal year.

Unless required as a matter of law, neither Declarant, predecessor Declarants, nor any Builder who has purchased land from Declarant for the purpose of erecting a dwelling thereon, shall at any time be subject to any assessments. During the Control Period, Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as either a contribution or an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such anticipated payment or contribution by Declarant shall be disclosed as a line item in the Common Expense budget. Payments by Declarant in any year shall under no circumstances obligate Declarant to continue such payments in future years, unless otherwise provided in a written agreement between the Association and Declarant. Notwithstanding the preceding, the assessments will commence as to

each Homesite owned by Declarant, predecessor Declarants, or a Builder upon its occupancy as a residence. In addition and notwithstanding anything to the contrary herein, Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called "in kind contribution"). The amount by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution.

9.3 Operating Budget. The Board shall send a copy of the annual operating budget and notice of the amount of the General Assessment for the following year to each Owner at least thirty (30) Days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total votes in the Association and, during the Development Period, by Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in the Bylaws, which petition must be presented to the Board within twenty (20) Days after delivery of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. In such event or if the budget proves inadequate for any reason, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

9.4 Budgeting for Reserves. The Board shall prepare and periodically review separate reserve budgets for the Common Property, and for Areas of Common Responsibility which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of capital items under each budget. The Board shall include a capital contribution to fund reserves in an amount which the Board, in the exercise of its business judgment, deems sufficient to meet the projected needs under each budget with respect to both amount and timing by annual contributions for the budget period.

The reserve budget shall establish an appropriate reserve fund, in an amount to fund periodic major maintenance, repair and repaving of private roads.

Reserve funds shall be held in a separate account or accounts from the operating and other funds of the Association.

The reserve funds held in each account may be expended only for major maintenance, repair, or replacement of those assets covered by the reserve budget pursuant to which they were collected. Subject to such limitation, the Board may adopt resolutions regarding the expenditure of any reserve funds including, without limitation, policies designating the nature of assets for which reserve funds

may be expended. Neither the Association membership, nor the Board shall adopt, modify, limit or expand such policies without Declarant's prior written consent during the Development Period.

9.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special Assessments shall be allocated equally among all Homesites. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for special meetings in the Bylaws, which petition must be presented to the Board within twenty (20) Days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

9.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Homesite or Homesites as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Homesite(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, janitorial service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Homesite (s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Homesite, their agents, contractors, employees, licensees, invitees, or guests.

In addition, fines levied by the Association pursuant to Section 5.3 shall constitute Specific Assessments.

9.7 Lien for Assessments. The Association shall have a lien against each Homesite to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of Tennessee law), late charges in such amount as the Board may establish (subject to the limitations of Tennessee law), costs of collection and reasonable attorneys fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

Declarant or the Association may bid for the Homesite at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Homesite. While a Homesite is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Homesite shall be charged, in addition to its usual assessment, its pro rata share of the assessment allocated to the Homesite owned by the Association. The Association

may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Homesite shall not affect the assessment lien or relieve such Homesite from the lien for any subsequent assessments. However, the sale or transfer of any Homesite pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Homesite who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Homesite due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Homesites subject to assessment under Section 9.2, including such acquirer, its successors and assigns.

All other Persons acquiring liens or encumbrances on any Homesite after this Declaration has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

9.8 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Homesite on the date which the Homesite is conveyed to a Person other than a Builder or Declarant. The first annual General Assessment, if any, levied on each Homesite shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Homesite.

9.9 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

9.10 Exempt Property. In addition to the exemptions from assessments provided in Section 9.2, the following property shall be exempt from payment of assessments:

(a) All Common Property and such portions of the property owned by Declarant as are included in the Area of Common Responsibility pursuant to Section 3.5; and

(b) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility.

9.11 Capitalization of Association; Transfer Fees. Upon acquisition of record title to a Homesite by the first Owner thereof other than Declarant or a Builder or upon occupancy of a Homesite by a Person other than a Builder or Declarant, a contribution shall be made by the purchaser or occupant to the working capital of the Association in an amount to be determined by the Board of Directors, but in no event less than one-sixth (1/6th) of the annual General Assessment per Homesite for that year, and no more than the full annual General Assessment per Homesite for that

year. Referred to as the "Working Capital Contribution," this amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Homesite to the first Owner, or if the obligation to make the capital contribution arises by virtue of occupancy of a Homesite by a Person other than a Builder or Declarant, the Working Capital Contribution shall be paid immediately upon demand by the Association. Working Capital Contributions shall be used by the Association in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

In order to compensate the Association or its agents for work associated with the conveyance of title to Homesites within The Villas at Concord Place, the Association may charge the transferors of such Homesites a reasonable fee in an amount established by the Association (a "Transfer Fee"). Transfer Fees shall be considered in the nature of assessments, shall constitute a lien on the transferred Homesite and may be collected in the same manner provided for the collection of assessments in this Declaration. The Declarant shall be exempt from Transfer Fees.

9.12 Contributions by Declarant.

(a) In accordance with subsection 9.2 above, Declarant may support the Association by funding operating deficits during the Control Period. At the sole election of Declarant, Declarant may recoup from the Association all such payments, which amounts may be paid from the operating account of the Association, or from the Working Capital Contributions collected at the sale of Homesites, but not from capital reserves. Whether or not Declarant recoups any other deficit amounts, it is not the intention of Declarant to forfeit refundable reserves or deposits paid by Declarant, nor to pay for deficits created by the nonpayment of assessments by an Owner or Owners. It is also not the intention of Declarant to pay for expenses which are otherwise covered in the annual budget of the Association, but which, due to the requirement of an advance payment, create temporary or seasonal deficits. Accordingly, Declarant shall be reimbursed for all amounts paid by Declarant in the funding of deficits caused by the nonpayment of assessments by an Owner or Owners which, if not sooner paid, shall be paid to Declarant at the time the unpaid assessment is collected. In addition, if not sooner paid, Declarant shall be reimbursed for any refundable deposit upon the Association's receipt of the same.

(b) Amounts paid by Declarant to fund operating deficits shall be collectible by Declarant at any time from the Working Capital Contributions or from excess funds not designated for capital reserves. Declarant shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. The Board of Directors, specifically including members of the Board appointed by Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to further evidence the obligations of the Association established herein. The failure to execute such a note shall in no way diminish the obligations created hereby.

(c) In no event shall the Association's obligation to reimburse Declarant as set forth in this Section 9.12 relieve Declarant of the obligation to pay assessments for Homesites which are occupied as a residence in accordance with Section 9.2 above; however, Declarant may set off amounts due as assessments against amounts owed Declarant hereunder.

(d) This Section 9.12 may only be amended with the prior written consent of Declarant. Each Owner, by acceptance of a deed to a Homesite in the Property, and the Association, shall be deemed to have approved of the reimbursements to Declarant required by this Section 9.12.

ARTICLE 10: ARCHITECTURAL STANDARDS

10.1 General. No exterior structure or improvement, as described in Section 10.4, shall be placed, erected, installed or made upon any Homesite or adjacent to any Homesite where the purpose of the structure is to service such Homesite except in compliance with this Article, and with the prior written approval of the ARB under Section 10.2, unless exempted from the application and approval requirements pursuant this Section.

This Article shall not apply to the activities of Declarant, nor to improvements to the Common Property by or on behalf of the Association. This Article may not be amended during the Development Period without Declarant's written consent.

10.2 Architectural Review. Responsibility for administration of the Architectural Standards and review of all applications for construction and modifications under this Article shall be handled by the ARB, the members of which need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the ARB. The ARB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals.

The ARB shall consist of one (1) to five (5) persons and shall have exclusive jurisdiction over all construction on any portion of the Properties. Until one hundred percent (100%) of the Properties have been developed and conveyed to Owners other than Builders and Declarant and initial construction on each Homesite has been completed in accordance with the Architectural Standards, Declarant retains the right to appoint all members of the ARB who shall serve at Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board shall appoint the members of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

10.3 Guidelines and Procedures.

(a) Declarant may, but shall not be obligated to, prepare Architectural Standards for the Properties. The Architectural Standards may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one (1) portion of the Properties to another depending upon the location, unique characteristics, and intended use. The Architectural Standards, if promulgated and adopted, are intended to provide guidance to Owners and Builders regarding matters of particular concern to the ARB in considering applications hereunder, but shall not be the exclusive basis for decisions of the ARB, and compliance with the Architectural Standards does not guarantee approval of any application.

Architectural Standards, if promulgated, shall be adopted by the ARB, which shall have sole and full authority to amend them. Any amendments to the Architectural Standards shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Architectural Standards; the ARB is expressly authorized to amend the Architectural Standards to remove requirements previously imposed or otherwise to make the Architectural Standards less restrictive. The ARB shall make the Architectural Standards available to Owners and Builders who seek to engage in development or construction within the Properties.

(b) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARB for review and approval (or disapproval). In addition, information concerning septic tank drainage fields and placement (if applicable), irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Architectural Standards. In reviewing each submission, the ARB may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time.

In the event that the ARB fails to approve or to disapprove any application within thirty (30) Days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Standards unless a variance has been granted in writing by the ARB pursuant to Section 10.7.

Notwithstanding the above, the ARB by resolution may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

Any Owner may remodel, paint or redecorate the interior of structures on his or her Homesite without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Homesite visible from outside the structures on the Homesite shall be subject to

approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

10.4 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

10.5 Variance. The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the ARB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

10.6 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only, and shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and neither Declarant, the Association, the Board, nor the ARB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners. Neither Declarant, the Association, the Board, the ARB or any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Homesite. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 5.5.

10.7 Enforcement. Declarant, any member of the ARB or the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Homesite to inspect for the purpose of ascertaining whether any structure or improvement is in violation of this Article. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the ARB, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore the property as required, after compliance with any procedures established by the Governing Documents, any authorized agent of Declarant, the ARB, or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance

with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of Declarant and the ARB by any means of enforcement described in Section 5.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Homesite and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Homesite, unless approval to modify any application has been obtained. If, after commencement, any Person fails to diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Homesite and an opportunity to be heard in accordance with the Bylaws, to enter upon the Homesite and remove or complete any incomplete work and to assess all costs incurred against the Homesite and the Owner thereof as a Specific Assessment.

Neither the ARB or any member of the foregoing nor the Association, Declarant, or their members, officers or directors shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the ARB from the Properties, subject to the notice and hearing procedures contained in the Bylaws.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB.

ARTICLE 11: USE RESTRICTIONS

Each Owner of a Homesite shall be responsible for ensuring that the Owner's family, guests, tenants and occupants comply with all provisions of the Governing Documents and the rules and regulations of the Association. Furthermore, each Owner and occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, tenants or occupants, as a result of such person's violation of the Governing Documents, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or occupants.

In addition to the use restrictions imposed upon the Development as described in Exhibit "D" attached hereto and incorporated herein by this reference, the Board of Directors may adopt rules and regulations in accordance with the terms hereof and as specified in the Bylaws.

ARTICLE 12: EASEMENTS

12.1 Easements of Encroachment. Declarant reserves, creates, establishes and declares non-exclusive, perpetual, easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent townhome buildings, and between each Homesite and any adjacent Common Property, due to the unintentional placement or settling or shifting of the improvements

constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

12.2 Easements Reserved for Declarant. Declarant hereby reserves, creates, establishes and declares the following perpetual, appurtenant easements for itself, its designees, (which may include, without limitation, any governmental or quasi-governmental entity and any utility company), its agents, successors and assigns:

(a) During the Development Period upon, across, over, and under all of the Properties, including all buildings and Homesites, to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing: homes and related improvements on adjacent Homesites, cable, digital or similar television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewer, telephone, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described in this Section;

(b) Declarant specifically grants to the local water supplier, water meter servicer, sewer service provider, electric company, telephone company, and natural gas supplier the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable;

(c) Declarant reserves and declares for itself during the Development Period, and its designees, the non-exclusive right and power to grant such specific easements or change the specific location of all utility and drainage lines within the Properties as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on **Exhibits "A" or "B"**. Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements;

(d) Easements over the Common Property for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Homesite, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Homesite to take no action, legal or

otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

Any damage to a Homesite resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Homesite, nor shall it unreasonably interfere with the use of any Homesite, and except in an emergency, entry onto any Homesite shall be made only after reasonable notice to the Owner or occupant.

12.3 Easements for Drainage Ponds and Drainage Detention Areas. Detention ponds, retention ponds and drainage easements, ("Drainage Facilities") may exist within the Development and shown on the recorded subdivision plat or on **Exhibit "A-1"** hereto. Drainage Facilities are deemed to benefit the entire Development, and are declared to be perpetual and non-exclusive easements for drainage in favor of the Owners and the Association and shall be considered appurtenances to each Homesite, which easements shall include not only the right to use said Drainage Facilities, but the right to use and maintain the entire drainage system and all related facilities connected therewith. No Owner may obstruct or alter the drainage flows after location and installation of the Drainage Facilities without approval in accordance with the provisions of Article 10 hereof. Notwithstanding the fact that the easements created hereby are granted to each Owner and Declarant, if the Drainage Facilities are not maintained by Davidson County, the Association shall be responsible for maintaining the same in accordance with such standards as may be now or hereafter established by Davidson County, Tennessee.

12.4 Slope Control, Drainage, and Waterway Maintenance. Declarant reserves, creates, establishes, and declares perpetual non-exclusive easements for itself, the Association, and their respective designees, in, upon, over, across, under and through the Properties, including each Homesite, for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Homesite which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Homesite or Common Property;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; however, no Person other than Declarant or predecessor Declarant shall alter the drainage on any Homesite to increase materially the drainage of storm water onto adjacent portions of the Properties without the consent of the Owner(s) of the affected Homesite, the Board, and Declarant during the Development Period; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Properties.

12.5 Easements for Zoning Conditions. Declarant reserves, creates, establishes, and declares a permanent and nonexclusive easement in, upon, over, across, under and through the Properties, including the Common Property, for the benefit of Declarant, each Owner and the Association, to fulfill any zoning conditions as the same are set forth upon any recorded subdivision plat of the Properties or on **Exhibit "A-1"** hereto, and as the same may be hereafter amended.

12.6 Maintenance. Declarant reserves, creates, establishes and declares a permanent and non-exclusive easement for itself, the Association, and their respective designees, for the repair, maintenance and replacement of all structures, improvements and landscaping placed upon the Properties by Declarant and intended to benefit the Development. The foregoing easement is intended to allow Declarant and the Association, as well as their respective designees, to maintain items such as entrance monuments, landscaping, berms, privacy and perimeter fencing, etc. Such easement shall further allow Declarant, the Association, and their respective designees to repair, maintain and replace the fencing installed by Declarant on the attached Homesites or Common Property, which fencing is an integral part of the design of each feature and is not to be removed without the consent of the ARB, and is to be maintained by the Association. The foregoing easements shall include, without limitation, the right to erect, maintain, repair, replace and re-erect structures, and shall also include the right to plant grass, plants, flowers, shrubs and trees, to tend and garden the same, and to generally landscape the area within said easements to keep them clean, attractive and uniform in appearance. All Owners taking title to any Homesite upon which such an easement lies will take title subject to the easement rights set forth herein. Entrance monuments and other improvements intended to benefit the community and which are constructed within or upon rights-of-way within or bordering the community, shall be maintained by the Association as any other Common Property.

12.7 Party Wall Easement. There shall be reciprocal appurtenant easements in any party wall (or party fence) between each Homesite and adjacent portions of the Common Property or as between adjacent Homesites, to construct, maintain, extend, repair, replace or otherwise work on the party wall provided, however, that such use shall not injure the adjoining building and shall not impair the party wall benefits and support to which the adjoining building is entitled. If it shall become necessary to repair or rebuild the wall or any portion as constructed or extended, the cost of such repairing or rebuilding as to such portions of the wall at the time used by both parties shall be at the expense of both in equal shares and as to any remaining portion shall be wholly at the expense of the party who shall exclusively use that portion.

12.8 Easement for Utilities Maintained by Owners. Declarant hereby establishes for the benefit of each Owner a nonexclusive easement for access to and installation, maintenance, repair, replacement and use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Homesite and situated in, on or under any other Homesite or the Common Property. The Board of Directors, and without a vote of the Owners, shall have the right, power and authority to grant permits, licenses, utility easements, and other easements, permits or licenses necessary or desirable for the proper maintenance or operation of the Development under, through, or over the Homesites

and/or the Common Property as may be reasonably necessary to or desirable for the ongoing operation of the Development. In the event that any Owner desires access to another Homesite to install, maintain, repair or replace any utility pipe, wire, cable, conduit, utility line, flue or duct, the Owner shall contact the Owner of such other Homesite(s) at least two (2) days in advance of the date that access is needed and attempt to agree on a convenient date and time for access by the Owner and the Owner's contractors. Access in emergency situations shall be granted immediately upon request. Any Owner of a Homesite to which access is needed under this Section shall not unreasonably withhold, condition or delay such access. Rights exercised pursuant to this easement shall be exercised with a minimum of interference to the quiet enjoyment of affected Homesites, reasonable steps shall be taken to protect such Homesites and the property of the Owners and occupants thereof, and damage shall be repaired by the Person causing the damage at its sole expense.

12.9 Lateral Support. Each Homesite and the Common Property shall be burdened with an easement for lateral support, and each shall also have the reciprocal right to lateral support which shall be appurtenant to and pass with title to such property.

12.10 Easement for Entry and Enforcement. Declarant reserves, creates, establishes, and declares for itself, the Association, and their respective designees, an easement to enter all portions of the Properties, including any Homesite: (i) for emergency, security, and safety reasons; (ii) to perform maintenance responsibilities as described in Article 6, and elsewhere in this Declaration; and (iii) to make inspections to ensure compliance with the Governing Documents. All costs incurred, including reasonable attorneys fees, may be assessed against the Homesite Owner as a Specific Assessment. Such right may be exercised by any member of the Board, the Association's officers, committee members, agents, employees and managers of the Association, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Homesite shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Homesite to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Damages to Owner's property caused by the Association shall be repaired by the Association at is expense. Entry under this Section shall not constitute a trespass.

12.11 Easement for Greenbelt Maintenance.

(a) Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon greenbelts, buffer zones and nondisturbance areas located within the Area of Common Responsibility to remove trash and other debris therefrom and to fulfill maintenance responsibilities as provided in this Declaration. Declarant's rights and easements provided in this Section shall be automatically transferred to the Association at the expiration of the Development Period or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or

containing any portion of a greenbelt, buffer zone or nondisturbance area to the extent reasonably necessary to exercise their rights under this Section.

(b) Encroachment of structures into, over, or across greenbelts, buffer zones and nondisturbance areas shown on any recorded subdivision plat of the Properties or on **Exhibit "A-1"** hereto is strictly prohibited. Landscaping in these areas is subject to removal in the reasonable discretion of Declarant in the ordinary course of maintenance of these areas. Any landscaping permitted shall be installed in conformance with Article 10 herein. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements.

(c) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

12.12 Liability for Use of Easements. No Owner shall have a claim or cause of action against Declarant, its successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties or on **Exhibit "A-1"** hereto, except in cases of willful or wanton misconduct.

ARTICLE 13: MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Homesites in the Properties. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

13.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Homesite to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Homesite on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Homesite subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) Days, or any other violation of the Declaration or Bylaws relating to such Homesite or the Owner or occupant which is not cured within sixty (60) Days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders pursuant to Federal Home Loan Mortgage Corporation requirements.

13.2 Right to Records. Upon written request in accordance with Section 13.1, all eligible holders shall:

(a) be entitled to attend and observe all meetings of Owners, but not meetings of the Board;

(b) be furnished with copies of annual financial reports made to the Owners; and

(c) be entitled to inspect the financial books and records of the Association during reasonable business hours.

13.3 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Homesite in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property .

13.4 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Homesite .

13.5 Amendment by Board. Should the Department of Veterans Affairs, the Federal Housing Administration, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which may have necessitated the provisions of this Article or make such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

13.6 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) Days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

13.7 Construction of Article 13. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Tennessee law for any of the acts set out in this Article.

ARTICLE 14: DECLARANT'S RIGHTS

14.1 Transfer or Assignment. Any or all of the special rights and obligations of Declarant set forth in the Governing Documents may be transferred or assigned in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor

enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. Upon any such transfer, Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Public Records.

14.2 Development and Sales. Declarant and Builders authorized by Declarant may maintain and carry on the Properties such activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Homesites, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Property during such activities. Such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Property. Declarant and authorized Builders shall have easements over the Properties for access, ingress and conducting such activities.

In addition, Declarant and Builders authorized by Declarant may establish within the Properties, including any clubhouse, such facilities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Homesites, including, but not limited to, business offices, signs, model Homesites, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in Declarants sole discretion. Declarant and authorized Builders shall have easements over the Properties for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Property by Persons other than Owners without the payment of any use fees.

14.3 Common Properties. In addition to any real property and easements that may be described elsewhere in this Declaration as Common Property, Declarant may convey, or cause to be conveyed, to the Association such other real and personal property as Declarant, in Declarant's sole discretion, may determine to be necessary or proper for ownership by the Association as Common Property. The Association hereby covenants and agrees to accept all conveyances of Common Property made or caused to be made by Declarant. Notwithstanding any legal presumption to the contrary, the fee title to, and all rights in, any portion of the Properties owned by Declarant and designated as Common Property, (or which is designated by any words which similarly signify such property is for the use of the Owners in the community) whether by recorded plat of survey or otherwise, or designated for public use, shall be reserved to Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency or authority. Declarant hereby reserves the right, but not the obligation, to be exercised in its sole discretion, to designate the boundaries of all Homesites and Common Property within the Properties as they are developed and platted and to construct improvements thereon. Declarant shall have the right, but not the obligation, to make improvements and changes to all Common Property and to all Homesites owned by Declarant, including, without limitation, (i) installation and maintenance of any improvements in and to the Common Property, (ii) changes in the location of the boundaries of any Homesite owned by Declarant or of the Common Property, (iii) installation and maintenance of any

storm drainage system and water, sewer and other utility systems and facilities; and (iv) installation of security and/or refuse facilities. In accordance with the preceding, Declarant reserves the right to record, modify, amend, revise and add to, at any time and from time to time, any recorded plat or supplemental plats of the community or **Exhibit "A-1"** hereto, setting forth such information as Declarant may deem necessary with regard to the community, including without limitation, the locations and dimensions of the Homesites, Common Property, Additional Property (if any), roads, utility easements and systems, drainage easements and systems, right-of-way easements, and setback line restrictions. In addition to other reasons, the rights reserved to Declarant herein are for the purpose of allowing the expansion of the Development to include additional land, and to specifically allow the reconfiguration of Homesites and the roads serving the Development and the extension of roads into the Additional Property, if any. Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Property for the purpose of making, constructing and installing such improvements to the Common Property as it deems appropriate in its sole discretion.

14.4 Application of Architectural Standards. The provisions contained in Articles 10 and 11, as well as all other architectural control provisions, including but not limited to building setbacks, contained in this Declaration, the Charter or the Bylaws, shall not apply to Declarant, nor to any predecessor Declarants. In addition, said provisions shall not apply to any Builder who acquires a Homesite from Declarant, any predecessor Declarants, or through other Builders who had acquired the Homesite from said parties for the purpose of constructing a dwelling thereon; provided, however, any such Builder must submit to and have its plans and specifications approved by Declarant, if title to the Homesite passed through Declarant, and provided further, if title to the Homesite passed through a predecessor Declarant, and said predecessor still owns at least one (1) Homesite for sale in the Development, then such plans and specifications must only be approved by said predecessor. This Section 14.4 may only be amended with the prior written consent of Declarant during the Development Period, and with the prior written consent of any predecessor Declarants still owning at least one (1) Homesite for sale.

14.5 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by Declarant and recorded in the Public Records. No such instrument recorded by any Person, other than Declarant pursuant to Section 8.3, may conflict with the Declaration, Bylaws or Charter.

14.6 Right of Declarant to Disapprove Actions. So long as Declarant owns any portion of the Properties, Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of Declarant, would tend to impair rights of Declarant or Builders under the Governing Documents, or interfere with development of, construction on, or marketing of any portion of the Properties, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to Declarant in the Governing Documents.

(a) Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address Declarant has registered with the secretary of the Association, which notice complies with the Bylaws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at such meeting.

(b) Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

(c) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

14.7 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Architectural Standards made after termination of the Control Period shall be effective without prior notice to and the written consent of Declarant. This Article may not be amended without the written consent of Declarant. The rights contained in this Article shall terminate upon the earlier of (a) expiration of the Development Period, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE 15: GENERAL PROVISIONS

15.1 Duration.

(a) Except as otherwise limited by Tennessee law, this Declaration shall have perpetual duration. If Tennessee law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. Notwithstanding the above, if any of

the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Tennessee law, this Declaration may be terminated within the first twenty (20) years after the date of recording by an instrument signed by Owners of at least ninety percent (90%) of the total Homesites within the Properties, which instrument is recorded in the Public Records; provided however, regardless of the provisions of Tennessee law, this Declaration may not be terminated during the Development Period without the prior written consent of Declarant. After twenty (20) years from the date of recording, this Declaration may be terminated only by an instrument signed by Owners owning at least fifty-one percent (51%) of the Homesites and constituting at least fifty-one percent (51%) of the total number of Owners, and by Declarant, if Declarant owns any portion of the Properties, which instrument complies with the requirements of Tennessee law and is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

15.2 Amendment.

(a) By Declarant. Subject to the provisions of Article 13, Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Homesites; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Homesites; (iv) to satisfy the requirements of any local, state or federal governmental agency; or, (v) to correct a scrivener's error. However, any such amendment shall not adversely affect the title to any Homesite unless the Owner shall consent in writing. In addition, during the Development Period, Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Members (i) for the purpose of conforming this Declaration to any mandatory provisions of the Tennessee Horizontal Property Act, Tenn. Code Ann. § 66-27-101, *et seq.*, and (ii) to correct scriveners' errors and other mistakes of fact, provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the Development Period, any such amendment shall require the written consent of Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding seventy-five percent (75%) of the total eligible votes in the Association and, during the Development Period, the written consent of Declarant. In addition, approval requirements set forth in Article 13, if any, shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. During the Development Period, no amendment may remove, revoke, or modify any right, privilege or exemption of Declarant without the written consent of Declarant, or the assignee of such right, privilege or exemption. In addition, for so long as any predecessor Declarant owns at least one Homesite primarily for sale, no amendment may remove, revoke, or modify any right, privilege or exemption of said predecessor Declarant without the written consent of said predecessor Declarant.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

15.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order, shall in no way affect other provisions or applications.

15.4 Dispute Resolution. Any Owner or occupant must give written notice to the Board requesting a hearing with the Board and attend such hearing to discuss amicable resolution of any dispute before that Owner or occupant files any lawsuit against the Association, the Board, any director, or any agent of the Association. The Owner or occupant shall, in such notice and at the hearing, make a good faith effort to explain the grievance to the Board and to resolve the dispute in an amicable fashion and shall give the Board a reasonable opportunity to address the Owner's or occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date no less than seven (7) nor more than twenty-one (21) Days from the date of receipt of the notice of hearing by the person requesting the hearing.

15.5 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members holding seventy-five percent (75%) of the total Association vote. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 9; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment

is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.6 Non-Merger. Notwithstanding the fact that Declarant is the current owner of the Properties, it is the express intention of Declarant that the easements established in the Declaration for the benefit of the Properties and Owners shall not merge into the fee simple estate of individual lots conveyed by Declarant or its successor, but that the estates of Declarant and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

15.7 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in this Declaration.

15.8 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations, and the Association may, but shall not be required to, enforce such additional covenants, conditions, and provisions; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any corporate charter, bylaws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the Bylaws, Charter, and use restrictions and rules of the Association shall prevail. In the event of a conflict between the Community-Wide Standard, as it may be changed from time to time, and the Declaration, Bylaws or Charter, the Declaration, Bylaws or Charter shall prevail. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.9 Use of the Words "The Villas at Concord Place". No Person shall use the words "The Villas at Concord Place" or any derivative in any printed or promotional material without Declarant's prior written consent. However, Owners may use the words "The Villas at Concord Place" in printed or promotional matter where such term is used solely to specify that particular property is located within The Villas at Concord Place and the Association and any other community association located in The Villas at Concord Place shall be entitled to use the words "The Villas at Concord Place" in its name.

15.10 Compliance. Every Owner and occupant of any Homesite shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other

remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 5.3.

15.11 Notice of Sale or Transfer of Title. An Owner intending to make a transfer or sale of a Homesite or any interest in a Homesite shall give the Board written notice of such intention within seven (7) Days after execution of the transfer or sales documents. The Owner shall furnish the Board, as part of the notice, the name and address of the intended grantee and such other information as the Board may reasonably require. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) Days after receiving title to a Homesite, the purchaser of the Homesite shall give the Board written notice of his or her ownership of the Homesite. Upon failure of an Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Homesite and Owner thereof, and assess the Owner for all costs incurred by the Association in determining his or her identity.

15.12 Occupants Bound. All provisions of the Declaration, Bylaws, rules and regulations, use restrictions and architectural guidelines which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants and the guests and invitees of Owners and occupants. The Owner shall be responsible for insuring that the occupants, the guests, invitees and licensees of the Owner and occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations, use restrictions and architectural guidelines.

15.13 No Discrimination. No action shall be taken by the Declarant, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or disability.

15.14 Exhibits. Exhibits "A," "A-1" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.2. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the Declarant herein hereby executes this instrument under seal, this 20th day of September, 2005.

DECLARANT:
CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation, as its managing general partner

By: _____
Wes Patterson, President Nashville Division
Centex Real Estate Corporation

STATE OF TENNESSEE)
COUNTY OF WILLIAMSON)

Before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Wes Patterson, with whom I am personally acquainted (or upon proof to me of satisfactory evidence), and acknowledged himself to be President of the Nashville Division of Centex Real Estate Corporation, a Nevada corporation, that is the Managing General Partner of Centex Homes, the within named bargainor, and that he as such President of the Nashville Division of the Managing General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing his name as President of the Nashville Division of the Managing General Partner.

Witness my hand and seal, this 20th day of September, 2005.

_____
Notary Public
My commission expires: 6/8/09

Michelle N. Carlson
State of Tennessee
Notary Public
County of Cheatham

EXHIBIT "A"
Property Description

Land Initially Submitted

THE VILLAS AT CONCORD PLACE – PHASE ONE

Being a tract of land conveyed to Centex Homes as of record in Instrument #20050415-0042177, in the Thirty first Council District of Davidson County, Tennessee, bound on the north by Phase 1, The Hills at Concord Place, east by Phase 2, The Villas at Concord Place, south by Hoover Inc. and the west by Chick and Babora, and being more particularly described as follows:

Beginning at a concrete monument (new) located on the easterly line of Shabbir S. Babora as of record in (Deed Book 6762, Page 837) said monument also being a southwesterly corner of Phase 1, The Hills at Concord Place (unrecorded);

Thence along the southern line of Phase 1, The Hills at Concord Place for the next four calls, North 69 degrees 19 minutes 39 seconds East - 83.57' to a concrete monument (new);

Along a curve to the left having a radius of 704.00', an arc length of 356.65', with a chord bearing and distance of South 38 degrees 39 minutes 30 seconds East - 352.85' to a concrete monument (new);

Along a curve to the right having a radius of 1980.00', an arc length of 10.00', with a chord bearing and distance of North 36 degrees 16 minutes 15 seconds East - 10.00' to a concrete monument (new);

Along a curve to the left having a radius of 694.00', an arc length of 60.04', with a chord bearing and distance of South 55 degrees 38 minutes 32 seconds East - 60.03' to a concrete monument (new), said monument being the northwesterly corner of Phase 2, The Villas at Concord Place;

Thence with the westerly lines of said Villas at Concord Place, Phase 2 the next five calls,

Along a curve to the right having a radius of 2040.00', an arc length of 126.71', with a chord bearing and distance of South 37 degrees 51 minutes 13 seconds West - 126.68' to a concrete monument (new);

South 39 degrees 37 minutes 58 seconds West - 210.34' to a concrete monument (new);

Along a curve to the left having a radius of 770.00', an arc length of 308.91', with a chord bearing and distance of South 28 degrees 08 minutes 23 seconds West - 306.84' to a concrete monument (new);

South 16 degrees 38 minutes 48 seconds West - 63.89' to a concrete monument (new);

Along a curve to the left having a radius of 402.00', an arc length of 67.73', with a chord bearing and distance of South 11 degrees 49 minutes 12 seconds West - 67.65' to a concrete monument

(new), in the North line of Hoover, Inc., as of record in (Deed Book 8918, Page 694);

Thence along the North of Hoover, Inc. the next two calls,
South 81 degrees 51 minutes 10 seconds West - 39.44' to a point;
North 84 degrees 20 minutes 52 seconds West - 157.42' to a concrete monument (new), in the eastern line of William Thomas Chick property (Instrument # 20020411-0045019) and the Shabbir S. Babora property (Deed Book 6762, Page 837);

Thence along the eastern line of said Chick and Babora properties, North 14 degrees 01 minutes 53 seconds East - 950.31' to the Point of Beginning and containing 5.53 acres more or less according to a survey by LandDesign Surveying, Inc. dated June 1, 2005.

NOTES

1. THE PURPOSE OF THIS EXHIBIT IS TO DEPICT THE ESTABLISHMENT OF 44 TWO-STORY TOWN HOME UNITS (HOME SITES) WITHIN A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS, IN ACCORDANCE WITH TCA 66-27-103 AND TO DEDICATE RIGHT-OF-WAY.

2. THIS SURVEY MEETS THE REQUIREMENTS OF AN URBAN LAND SURVEY (CATEGORY 1), WITH A RATIO OF PRECISION OF THE UNADJUSTED SURVEY GREATER THAN 1:10,000 AS PER STANDARDS OF PRACTICE ADOPTED BY THE BOARD OF EXAMINERS FOR LAND SURVEYORS, STATE OF TENNESSEE.

3. BEARING SHOWN BASED ON THE TENNESSEE COORDINATE SYSTEM OF 1983.

4. PROPERTY IS ZONED "RS15", (LEGG DEVELOPMENT PUD #2004P-013G-12)

5. THIS PROPERTY IS NOT LOCATED IN A FLOOD HAZARD AREA ACCORDING TO FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP PANEL NO. 47037C0427 F, AND 47037C0364 F, BOTH DATED APRIL 20, 2001.

6. THIS SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES. ABOVE GROUND AND UNDERGROUND UTILITIES SHOWN WERE TAKEN FROM VISIBLE APPURTENANCES AT THE SITE, PUBLIC RECORDS AND/OR MAPS PREPARED BY OTHERS. THIS SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, WHETHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED. THEREFORE, RELIANCE UPON TYPE, SIZE AND LOCATION OF THE UTILITIES SHOWN SHOULD BE DONE SO WITH THIS CIRCUMSTANCE CONSIDERED. DETAILED VERIFICATION OF EXISTENCE PER "THE UNDERGROUND UTILITY DAMAGE PREVENTION ACT, THAT ANYONE WHO ENGAGES IN EXCAVATION, MUST NOTIFY ALL KNOWN UNDERGROUND UTILITY OWNERS, NO LESS THAN (3) NOR MORE THAN TEN (10) WORKING DAYS PRIOR TO THE DATE OF THEIR INTENT TO EXCAVATE AND ALSO TO AVOID ANY POSSIBILITY HAZARD OR CONFLICT. TENNESSEE ONE CALL 1-800-366-1967.

7. ANY EXCAVATION, GRADING, FILL, OR ANY OTHER DISTURBANCE OF THE EXISTING GROUND ELEVATION MUST BE DONE IN ACCORDANCE WITH STORM WATER DRAINAGE ORDINANCE NO. 78-840 AND BE APPROVED BY THE METROPOLITAN DEPARTMENT OF WATER SERVICES.

8. SETBACKS DETERMINED BY METRO PUD #2004P-013G-12 LEGG DEVELOPMENT PUD.

9. NO BUILDING PERMIT MAY BE ISSUED ON ANY LOT UNTIL STREET NAME SIGNS ARE INSTALLED AND VERIFIED BY THE DEPARTMENT OF TRAFFIC AND PARKING ON ALLY STREETS ON WHICH THE LOT DEPENDS FOR ACCESS.

10. THE DEVELOPMENT OF THIS PROJECT SHALL COMPLY WITH THE REQUIREMENTS OF THE ADOPTED TREE ORDINANCE 094-1104 (METRO CHAPTER 17.24 ARTICLE 11, TREE PROTECTION AND REPLACEMENT; AND CHAPTER 17.40, ARTICLE X, TREE PROTECTION AND REPLACEMENT PROCEDURES).

11. A PUBLIC UTILITY EASEMENT OF TWENTY FEET (20') ADJACENT TO ALL STREET RIGHTS-OF-WAY SHALL HEREBY BE MADE A PART OF THIS RECORDING. ON CORNER LOTS WHERE FRONT AND SIDE YARD BUILDING SETBACKS ARE LESS THAN TWENTY (20'), THE EASEMENT DEPTH SHALL BE REDUCED ACCORDINGLY.

12. INDIVIDUAL WATER AND SEWER SERVICES ARE REQUIRED FOR EACH LOT.

13. THIS SURVEYOR HAS BEEN FURNISHED WITH A COPY OF LAWYERS TITLE INSURANCE CORPORATION'S COMMITMENT FOR TITLE INSURANCE, COMMITMENT NO. 56954 WITH AN EFFECTIVE DATE OF OCTOBER 12, 2004.

14. ALL LOT CORNERS SET WITH IRON RODS WITH LDSI CAPS, UNLESS OTHERWISE NOTED.

15. MAINTENANCE AGREEMENT RECORDING FOR THIS DEVELOPMENT IS #200505050050659.

16. UNIT NUMBER SHALL BE SYNONYMOUS WITH HOME SITE NUMBER FOR THE PURPOSES OF CONVEYING FEE SIMPLE TITLE.

17. THERE SHALL BE A 3-FOOT PEDESTRIAN EASEMENT ALONG THE BACK OF ALL SIDEWALKS.

18. PARCEL NUMBER SHOWN THUS (11) REFER TO DAVIDSON COUNTY TAX MAP #181-10.

19. METRO WATER SERVICES SHALL BE PROVIDED SUFFICIENT AND UNENCUMBERED INGRESS AND EGRESS AT ALL TIMES IN ORDER TO MAINTAIN, REPAIR, AND INSPECT ANY STORM WATER FACILITIES WITHIN THE PROPERTY.

DEED REFERENCE

BEING PROPERTY CONVEYED TO CENTEX HOMES BY DEED OF RECORD IN BOOK 20050415, PAGE 0042177, R.O.D.C.

PROPERTY MAP REFERENCE

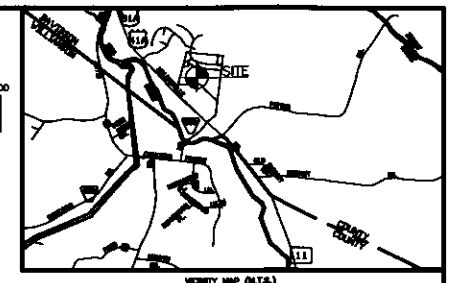
BEING A PORTION OF PARCEL NO. 49 AS SHOWN ON DAVIDSON COUNTY PROPERTY MAP NO. 181.

GRAPHIC SCALE

50 0 25 50 100 200

(IN FEET)

1 inch = 50 ft.



COMMISSION'S APPROVAL

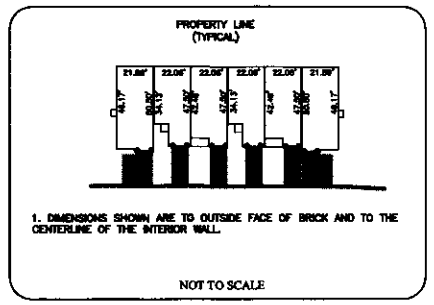
APPROVED BY THE METROPOLITAN PLANNING COMMISSION OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE.

BY:_____ DATE:_____

SECRETARY SUBDIVISION NO. 2005S-213G-12 PART OF MASTER

PLAN NO. N/A

RECORD



TEMPORARY ACCESS EASEMENT TO BE ABANDONED WHEN CONNECTION TO BELFORD ROAD IS MADE.

LEGEND

- IRON ROD (NEW)
- IRON ROD (OLD)
- MONUMENT (NEW)
- MONUMENT (OLD)
- SANITARY MANHOLE
- CATCH BASIN
- DOUBLE CATCH BASIN
- TRIPLE CATCH BASIN
- CLEAN OUT
- LIGHT STANDARD
- POWER\TELEPHONE POLE
- GUY WIRE
- UNDERGROUND TELEPHONE
- UNDERGROUND POWER
- CABLE TELEVISION
- ELECTRIC TRANSFORMER
- FIRE HYDRANT
- WATER VALVE
- WATER METER
- GAS VALVE
- PROPERTY LINE
- EASEMENT LINE
- FENCE LINE
- STORM SEWER LINE
- SAN. SEWER LINE
- WATER MAIN LINE
- POWER LINE
- UGT UNDERGROUND TELEPHONE
- UGP UNDERGROUND POWER
- P.U.D.E.
- GAS LINE

{MAP 181, PARCEL 49}
LEGG INVESTMENTS-NOLENSVILLE, LLC
DEED BOOK 20050415, PAGE 0042174

LINE TABLE		
LINE	BEARING	LENGTH
L1	S16°38'48"W	63.89'
L2	S81°51'10"W	39.44'
L3	S84°20'52"E	21.80'
L4	S16°38'48"W	63.89'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CH BRG	CH DIST
C1	60.04'	694.00'	4°57'26"	S55°38'32"E	60.03'
C2	126.71'	2040.00'	3°33'31"	S37°51'13"W	126.68'
C3	308.91'	770.00'	22°59'10"	S28°08'23"W	306.84'
C4	67.73'	402.00'	9°39'12"	S11°49'12"W	67.65'
C5	356.65'	704.00'	29°01'36"	S38°39'30"E	352.85'
C6	10.00'	1980.00'	0°17'22"	N36°16'15"E	10.00'
C7	111.18'	1980.00'	3°13'02"	S38°01'27"W	111.17'
C8	332.98'	830.00'	22°59'10"	S28°08'23"W	330.75'
C9	88.65'	462.00'	10°59'40"	S11°08'58"W	88.52'

FEE SIMPLE AREA = 46,976 SQUARE FEET OR 1.078 ACRES
OPEN SPACE AREA = 146,142 SQUARE FEET OR 3.355 ACRES
LOT 1 AREA = 193,118 SQUARE FEET OR 4.433 ACRES
PUBLIC R.O.W. AREA = 47,914 SQUARE FEET. OR 1.100 ACRES
TOTAL AREA = 241,033 SQUARE FEET OR 5.533 ACRES

EXHIBIT "A-1"

THE VILLAS AT CONCORD PLACE

PHASE 1

31st COUNCIL DISTRICT-DAVIDSON COUNTY-TENNESSEE

CENTEX HOMES
370 MALLORY STATION RD., SUITE 500
FRANKLIN, TN 37064
PHONE:(615) 794-1901

LandDesign Surveying, Inc.

PROJ. 4000025 | DATE: AUGUST 30, 2005 | SHEET 1 OF 1

EXHIBIT "B"

Property Description

Additional Property Which May Be Unilaterally Submitted to This Declaration by Declarant

Being a portion of the Centex Homes property (Deed Book 20050415, Page 0042177) in the 31st Council District of Nashville, Davidson County Tennessee bounded on the south by Nolensville Pike (U.S. 31A/41A), west by Chick and Babora, north by Autumn Oaks and east Carter and being further described as follows:

Commencing on an iron rod (old) at a southwesterly corner of Autumn Oaks Subdivision, Phase Three (Inst. No. 20031029-0159380)and the northeast corner of Shabbir S. Babora (Deed Book 6762, Page 837) and being the northwest corner of the herein described property. Said rod being S 39 deg. 18' W - 250.4' from the intersection of Autumn Crossing Way and Scarlet Ridge Dr.

Thence, with the south line of Autumn Oaks Subdivision for the next two calls:

South 85 deg. 19' 37" East - 940.01' to an iron rod (old);
South 84 deg. 46' 06" East - 432.42' to an iron rod (old) in the west line of William Robert and James Phillip Carter (Deed Book 4971, Page 672);

Thence, with the west line of Carter, South 05 deg. 54' 22" West – 584.77' to an iron rod (old), the TRUE POINT OF BEGINNING;

Thence, from the TRUE POINT OF BEGINNING and continuing with Carter, South 05 deg. 54' 22" West – 1111.80' to an iron rod (old), the northeast corner of the Legg Investments-Nolensville, LLC property (Deed Book 20050415, Page 0042174);

Thence, leaving Carter and with the north line of Legg for the next thirteen calls:

North 48 deg. 08' 08" West - 670.66' to an iron rod (old);
North 42 deg. 52' 37" West - 16.12' to an iron rod (old);
North 37 deg. 42' 20" West - 75.21' to an iron rod (old);
North 43 deg. 18' 39" West - 23.71' to an iron rod (old);
North 48 deg. 42' 32" West - 127.53' to an iron rod (old);
Along an Arc to the left having a radius of 223.50', an arc length of 137.64', delta angle of 35 deg. 17' 10" with a chord bearing and distance of North 66 deg. 21' 07" West - 135.48' to an iron rod (old);
Along an Arc to the left having a radius of 123.50', an arc length of 88.70', delta angle of 41 deg. 09' 00" with a chord bearing and distance of South 75 deg. 23' 26" West - 86.80' to an iron rod (old);

Along an Arc to the right having a radius of 126.50', an arc length of 59.69', delta angle of 27 deg. 02' 14" with a chord bearing and distance of South 68 deg. 20' 03" West - 59.14' to an iron rod (old);
South 81 deg. 51' 10" West - 175.99' to an iron rod (old);
Along an Arc to the right having a radius of 76.50', an arc length of 26.68', delta angle of 19 deg. 58' 44" with a chord bearing and distance of North 88 deg. 09' 28" West -26.54' to an iron rod (old);
North 78 deg. 10' 06" West - 53.53' to an iron rod (old);
Along an Arc to the left having a radius of 123.50', an arc length of 43.06', delta angle of 19 deg. 58' 44" with a chord bearing and distance of North 88 deg. 09' 28" West - 42.85' to an iron rod (old);
South 81 deg. 51' 10" West – 66.22' to an iron rod (old);

Thence, leaving the north line of Legg and on a new severance line for the next seven calls:

Along an Arc to the right having a radius of 402.00', an arc length of 67.73', delta angle of 09 deg. 39' 12" with a chord bearing and distance of North 11 deg. 49' 12" East – 67.65' to concrete monument (new);
North 16 deg. 38' 48" East – 63.89' to a concrete monument (new);
Along an Arc to the right having a radius of 770.00', an arc length of 308.91', delta angle of 22 deg. 59' 10" with a chord bearing and distance of North 28 deg. 08' 23" East – 306.84' to concrete monument (new);
North 39 deg. 37' 58" East – 210.34' to a concrete monument (new);
Along an Arc to the left having a radius of 2040.00', an arc length of 126.71', delta angle of 03 deg. 33' 31" with a chord bearing and distance of North 37 deg. 51' 13" East – 126.68' to concrete monument (new);
Along an Arc to the left having a radius of 694.00', an arc length of 326.01', delta angle of 26 deg. 54' 53" with a chord bearing and distance of South 71 deg. 34' 42" East – 323.01' to concrete monument (new);
South 85 deg. 02' 09" East – 714.92' to the TRUE POINT OF BEGINNING and containing 20.88 acres more or less according to a survey by Land Design Survey dated February 24, 2005.

EXHIBIT "C"

Bylaws of The Villas at Concord Place Homeowners Association, Inc.

BY-LAWS

OF

THE VILLAS AT CONCORD PLACE HOMEOWNERS ASSOCIATION, INC.

Prepared By:
Alvin L. Harris
Hubbard, Berry, Doughty, Harris, & Barrick, PLLC
201 Fourth Avenue North
SunTrust Bank Building, Suite 1420
Nashville, Tennessee 37219
(615) 251-5444

BY-LAWS

OF

THE VILLAS AT CONCORD PLACE HOMEOWNERS ASSOCIATION, INC.

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BY-LAWS

OF

THE VILLAS AT CONCORD PLACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1: NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1. Name. The name of the corporation is The Villas at Concord Place Homeowners Association, Inc. (the "Association").

1.2. Principal Office. The principal office of the Association shall be located in Davidson County, Tennessee. The Association may have such other offices, either within or outside the State of Tennessee, as the Board of Directors may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for The Villas at Concord Place filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

ARTICLE 2: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1. Membership. The Association shall have one (1) class of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board so as to occur during the first or third quarter of the Association's fiscal year on a date and at a time set by the Board.

2.4. Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) Days if so directed by resolution of the Board or upon a petition signed by Members representing at least 67% of the total votes in the Association or upon written request of the Declarant.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5.

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9. List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Tennessee law including without limitation Tenn. Code Ann. §§ 48-66-102 through 48-66-105.

2.10. Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership, or limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Tennessee law. Every proxy shall be in writing specifying the Homesite(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes

which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Homesite for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11. Quorum. The presence, in person or by proxy, of Members representing twenty percent (20%) of the total votes in the Association shall constitute a quorum at all meetings of the Association. If a quorum is present, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) Days after receiving authorization for any action by written consent, the secretary shall give written notice to all Members summarizing the material features of the authorized action.

ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by Declarant or serving as a representative of the Declarant, the directors shall be eligible Members or residents; provided however, no Owner and resident representing the same Homesite may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Homesite is delinquent. A "resident" for the purposes of these By-Laws shall mean any natural person eighteen (18) years of age or older whose principal place of residence is a Homesite within the Properties. In the case of a Member which is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by Declarant.

3.2. Number of Directors. The Board shall consist of three (3) to five (5) directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three (3) directors

appointed by Declarant as provided in Section 3.3 and shall increase as provided in Section 3.5. After the termination of the Control Period, the Board may, by resolution, increase or decrease the number of directors.

3.3. Directors During Control Period. Subject to the provisions of Section 3.5, the directors shall be selected by Declarant acting in its sole discretion and shall serve during the Control Period.

3.4. Nomination and Election of Directors. Elected directors shall be nominated from the floor at a meeting of the Association and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Each Owner may cast all votes assigned to such Owner's Units for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5. Election and Term of Office.

Not later than the first annual meeting occurring after the termination of the Control Period, the Association shall hold an election at which the Members shall elect all five (5) directors who shall serve one-year terms or until elections are held. After the termination of the Control Period, the Board may determine terms of office as deemed appropriate.

3.6. Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by Members holding two-thirds (2/3) of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by Declarant. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) or more consecutive un-excused absences from Board meetings, or who is more than thirty (30) Days delinquent (or is the resident of a Homesite that is delinquent or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Members may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of an elected director or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by Declarant nor to any director serving as a representative of the Declarant. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of Declarant.

B. Meetings.

3.7. Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each quarter.

3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.10. Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) Days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, e-mailed or given to the telegraph company.

3.11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board, excluding the interested director.

3.15. Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16. Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a director. In such case, the president may limit the time any Member may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session, and exclude Members to discuss matters of a sensitive nature.

3.17. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18. Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents or Tennessee law do not direct to be done and exercised exclusively by the membership generally.

3.19. Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

(b) levying and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) contracting for repairs, additions, and improvements to or alterations of the Common Property in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the costs of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Homesite, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or ARB or committee member, or former director, officer or ARB or committee member of the Association to the extent such indemnity is required or permitted under Tennessee the Governing Documents; and

3.20. Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) an annual financial report shall be made available to all Members within one hundred twenty (120) Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines; and

3.22. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67%) of the total votes allocated to Homesites prior to borrowing such money.

3.23. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, within and outside the Properties.

3.24. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within fifteen (15) Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within fifteen (15) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fifteen (15) Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the fifteen (15) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator.

(b) Hearing. If a hearing is requested within the allotted fifteen (15) Day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within fifteen (15) Days after the hearing date.

ARTICLE 4: OFFICERS

4.1. Officers. The officers of the Association shall be a president, secretary and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one (1) or more assistant secretaries and one (1) or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by an officer or by such other person as may be designated by Board resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

ARTICLE 5: COMMITTEES

5.1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise provided by the Board, committee members shall be eligible Members or residents; provided however, no Member may have more than one (1) representative on a committee at any time. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these By-Laws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these By-Laws.

ARTICLE 6: MISCELLANEOUS

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Charter, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of Tennessee law, the Charter, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Charter, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Homesite, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Homesite: the Declaration, By-Laws, and Charter, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members the Board, and committees (excluding minutes of executive sessions of the Board). The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board may establish rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Homesite of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

6.6. Amendment.

(a) By Declarant. Until termination of the Control Period, the Declarant may unilaterally amend these By-Laws for any purpose.

(b) By the Board. The Board shall be authorized to amend these By-Laws without the consent of the Members (i) for the purpose of submitting the Properties to the Tennessee Horizontal Property Act, Tenn. Code Ann. § 66-27-101, *et seq.*, and conforming these By-Laws to any mandatory provisions thereof, and (ii) to correct scriveners' errors and other mistakes of fact, provided that any amendments under this provision have no material adverse effect on the rights of the Members. During the Development Period, any such amendments shall require the consent of the Declarant.

(c) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least a Majority of the total votes in the Association, and, during the Development Period, the written consent of the Declarant. In addition, the approval requirements set forth in Article 12 of the

Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant, or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

CERTIFICATION

I hereby certify that the foregoing By-Laws were adopted by The Villas at Concord Place Homeowners Association, Inc. on the 21st day of September, 2005.

President

EXHIBIT "D"

Use Restrictions

Abandoned Personal Property. Personal property, other than vehicles, shall not be kept, or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Property, other than on a Limited Common Property, without prior written Board permission. If the Board determines that a violation exists, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property owner's Homesite, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property. The notice shall include the name and telephone number of the person or entity that will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

The Board, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the location of the property within three (3) days after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

Animals. No Owner or occupant may keep any pets other than generally recognized household pets on any portion of the Properties. No Owner or occupant may keep, breed or maintain any pet for any commercial purpose, and no structure for the care, housing, or confinement of any pet shall be constructed or maintained on any part of the Common Property, including Limited Common Property, without prior written ARB approval. No pets are allowed on any portion of the Common Property; provided, however, an Owner or occupant may walk a pet across the Common Property to enter or exit the Properties. Notwithstanding the foregoing, pets must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Property, but excluding the Limited Common Property. Feces left by pets upon the Common Property or in any area subject to the Declaration must be immediately removed by the person responsible for the pet.

Animals determined in the Board's sole discretion to be dangerous shall not be brought onto or kept on the Properties at any time. The Board may require that any pet that, in the Board's opinion, endangers the health of any Owner or occupant or creates a nuisance or unreasonable disturbance, be permanently removed from the Properties upon seven (7) days written notice. If the Owner or occupant fails to do so, the Board may remove the pet. The Board may remove any pet, which, in the Board's sole discretion, presents an immediate danger to the health, safety or property of any community member, without prior notice to the pet's owner.

Any Owner or occupant who keeps or maintains any pet upon the Properties shall be deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Properties.

Antennas and Satellite Dishes. Unless otherwise approved by the ARB, all television antennae, satellite dishes, dishes which receive video programming services via multipoint distribution services and any other device used for the reception of television broadcast signals, direct broadcast satellite services or multichannel multipoint distribution (wireless cable) services must be one (1) meter or less in diameter, must be located to the rear of a Homesite and not visible from the street (unless such location would preclude reception of an acceptable quality signal) and may not be affixed to any portion of the Common Property. In the event such devices are installed outside of these guidelines the ARB may take such actions deemed appropriate and within the scope of any law or regulation to cause a correction to be made by the responsible Owner. Further, neither the Association, nor the ARB shall be responsible for repairs necessitated by the improper installation of such device on the exterior of any Homesite. Owners should also be aware that improper installation of such devices may invalidate any warranty given by suppliers of materials or Declarant.

Artificial Vegetation. Artificial vegetation is prohibited on the Properties.

Attics. It is prohibited for an Owner to use the space above their Homesite for storage.

Clotheslines. Clotheslines are prohibited on the Properties.

Common Property. There shall be no obstruction of the Common Property, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Property without the prior written consent of the Board, except as specifically provided herein. All Owners and occupants are prohibited from using the detention pond area for any recreational purpose. There shall be no use of the roofs of the buildings by the Owners, their family members, guests, tenants, invitees, agents or contractors. The Association and its agents and contractors shall have access to the roofs for performing its maintenance and repair responsibility. There shall be no gardening or landscaping on the Common Property by Owners or occupants without the prior written consent of the Board. This subparagraph shall not apply to Declarant, for so long as Declarant shall own a Homesite for sale.

Fences. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Properties, including any Limited Common Property, except original installation required by zoning conditions or established by Declarant during construction.

Flags. Flags and flagpoles are prohibited on the Properties.

Garages. It is prohibited for an Owner or occupant of a Homesite that includes a garage to convert such garage to any other use. No Owner or occupant of a Homesite that includes a garage shall park his or her car or other motor vehicle on any portion of the Properties, other than in the garage, unless the maximum number of cars or similarly sized motor vehicles which can be parked in the garage according to its design capacity are already parked in said garage. Garage doors shall remain closed

at all times, except for necessary use, ingress, and egress. All garages shall be maintained in such a manner that parking for the maximum number of motor vehicles for which it was originally designed to hold is allowed and possible.

Garage and Yard Sales. Garage sales, yard sales, flea markets, or similar activities are prohibited unless approved in writing by the Board of Directors.

Grilling. The use of outdoor grills other than electric grills on any portion of the Properties buildings, including, without limitation, a deck shall be governed by applicable state laws and local ordinances having jurisdiction over the Properties.

Heating of Homesites in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Properties, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Homesites shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. Owners and occupants of Homesites shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. The Board of Directors may fine any Owner or occupant and/or may cause the water service to the violator's Homesite to be discontinued for violation of this subparagraph, in addition to any other remedies of the Association.

Hunting, Fireworks and Firearms. Hunting or the display or discharge of fireworks or any weapon or firearm for any reason is prohibited on any portion of the Development; provided however, the display of lawful firearms by law enforcement officers is permitted. The term "firearm" includes without limitation "B-B" gun, pellet gun, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop any such discharge.

Leasing. In accordance with the Declaration and Bylaws, in order to enforce the provisions of this Paragraph. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Homesite by any Person other than the Owner. For purposes hereof, occupancy by a roommate of an Owner who occupies the Homesite as such Owner's primary residence shall not constitute Leasing hereunder. Leasing of all Homesites shall be governed by the following provisions:

(a) Notice. At least seven (7) days prior to entering into the lease of a Homesite, the Owner shall provide the Board with a copy of the proposed lease agreement. The Board shall approve or disapprove the form of said lease. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any rules and regulations adopted pursuant thereto.

(b) General. Homesites may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing and in a form approved by

the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable. There shall be no subleasing of Homesites or assignment of leases without prior written Board approval. Within ten (10) days after executing a lease agreement for the lease of a Homesite, the Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Homesite. The Owner must provide the lessee copies of the Declaration, Bylaws, and the rules and regulations. Nothing herein shall be construed as giving the Association the right to approve or disapprove a proposed lessee; the Board's approval or disapproval shall be limited to the form of the proposed lease.

(c) Liability for Assessments, Use of Common Property, and Compliance with Declaration, Bylaws, and Rules and Regulations. Each Owner covenants and agrees that any lease of a Homesite shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Homesite, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(i) Compliance with Declaration, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants and guests of the leased Homesite in order to ensure such compliance. **The Owner shall cause and shall have primary responsibility for ensuring that all occupants of his or her Homesite to comply with the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations by such occupants, notwithstanding the fact that such occupants of the Homesite are fully liable and may be sanctioned for any such violation.** If the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with Article V of the Bylaws. If the fine is not paid by the lessee within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Homesite.

Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto by the lessee, any occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Tennessee law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws, and the rules and regulations adopted pursuant thereto, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including reasonable attorneys' fees actually incurred and court costs, associated with the eviction shall be an assessment and lien against the Homesite.

(ii) Use of Common Property. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common

Property, including but not limited to, the use of any and all recreational facilities and other amenities.

(iii) Liability for Assessments. When an Owner who is leasing his or her Homesite fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(d) Applicability of this Paragraph. Notwithstanding the above, this Paragraph shall not apply to any leasing transaction entered into by Declarant (regardless of whether said lease is entered into prior to or after the expiration of Declarant's right to appoint and remove officers and directors of the Association pursuant to Article III, Part A, Section 2 of the Bylaws), the Association, or the holder of any first Mortgage on a Homesite who becomes the Owner of a Homesite through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

Lighting. Exterior lighting visible from the street shall not be permitted except for: (1) approved lighting as originally installed on a Homesite; (2) street lights in conformity with an established street lighting program for the Development; (3) reasonable seasonal decorative lights displayed between Thanksgiving and January 15; or (4) front house illumination of model homes.

Limited Common Property. Except as otherwise provided herein, the use of the Limited Common Property assigned to the Homesites is restricted exclusively to the Owners of the Homesite to which such Limited Common Property are assigned, and said Owner's family members, guests, tenants and invitees. The Limited Common Property is reserved for exclusive use, but shall not be construed or interpreted to be separate and apart from the Common Property in general, and the restrictions applicable to the Common Property shall also apply to the Limited Common Property.

Number of Occupants. The maximum number of occupants in a Homesite shall be limited to two (2) people per bedroom in the Homesite. Upon written application, the Board shall grant variances to this restriction to comply with provisions of the Fair Housing Amendments Act of 1988 or any amendments thereto.

If an Owner of a Homesite is a corporation, partnership, trust or other legal entity not being a natural person, the entity shall designate in writing to the Board the name(s) of the person(s) who will occupy the Homesite. The designated person(s) to occupy the Homesite may not be changed

more frequently than once every six (6) months without the express written consent of the Board as determined in the Board's sole discretion.

Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or occupant, other than Declarant, on any portion of the Properties, at any time, either temporarily or permanently, without the prior written approval of the Board.

Parking. Permitted vehicles shall be parked only in garages or driveways or designated areas authorized by the Board. No Owner or occupant may keep or bring onto the Properties more than a reasonable number of vehicles, at any time, as determined by the Board. Owners and occupants are prohibited from parking on yard areas, along the roadways of the Properties, or on any exterior parking space located on the Properties for any period of time.

Disabled and stored vehicles are prohibited from being parked on the Properties, except in garages. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Properties without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, jet-skis and trailers for same, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Tennessee Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriffs, Marshals, or police officers' vehicles marked as such, are also prohibited from being parked on the Properties, except in garages, or designated parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Property during normal business hours for the purpose of serving any Homesite or the Common Property; provided, however, no such vehicle shall remain on the Common Property overnight or for any purpose unless prior written consent of the Board is first obtained.

If any vehicle is parked on any portion of the Properties in violation of this Paragraph or in violation of the Association's rules and regulations, the Board or agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Homesite, is obstructing the flow of traffic, is parked on any grassy area, or otherwise

creates a hazardous condition, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Private Streets. The Private Streets shall be subject to the provisions of this Declaration regarding use of Common Property. Additionally, Owners of Homesites and other permitted users of the Private Streets shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the Private Streets by other authorized users of the Private Streets. Prohibited activities shall include, without limitation, obstruction of the Private Streets. All vehicular traffic on the Private Streets in the Development shall be subject to the provisions of the state and local laws concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits and including modifications of those in force on public streets, within the Development. The Association shall be entitled to enforce same by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. In the event of a conflict between such provisions of state and local laws and such rules and regulations promulgated by the Association, to the extent such rules and regulations of the Association are more restrictive than such state and local laws, the rules and regulations of the Association shall govern. Only drivers properly licensed to operate motor vehicles on the public roads within the State of Tennessee may operate any type of motor vehicle within the Development. All vehicles of any kind and nature which are operated on the Private Streets in the Development shall be operated in a careful, prudent, safe, and quiet manner and with due consideration for the rights of all Owners and occupants.

Prohibition of Damage, Nuisance and Noise. Without the prior written consent of the Board of Directors, nothing shall be done or kept on the Properties, or any part thereof, which would increase the rate of insurance on the Properties or any Homesite or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

The Homesites in the Properties are built in close proximity to one another, resulting in the sharing of common walls. As a result, noise and vibration may be detectable between Homesites or between Homesites and the Common Property. Therefore, an Owner or occupant shall not conduct activities within a Homesite or use a Homesite in a manner that interferes with or causes disruption to the use and quiet enjoyment of another Homesite by its respective Owner and occupant.

Furthermore, noxious, destructive or offensive activity shall not be carried on within any portion of the Properties. No Owner or occupant of a Homesite may use or allow the use of the Homesite or any portion of the Properties at any time, in any way or for any purpose which may endanger the health, unreasonably annoy or disturb or cause embarrassment, or discomfort to other Owners or occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance. In addition, no Owner or occupant of a Homesite may use or allow the use of a Homesite

or the Common Property in any manner which creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board of Directors interfere with the rights, comfort or convenience of the other Owners or occupants. Nothing herein, however, shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with his or her property or personal rights.

No Owner, occupant or agent of such Owner or occupant shall do any work which, in the reasonable opinion of the Association's Board of Directors or its designee, would jeopardize the soundness or safety of the Properties or any structure created thereon, would reduce the value thereof, or would impair any easement or other interest in real property thereto, without in every such case the unanimous, prior written consent of all members of the Association and their Mortgagees.

No damage to or waste of the Common Property, or any part thereof, shall be permitted by any Owner or member of his or her family or any invitee of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, members of his or her family, guests, invitees, or occupants of his or her Homesite.

Recreational Equipment. All playground and recreational equipment must be approved by the ARB and must be used, erected, placed and maintained to the rear of all Homesites. Basketball goals are prohibited on the Properties.

Residential Use. Each Homesite shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from a Homesite or any part of the Properties, except that the Owner or occupant residing in a Homesite may conduct ancillary business activities within the Homesite so long as: the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Homesite; the business activity does not involve visitation of the Homesite by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residential Homesite without business activity; the business activity is legal and conforms to all zoning requirements for the Properties; the business activity does not unreasonably increase traffic in the Properties in excess of what would normally be expected for residential Homesites in the Properties without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services); the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as determined in the Board's discretion; and the business activity does not result in a materially greater use of Common Property facilities or Association services.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's

family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the use of a Homesite by an on-site management agent operating on behalf of the Association shall not be considered a trade or business within the meaning of this Paragraph.

Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Homesite and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Property or Limited Common Property outside the Homesite, temporarily or otherwise, except in trash receptacles that are stored within the Homesite, except as provided herein. Rubbish, trash, and garbage shall be disposed of in proper receptacles designated by the Board for collection. No such receptacle or rubbish, trash, and garbage shall be placed outside of the Homesite more than twelve (12) hours before such items are scheduled to be collected from the Properties. All receptacles shall be removed within twelve (12) hours of the time upon which rubbish, trash, and garbage was scheduled to be collected from the Properties.

Signs. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant related to the development and sale of Homesites, no signs, advertising posters, flyers, political placards or billboards of any kind shall be erected, placed, or permitted to remain on the Properties without the prior written consent of the Board or its designee, except that one (1) professional security sign not to exceed six inches (6") by six inches (6") in size may be displayed from within a Homesite. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

Swimming Pools and Hot Tubs. Swimming pools, hot tubs and the like (both in-ground and above-ground) are prohibited on the Properties.

Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties. Clothing, bedding, rugs, mops, appliances, indoor furniture, and other household items shall not be placed or stored outside the Homesite.

Window Air-Conditioning Units. Window Air-Conditioning Units are prohibited on the Properties.

Window Treatments. All windows in Homesites must have window treatments. The color of all window treatments visible from outside the Homesite must be white or off-white. Bed sheets shall not be used as window treatments.