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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CURTIS HILL SUBDIVISION

THIS DECLARATION of Covenants, Conditions and Restrictions (hereinafter referred to as "this Declaration") is made effective as of the date hereinafter set forth, by and between **The Housing Fund, Inc.**, a Tennessee not-for-profit corporation (hereinafter referred to as "Developer"), and any and all parties hereafter having or acquiring any right, title or interest in the within described property.

WITNESSETH:

WHEREAS, Developer is the owner of that certain tract of real property hereinafter described and desires to create thereon a residential development with open spaces for the mutual benefit of the future residents of said development; and

WHEREAS, it is in the best interest of Developer, as well as to the benefit, interest and advantage of each and every person or other entity hereafter acquiring any of the property within this development that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed, set forth and declared to be covenants running with the land; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in said development, and for the continued maintenance and operation of common areas; and

WHEREAS, the Developer desires to make provisions concerning the maintenance and ownership of the open spaces located therein; and

WHEREAS, the Developer has deemed it desirable, for the efficient preservation of the values and amenities in said development, and to fulfill the foregoing objects, purposes and requirements, to create an entity to which should be delegated and assigned the powers of maintaining and administering the common property, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused or will cause, to be incorporated under the laws of the State of Tennessee, a non-profit corporation known as Curtis Hill Subdivision Homeowners' Association, for the purpose of exercising the aforementioned functions.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the terms, conditions and restrictions hereinafter set forth, the Developer declares that the real property hereinafter described is and shall be held, transferred, sold, conveyed and occupied subject to the following restrictions, covenants, conditions, easements, assessments and liens all of which are to be construed as covenants running with the land and which shall be binding on all parties having or acquiring any right, title or interest in the hereafter described property or any part

thereof and which shall inure to the benefit of each owner thereof. Every person or other party hereafter acquiring any of the within described property made subject to this Declaration, by acceptance of a deed to any interest in or to said property, shall take such property interest subject to this Declaration and to the terms and conditions hereof, and shall be deemed to have assented to same.

ARTICLE I
DEFINITIONS

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

Section 1. "Association" shall mean The Curtis Hill Subdivision Homeowners' Association, a Tennessee not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. The Association's By-Laws are attached as Exhibit B and are incorporated herein by reference.

Section 2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Lot Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is the area designated on the Plat as Common Area. The Common Area is described more fully on Exhibit C.

Section 3. "Declaration" shall mean this instrument.

Section 4. "Developer" shall mean **The Housing Fund, Inc.**, a Tennessee not-for-profit corporation, its successors and assigns.

Section 5. "Lot" shall mean any lot shown on the Plat, not including the Common Area.

Section 6. "Lot Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Plat" shall mean the plat of Curtis Hill Subdivision recorded in the Register's Office for Davidson County, Tennessee in Plat Book __, pages ___, ___ and ___.

Section 8. "Property" shall mean the real property described on Exhibit A hereto.

Section 9. "Section" shall mean any section of the Property as designated on the Plat.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Developer hereby declares that the Property shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions of this Declaration, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, and their heirs, devisees, executors, administrators, successors, and assigns.

ARTICLE III
PROPERTY RIGHTS

Every Lot Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on January 1, 2010.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot other than the Developer, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) an initial assessment as set forth in Article IX, Section 6; (2) annual assessments or charges; and (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The Developer, for each Lot owned, hereby covenants to pay annual and special assessments in accordance with Section 7 of this Article. The initial, annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Lot Owners, to provide for the operation and maintenance of the Common Area, to pay the fees of any management agent the Association may employ to manage the affairs of the Association, and to pay other reasonable and necessary expenses of the Association.

Section 3. Maximum Annual Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, other than Developer, the maximum annual assessment shall be Three Hundred ($300.00) per Lot payable in monthly installments of Twenty-five Dollars ($25.00) each.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment may be increased each year not more than (i) ten percent (10%) per annum, or (ii) the percentage increase in the Consumer Price Index during the previous year, whichever is greater, above the maximum assessment for the previous year without a vote of the Association membership.

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

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment whole or in part, the cost of any construction, reconstruction, repair or replacement of

a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Association members who are voting in person or by proxy at a meeting duly called for this purpose.

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

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

Section 7. Date of Commencement of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to Lots not owned by the Developer on the first day of the first month following the deed of the first Lot to a Lot Owner. As to Lots owned by the Developer the annual assessments shall commence as to each Lot when the improvements constructed on the Lot are completed and ready for occupancy. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Lot Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the due date at the rate of twelve (12%) percent per annum or the maximum amount permitted by law, whichever is less. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot, or both, and in any event the Lot Owner shall be liable for the reasonable attorneys' fees and expenses incurred by the Association in exercising such remedies. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments on any Lot provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Lot. Sale or transfer of any Lot shall not affect the assessment lien. However the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof,

shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI
INSURANCE

Section 1. Common Area. The Association shall keep in force and maintain such liability and other insurance as it shall deem necessary relating to the Common Area. The Association may also insure any other property, whether real or personal, owned by the Association, against such hazards as may deem desirable by the Association. Premiums for all insurance carried by the Association shall be part of the expenses covered by the annual assessments of the Association.

Section 2. Lots. Insurance against damage by fire or other casualty to the improvements on any Lot, liability insurance with respect to occurrences on any Lot, and other insurance relating to each Lot shall be the responsibility of the individual Lot Owners.

Section 3. Fidelity Bonds.

(a) Blanket fidelity bonds will be maintained by the Association for all officers, directors, trustees, and employees of the Association handling or responsible for funds of or administered by the Association or any other persons handling or responsible for funds of or administered by the Association. Further, in the event the Association delegates some or all of the responsibility for the handling of funds to a management agent, a blanket fidelity bond will be required for officers, employees, and agents of such management agent handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity bond coverage shall be based upon the best business judgment of the officers of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bond be less than a sum equal to three months' aggregate assessment on all Lots plus reserve funds.

(c) All such fidelity bonds shall:

(i) Name the Association as an obligee;

(ii) Contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and

(iii) Shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten days' prior written notice to the Association.

(d) Premiums on all such fidelity bonds (except premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.

ARTICLE VII
NOTICES TO MORTGAGEES, ETC.

Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor of any deed of trust lien in any property located in the subject development and the Lot number or address, any such lien holder or eligible insurer or guarantor shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the subject development or a Lot on which there is a first deed of trust lien held, insured, or guaranteed by such eligible deed of trust lien holder or eligible insurer or guarantor, as applicable, to the extent the Association has actual knowledge of the circumstances affecting a given Lot;

(b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first deed of trust lien held, insured, or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

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

(d) Any proposed action which would require the consent of a specified percentage of deed of trust lien holders.

ARTICLE VIII
RESTRICTIONS ON LOT USE, ETC.

The following restrictions shall be binding on Developer and all Lot Owners:

Section 1. Easements. Easements for installation and maintenance of utilities, walls and drainage facilities are reserved as shown on the Plat and as otherwise shown by the public records. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The

easement area of each Lot and all improvements in it shall be maintained continuously by the Lot Owner, except for those improvements for which a public authority or utility company is responsible. Overhang easements, as shown on the Plat and as otherwise shown by the public records, shall be for the purpose of permitting overhead wires and cables of public utilities, such as electric telephone, telegraphs, etc.

Section 2. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Temporary and Incomplete Structures. No temporary structure or incomplete structure may be used temporarily or permanently as a residence. Specifically, no tent, shack, outbuilding, barn, camper, mobile home, basement, or dwelling not substantially completed may be used.

Section 4. Signs. No signs of any kind shall be displayed to the public view on any lot except professionally lettered builder's or realtor's signs in good taste and not exceeding 18" x 24" in size.

Section 5. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets may be kept provided they are confined to the Lots of their owners by leash or fence; provided they are not kept, bred, or maintained for any commercial purpose; and provided they are not kept in such numbers as to become a nuisance.

Section 6. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Incinerators shall not be used or permitted to be erected or placed on any lot. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be concealed underground or screened from the view of neighbors or the public.

Section 7. Other Prohibited or Restricted Activities.

(a) Junk cars may not be kept on any Lot. Moreover no Lot Owner shall permit any motor vehicles (operable or inoperable) owned by such Lot Owner or by any person occupying his dwelling or by any person on his premises as guest or invitee to remain parked on the public streets or parking areas which are a part of the Common Areas in the subdivision for more than 48 hours.

(b) Lots shall be kept clean and mowed and all dwellings shall be kept neatly painted and in good repair. In the event an owner shall fail to maintain the premises and the improvements thereon in a manner satisfactory to the directors of the Association, and in the event such owner fails to cure such conditions or to diligently commence to cure the same within thirty (30) days after written notice of said owner's failure duly given to him by the directors, the Association may, with the approval of

two-thirds of its members, enter upon the property and repair, maintain and restore the same. In the event an owner shall fail to maintain his lawn, trees and/or shrubbery, the Association may, with the approval of its Board of Directors, but without the necessity of a vote of the membership, proceed to cause the deficiency to be corrected by cutting grass, raking leaves and excess grass, pruning trees and shrubbery, and other corrective measures deemed to be necessary by the Association's directors; provided that the owner shall receive not less than ten (10) days' notice of such deficiency and an opportunity to commence to cure the same, following his first violation of this covenant, before the Association shall embark upon any such corrective work. Subsequent violations of this law, tree and shrubbery maintenance covenant may be corrected without notice. Any expense of the Association pursuant to this section shall be a lien on the Lot and bear interest at the rate of 10% per annum until paid. Mud or debris on streets caused by new construction will be the responsibility of the contractor causing such to occur and must be cleaned daily.

Section 8. Water Supply; Sewage Disposal. No dwelling on any Lot shall be occupied and used unless the same be connected with, and served with, water and sewerage from the water and sanitary sewer supply mains provided in this subdivision.

Section 9. Roadway Construction and Acceptance. The right is expressly reserved to the Developer, his representatives, heirs, successors and assigns, to construct all streets, roads, alleys, or other public ways as now, or hereafter may be shown on the Plat, at such grades or elevations as Developer, in its sole discretion, may deem proper; and, for the purpose of constructing such streets, roads, alleys or public ways, Developer additionally shall have an easement, not exceeding ten (10) feet in width, upon and along each adjoining Lot, for the construction of proper bank slopes in accordance with the specifications of the governmental body or agency having jurisdiction over the construction of public roads; and no Lot Owner shall have any right of action or claim for damages against any one on account of the grade or elevation at which such road, street, alley or public way may hereafter be constructed, or on account of the bank slopes constructed within the limits of the said ten (10) foot easement.

ARTICLE IX
GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with

and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the majority set forth below of those then owning the Lots has been recorded prior to the expiration of said 30-year period or any said 10-year period, as the case may be, agreeing to terminate said covenants or to modify said covenants in whole or in part for the next 10 year period. This Declaration may be modified, amended, or terminated during the first thirty (30) year period only by an instrument signed by not less than eighty percent (80%) of the Lot Owners and thereafter only by an instrument signed by not less than seventy percent (70%) of the Lot Owners. Notwithstanding the foregoing, the Developer may unilaterally amend this Declaration without the consent or joinder of any other Lot Owner as long as there is a Class B membership and the Developer determines that one or more amendments is necessary or desirable to ensure the orderly development of the Property. Any modification, amendment, or termination must be recorded.

Section 4. Contracts. The Association shall not be bound either directly or indirectly to contracts or leases entered into prior to passage of control (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after passage of control, upon not more than 90 days notice to the other party.

Section 5. Reserves for Replacement. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Areas. The fund shall be maintained out of the annual assessments.

Section 6. Working Capital. A working capital fund shall be maintained for the initial months of the project's operation and shall be funded by an initial assessment not to exceed Two Hundred Fifty and No/100 Dollars ($250.00) for each Lot. Each Lot's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot from the Developer to a third party, and shall be paid by the third party purchaser. The working capital fund shall be maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of annual assessments.

WITNESS the signature of Developer by its duly authorized Executive Director as of July 18, 2006.

The Housing Fund, Inc.

By: Loretta C. Owens

Davidson County TN

Sworn before me July 18, 2006.

Personally Appeared Loretta C. Owens, Executive Director of The Housing Fund, Inc.

Becky Buxkamper

my Commission expires Nov. 20 2009

BECKY BUXKAMPER NOTARY PUBLIC STATE OF TENNESSEE DAVIDSON COUNTY

Exhibit "A"

Commencing at the Southwest corner of the old H.E. Simpkin's Subdivision as of Book 547, Page 39 and being the Point of Beginning; thence North 68'o6'13"W, a distance of 209.64 Feet; thence North 31'08'02" East, a distance of 319.73 Feet; thence North 68"59'13" West; a distance of 209.64 Feet; thence North 31'08'02" East, a distance of 75.14 Feet; thence South 68'59'22" East, a distance of 108.27 Feet; thence South 31'49'05" West, a distance of 10.10 Feet; thence South 69'01'20" East, a distance of 106.95 Feet; thence North 31'08'49" East, a distance of 252.15 Feet; thence South 66'20'33" East, a distance of 213.50 Feet; thence South 31'08'02 West, a distance of 143.00 Feet to the Point of Beginning. Containing 2.86 Acres, more or less.

This Document Was Perpared By:

Colbert & Winstead, P.C.
1812 Broadway
Nashville, TN 37203
(615) 321-0555