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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS & RESTRICTIONS AND MASTER DEED FOR RIVENDELL WOODS, PHASE THREE

Prepared By:
Jeff Reed
Cope, Hudson, Scarlett, Reed & McCreary, PLLC
16 Public Square N.
Murfreesboro, TN 37130
615-893-5522

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, & RESTRICTIONS AND MASTER DEED ESTABLISHING A HORIZONTAL PROPERTY REGIME OF RIVENDELL WOODS, PHASE THREE

THIS Declaration of Protective Covenants, Conditions and Restrictions and Master Deed of Rivendell Woods, Phase Three is made as of the 14th day of October, 2008, by RIVENDELL, LLC, a Tennessee limited liability company, hereinafter referred to as "Declarant" or "Developer" for itself, its successors, grantees, and assigns.

WITNESSETH:

WHEREAS, Declarant is the owner of the real property located in the City of Nashville, Davidson County, Tennessee described in Exhibit A attached hereto and incorporated herein by reference (the "Property") which Declarant desires to develop as a community of ninety-nine (99) single family attached homes to be known as Rivendell Woods, Phase Three, as an RM-9 Multi Family Development, with common facilities and common elements for the benefit of said community; and

WHEREAS, Declarant desires to submit the Property, and the improvements constructed hereon, to a horizontal property regime of ownership and use, in the manner provided under the provisions of the Tennessee Code Annotated, Title 66, Chapter 27, Section 101, et seq., as amended, known as "The Horizontal Property Act," which may hereinafter be referred to as the "Act"; and

WHEREAS, Declarant further desires to establish certain easements, rights, privileges and obligations applicable to the Property, for the use and enjoyment of all Owners, as hereinafter defined, and to provide for the use and maintenance of the Property, as hereinafter defined, for the mutual benefit of all Owners and to promote the benefits of the horizontal property regime form of ownership hereinafter set forth; and

WHEREAS, Declarant desires to provide to establish a method for the administration, maintenance, preservation, use and enjoyment of such portions of the Property as are now or may hereafter be submitted to this Master Deed; and

WHEREAS, as part of the general plan of improvement of the Property, Declarant desires to create an Association (as defined herein) to manage the Property, to be known as the Rivendell Woods Townhome Homeowners Association, Inc.; and

WHEREAS, Declarant desires that the Property, and any additional property as is hereafter subjected to this Master Deed by Supplemental Master Deed (as defined herein), be held, sold and conveyed subject to the provisions of this Master Deed.

NOW, THEREFORE, Declarant hereby declares that all of the Property subjected to this

Master Deed shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Property, and shall run with the real property submitted to this Master Deed. They shall be binding on all parties having any right, title, or interest in the Property, or any part thereof, their heirs, successors, successors in title, and assigns, and shall inure to the benefit of each owner thereof.

Declarant further hereby submits the Property, together with the buildings and improvements thereon, or hereinafter to be constructed, to the provisions of the Horizontal Property Act, hereby establishing a horizontal property regime for the Property;

A R T I C L E I

DEFINITIONS

Section 1. "Additional Maintenance Area" shall mean those portions of a Unit which the Association is responsible for maintaining, pursuant to Article VIII, Section 2 hereof, and those portions of a Unit which by contract with any Owner the Association undertakes to maintain.

Section 2. "Assessments" shall mean, collectively or individually, any Base Assessment, Special Assessment or other Assessment imposed on a Unit or Owner hereunder.

Section 2b. "Attached Unit" shall refer to any Unit with a shared wall with another Unit.

Section 3. "Bylaws" shall mean the Bylaws of the Association attached hereto as Exhibit C and made a part hereof; as may be amended from time to time.

Section 4. "Common Elements" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Master Deed or by contract becomes the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Property, or any public rights-of-way within or adjacent to the Property, may be part of the Common Elements.

Section 5. "Charter" shall mean and refer to the Charter of Rivendell Woods Townhomes Homeowners Association, Inc., a form of which is attached hereto as Exhibit B and incorporated herein, by this reference, as filed with the Secretary of State of the State of Tennessee, as may be amended from time to time.

Section 6. "Association" shall mean and refer to the Rivendell Woods Townhomes Homeowners Association, Inc., a Tennessee nonprofit corporation, its successors or assigns. The "Directors" or "Board" shall be the elected body having its normal meaning under Tennessee law.

Section 7. "Base Assessment" shall mean and refer to Assessments levied against all Units in the Property to fund Common Expenses.

Section 8. "Class "B" Control Period" shall mean and refer to the period of time during which the Declarant, as the Class "B" Member, is entitled to appoint at least a majority of the members of the Board, as provided in Article III, Section 2(b) of this Master Deed, and Article HI Section 2 of the Charter.

Section 9. "Common Area" shall mean all real and personal property, including the Property, but excluding Units, components thereof and easements appurtenant thereto, now or hereafter constructed on the Property for common use and enjoyment of the Owners, including, but not limited to, all lawns, any and all streets, roads, bridges, parking areas, drainage facilities, ponds, waterways, fences, structures, sidewalks, curbs, signs, lights, common utilities, and other improvements.

Section 10. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Elements, and those portions of the Additional Maintenance Area which the Association is responsible for maintaining pursuant to Article VIII, Section 2, including any reasonable reserve, as found to be necessary and appropriate by the Board pursuant to this Master Deed, the Charter, and the By-Laws of the Association.

Section 11. "Community-Wide Standard" shall mean the conduct, maintenance, or other activity generally prevailing throughout the Property. The Board and the Construction Committee may more specifically determine such standard.

Section 12. "Declarant" shall mean and refer to Rivendell, LLC, a Tennessee limited liability company, or its successors, successors-in-title or assigns who take title to any portion of the Property for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 12 b. "Detached Unit" shall refer to any Unit which does not have a shared wall with another Unit.

Section 13. "Limited Common Elements" shall mean those Common Elements which are reserved for the use or benefit of a certain Unit or Units to the exclusion of other Units, or are otherwise designated as Limited Common Elements. All terraces, balconies, decks, stoops that serve an individual Unit and the exterior facades of Units are Limited Common Elements. All utilities pipes, conduits and runs that serve only one Unit are Limited Common Elements. Party walls between Units shall be Limited Common Elements. All heating and air conditioning units, equipment or components thereof that serve only one Unit but are located outside that Unit shall be Limited Common Elements exclusively for that Unit.

Section 14. "Member" shall mean and refer to a Person or entity entitled to membership in the Association, as provided herein.

Section 15. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 16. "Mortgagee" shall mean and refer to a beneficiary or holder of a

mortgage.

Section 17. "Mortgagor" shall mean and refer to anyone who gives a Mortgage.

Section 18. "Owner" shall mean and refer to one (1) Person or entity, including Declarant, who holds the record title to any Unit which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be the Owner.

Section 19. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 20. "Plat" means the plat of the Units attached hereto as Exhibit D and incorporated herein by this reference.

Section 21. "Property" shall mean and refer to the real property described in Exhibit A attached hereto, together with such additional property as is hereafter subjected to this Master Deed by Supplemental Master Deed.

Section 22. "Special Assessment" shall mean and refer to Assessments levied in accordance with Article X, Section 3 of this Master Deed.

Section 23. "Supplemental Master Deed" shall mean an amendment or supplement to this Master Deed that subjects additional property to this Master Deed or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Section 24. "Unit" shall mean a portion of the Property (as shown on the Plat), intended for any type of independent ownership, for use and occupancy as a residence by a single family, and not owned in common with the Owners of the other Units, whether a residence is constructed thereon or not. All Units shall be shown and identified as numbered lots or units upon the Plat

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units planned for such parcel until such time as a certificate of occupancy is issued on all or a portion thereof by the local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

ARTICLE II

PROPERTY RIGHTS

Section 1. Common Elements.

(a) Each Owner shall own an undivided share in the Common Elements and

each Owner shall be liable for payment of a percentage of Common Expenses equal to the percentage of the undivided interest in the Common Elements appertaining to each Unit as set forth on Exhibit E attached hereto and incorporated herein by this reference; provided, however, that the Common Expenses incurred with respect to a Limited Common Element shall be paid by the Owners of the Unit or Units to which such Limited Common Element was assigned.

(b) Any conveyance of an individual Unit shall be deemed to also convey the undivided interest of the Unit Owner in the Common Elements and Limited Common Elements appertaining to such Unit, even if such conveyance does not specifically refer to such individual interest.

Every Owner shall have a right and easement of enjoyment in and to the Common Elements appurtenant to the title to such Owner's Unit, subject to any restrictions or limitations contained in this Master Deed. Any Owner may delegate his or her other right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Section 2. Sidewalks. Every Owner shall have a right and easement of enjoyment in and to the sidewalks located on each Unit, subject to any restrictions or limitations contained in this Master Deed or subjecting such Unit to this Master Deed. Any Owner may delegate their right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time. Each Owner shall be responsible for maintaining the sidewalk on such Unit in a safe condition and in accordance with the Community-Wide Standard and other rules and regulations which may be established by the Board from time to time. If an Owner fails to maintain the sidewalk on his or her Unit as required by this Section, and fails or refuses to perform such maintenance upon request by the Board, the Board shall have the right to perform or have performed such maintenance and levy a Special Assessment against such Owner and such Owner's Unit equal to the cost and expenses incurred by the Association in performing such maintenance or having such maintenance performed.

Section 3. Amendment by Declarant. Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Property then owned by the Declarant or its affiliates or the Association from the provisions of this Master Deed to the extent originally included in error or as a result of any changes whatsoever in the plans for Rivendell Woods desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Rivendell.

A R T I C L E I I I

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership vote per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. A Member or the Member's spouse, subject to the provisions of this Master Deed and the By-Laws may exercise the rights and privileges of membership. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Master Deed and the By-Laws.

Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership, but any transfer by Declarant of title to a Unit shall automatically transfer the membership in the Association appurtenant thereto, free and clear from such assignment.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Members, if any. Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit.

In any situation in which more than one (1) Person holds the interest in a Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Members shall be the Declarant and any successor of the Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" member shall originally be entitled to four (4) votes for each Unit owned. The rights of the Class "B" Member, including the right to approve actions taken under this Master Deed and the By-Laws, are specified elsewhere in this Master Deed and the By-Laws. The Class "B" Member shall be entitled to, in its sole discretion, appoint the members of the Members during the Class "B" Control Period, subject only to Article III, Section 6, of the By-Laws. For a period of one (1) year after the date of termination of the Class "B" Control Period the Declarant shall have the right to participate in the decision-making process and the right to disapprove all actions of the Members and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership, upon the earlier of:

(1) when the total outstanding Class "A" votes with respect to the Property equal ninety-five (95%) percent of the total number of Units planned for the property;

(2) December 31, 2015; or

(3) when, in its discretion, the Class "B" Member so determines.

From and after the happening of these events, whichever occurs earliest, the Class "B" Member shall be deemed to be a Class "A" member entitled to one vote for each Unit in which it holds the interest required for membership under Section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the By-Laws for special meetings, to advise the membership of the termination of Class "B" status.

Notwithstanding any provisions to the contrary contained in this Master Deed or the By-Laws, during the Class "B" Control Period, any action, policy or program of the Association requiring approval by the vote of the Members of the Association shall not be taken until also approved in writing by the Class "B" Member.

A R T I C L E I V

MAINTENANCE

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Areas, and the Additional Maintenance Area, such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements upon the Common Areas and the Additional Maintenance Area, as set forth more fully in Article VIII. Maintenance may also include such portions of any additional property as may be dictated by this Master Deed, or by a contract or agreement for maintenance thereof by the Association.

Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

With regard to Detached Units, the Association shall have no responsibility to maintain any portion of a Detached Unit and each Owner of a Detached Unit is required to maintain their own unit, including, but not limited to, the yard for said unit, the driveway for said unit on the Detached Unit's lot, the roof for said unit, and the mailbox for said unit.

Section 2. Roof Maintenance. Without limiting the foregoing, the following provisions shall apply to the roof Common Elements:

(a) The entire roof of a contiguous block of Attached Units shall be replaced when any of the following shall occur:

(1) A roof which is approaching its normal life expectancy (or which the Association deems to be defective) requires repair and the Association determines that it would be more efficient to replace the roof, or

(2) A portion of the roof has been damaged by casualty, and the Association chooses to replace the roof

(b) If the roof does not need to be replaced but is causing water leakage or the Association otherwise determines that a roof requires repair, then the Association shall make all necessary repairs. If the Association determines that a roof does not need to be repaired, the Owner of the Attached Unit directly underneath the damaged portion shall have the right to repair the roof

(c) The cost of roof replacement or repair for an Attached Unit shall be paid first from any insurance proceeds and then from the reserve fund. If the reserve fund is not sufficient to pay for the repair or replacement, then the Association shall levy a Special Assessment on each Unit benefited by the repair.

(d) If the roof is damaged as the result of casualty, the Owner of the Attached Unit directly underneath the damaged portion shall promptly notify the Association. If the Association is not immediately responsive, the Owner shall also take reasonable steps to obtain emergency bracing and temporary covering for the roof as necessary to protect the Owner's Attached Unit and other Attached Units, the reasonable cost for which shall be reimbursed to the Owner by the Association from insurance proceeds or otherwise. The Association shall pay for the repair or replacement first from insurance proceeds and then from reserves. If the reserves are not sufficient to pay the cost, all Owners shall be subject to Special Assessments for the deficit.

(e) Owners shall promptly report to the Association any water leakage in any Attached Unit.

(f) If any Owner or any of such Owner's guests, tenants, licensees, agents, employees or members of their family damages the roof of an Attached Unit as a result of negligence or misuse, the Owner hereby authorizes the Association to repair the damage. To the extent not covered by insurance, the cost of repair shall be the responsibility of that Owner and shall become a Special Assessment payable by the responsible Owner. The Association may, but is not required to, seek compensation for damage from the guest, tenant or other party who caused the damage, in which case the Owner shall be jointly and severally liable.

(g) The roof of any Detached Unit shall be maintained by the Owner of said Detached Unit, and shall not be the responsibility of the Association to maintain.

Section 3. Owner's Responsibility.

(a) In accordance with this Master Deed, and except as provided in Article VIII and Sections 1 and 2 of this Article IV, the Owner of each Unit shall have the sole responsibility for maintenance of the Unit and all Limited Common Elements, including without limitation the exterior and interior portions of each Unit; those areas within enclosed patios; all interior walls, ceilings and structural components of the Unit; entry doors, windows, glass, and all patios, decks, and balconies serving only one Unit; and other improvements not maintained by the Association. Each Owner shall maintain said

portions of its Unit in a manner consistent with the Community Wide Standard, the applicable covenants set forth in this Master Deed, and such rules and regulations as may be established by the Board from time to time. Any pipes, ducts, etc., serving a Unit but not inside the Unit per se shall be a Limited Common Element and the Unit owner's responsibility.

(b) If any Owner fails properly to perform his or her maintenance responsibility, the Association shall have the right, but not the obligation, to accomplish such maintenance after thirty (30) days notice to such Owner, or upon reasonable notice in the event of any emergency, and shall assess all costs incurred by the Association against the Unit and the Owner thereof, in accordance with Article X, Section 4.

A R T I C L E V

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Members, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and all Attached Units, excluding personal property contents of the Attached Units against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Owners of Detached Units shall be responsible to maintain their own insurance. The Owner of each Attached Unit is required to obtain his/her own contents and personal property insurance.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million ($1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million ($1,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand ($500,000.00) Dollar minimum property damage limit.

The Board shall also maintain fire and casualty insurance on the improvements on the Common Elements, and on any fixtures within the Detached Units. Each Owner of a Detached Unit shall maintain his or her own liability insurance and shall maintain fire and casualty insurance on the unaffixed equipment, personal property, and other contents of his or her Detached Unit and additional improvements to his or her Unit.

Premiums for all insurance required by the Association to maintain shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss of repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount

each party's loss bears to the total.

All insurance coverage obtained by the Members shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (b) below. The provisions hereinafter set forth shall govern such insurance.

(a) All policies shall be written with a company licensed do business in Tennessee which holds a Best's rating of BBB+ or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies shall be for the benefit of the Association and its Members and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Property shall be vested in the Association's Members provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Members hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Davidson County, Tennessee, area.

(f) The Association's Members shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Association's Members, its Manager, the Owners, and their respective tenants, servants, agents, and guests;

(2) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(3) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of the actions of any one or more individual Owners;

(4) a statement that no policy may be cancelled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of

a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(5) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(6) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' Assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Members or its duly authorized agent shall proceed with filing and adjusting all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Property to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be restored to their natural state and maintained by the

Association in a neat and attractive condition consistent with the Community Wide Standard.

(d) As to the Attached Unit fire and casualty insurance, but not as to the Common Elements, the insurance proceeds shall be used to repair and restore the damaged Unit unless:

(1) More than seventy-five percent (75%) of the Attached Units must be reconstructed; and

(2) At a Special Meeting called in accordance with the Bylaws, at least seventy-five percent (75%) of the total eligible vote of the Owners (of the affected Attached Units) shall decide within sixty (60) days after the casualty not to repair or reconstruct.

(3) In the event of fire or casualty, if insurance is insufficient to repair or reconstruct an Attached Unit, the Owner or Owners of said Attached Unit or Units shall be responsible for paying any shortage to repair the construction. The shortage amount shall be allocated by the proportion that the repair cost of each individual Attached Unit bears to the total repair cost.

Section 3. Disbursement of Proceeds.

(a) If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion hereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area or Units shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, 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 any Mortgagee of a Unit and may be enforced by such Mortgagee.

(b) If it is determined, as provided for in Section 2 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds are to be disbursed in the manner as provided for excess proceeds in Section 3(a) hereof

(c) With regard to insurance proceeds relating to any Additional Maintenance Area, such proceeds are to be used exclusively for the reconstruction and repair of such improvements as are damaged.

Section 4. Repair and Reconstruction. If the damage or destruction to the Common Area is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost

thereof, the Members shall, without the necessity of a vote of the Members, levy a special Assessment against all Owners on the same basis as provided for Base Assessments. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VI

NO PARTITION

Except as is permitted in the Master Deed or amendments thereto, there shall be no physical partition of the Common Area or any part thereof nor shall any Person acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property has been removed from the provisions of this Master Deed. This Article shall not be construed to prohibit the Members from acquiring and disposing of tangible personal property nor from acquiring title to real property, which may or may not be this Master Deed.

A R T I C L E V I I

CONDEMNATION

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by any government authority, the Board acting on the written direction of Members representing at least seventy-five (75%) percent of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Members of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Members of the Association shall determine.

A R T I C L E V I I I

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Annexation without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "A" has been subjected to this Master Deed or January 1, 2018, whichever is earlier, subject to the provisions of this Master Deed and the jurisdiction of the Association, to annex all or any portion of the real property described in Exhibit "A", attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the public records of Davidson County, Tennessee, and an amendment to this Master Deed annexing such property. Such Supplemental Master Deed shall not require the consent of Members. Any such annexation shall be effective upon the filing for record of such Supplemental Master Deed unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibit A and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

(a) The Declarant, or if not the owner, with consent of the owner, may annex real property other than that described on Exhibit A, and following the expiration of the right in this Section 1 any property described on Exhibit A, to the provisions of this Master Deed and the jurisdiction of the Association so long as annexation takes place before January 1, 2018.

Annexation shall be accomplished by filing of record in the public records of Davidson County, Tennessee, and a Supplemental Master Deed describing the property being annexed. Any such Supplemental Master Deed shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

(b) Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the property described in Exhibit A which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

(c) Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibit A hereof

ARTICLE IX

RIGHTS AND OBLIGATIONS OF ASSOCIATION

In addition to the powers delegated to it by the Charter and By-Laws, the Association shall have the obligation to perform each of the following duties:

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Master Deed, shall be responsible for the exclusive management and control of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), the Association shall maintain lien-free title to the Common Area excepting only the lien of current taxes not yet due and payable. Common Area shall include, but not be limited to, the private driveway, parking, and alley areas. The Association is also responsible to mow and maintain the area within the Proposed 120' Right of Way dedication for the future Southeast Parkway until such time as the Parkway area is condemned or acquired by a governmental entity for said road.

Section 2. Additional Maintenance Obligations. In addition to the operation, maintenance, and management duties of the Association set forth in Section 1 above, the Association shall provide for the maintenance, care, repair, and replacement of the following portions of the Units:

(a) The exterior landscaping, walkways, porches, decks, and balconies located upon or about each Attached Unit, with the exception of elevated decks and/or balconies. The Association shall have the right, however, to contract with the Owner of any Unit for the maintenance of such elevated decks, balconies, and for the maintenance of such other areas and items as the Board may deem appropriate. The Association also shall maintain the exterior of each Attached Unit as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Attached Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall not include glass surfaces (whether windows or sliding glass doors, storm doors, front or rear entry doors, screens, or patio covers). The balance of the Units and the improvements located thereon shall be maintained by the Owner of the particular Unit involved. In the event that an Owner fails to maintain his/her Unit and the improvements thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board, shall have the right but not the obligation, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore and maintain the Unit and the exterior portion of the Unit, and any other improvement situated thereon. The cost of such exterior maintenance shall be added to and become a part of the Assessment to which such Unit is subject.

Notwithstanding the foregoing, if the need for exterior maintenance and repair by the Association as required by this paragraph is caused by the willful or negligent conduct or act of an Owner, his/her family, guest, invitees, or other Persons using or occupying his/her Unit with his/her express or implied permission, the cost of such repair or maintenance shall be assessed against such Owner and shall be due and payable thirty (30) days from the date of notice thereof such Assessment to be collected and enforced as provided in Article VIII of this Master Deed. Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which any such Assessment is levied shall be entitled to notice, a hearing, and an

opportunity to do the corrective work required, as provided by Article XI, Section 3 hereof, prior to any Assessment being levied against such Owner in accordance with the provisions of this paragraph. For the sole purpose of performing the exterior maintenance upon each Unit required by this Section 2, the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon or into any Unit at reasonable hours of any day except Sunday.

(b) The duly authorized agents or employees of the Association shall have the right to enter in or upon any Unit or into any structure thereon, without notice to the Owner thereof, when, in the judgment of the Association, acting through its Members, such entrance is necessary to prevent damages to such Unit or surrounding Units by fire, criminal act, natural disaster, or other similar emergency.

Section 3. Water and Other Utilities in Common Area. To acquire, provide, and/or pay for, water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Area and all utility services to enable the Association to maintain the Additional Maintenance Areas as provided in Section 2 of this Article VIII.

Section 4. Taxes and Assessments. To pay all real and personal property taxes and Assessments separately levied upon or assessed against the Association and/or on the property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association; provided that they are paid or a bond in an amount at least equal to such taxes and Assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or Assessments.

Section 5. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, with a financial rating by Best's Insurance Reports of BBB+ or better, and maintain in force at all times such insurance as is required by this Master Deed. Each Owner of a Detached Unit is responsible for his/her own insurance.

Section 6. Personal Property and Real Property for Common Use. The Association, through action of its Members, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Property conveyed to it by the Declarant.

Section 7. Rules and Regulations. The Association, through its Members, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Master Deed. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the recreational facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided by the By-Laws of the Association. The Association, acting through the Board by contract or other agreement, shall have the right to enforce city and/or county ordinances or permit The City of Nashville and/or Davidson County, Tennessee, to enforce ordinances on the Property for the

benefit of the Association and its Members.

Section 8. Implied Rights. The Association may exercise any other right, or privilege given to it expressly by this Master Deed or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 9. Traffic and Parking Control. The Board may make rules and regulations concerning driving and parking within the Property, subject to applicable governmental requirements and restrictions. The Association may construct traffic calming devices and post speed limits or other traffic signs and take other measures deemed necessary to discourage excessive speed and to promote a safe environment. The Association may enforce such rules and regulations with penalties, fines or towing, and shall have all remedies set forth in this Master Deed.

A R T I C L E X

ASSESSMENTS

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may from time to time specifically be authorized by the Members. The Annual Assessment shall be allocated equally among all Units within the Association, except for Units owned by the Declarant and for the Detached Units, for both of which the Annual Assessments shall be separately determined. The Annual Assessments shall be for expenses determined by the Board and this Master Deed to be for the benefit of the Association as a whole except for the Annual Assessments charged for Units owned by the Declarant and for Detached Units. Declarant's Assessments shall only be for expenses determined by the Board to be for the use and benefit of Declarant, and which Assessment shall exclude expenses which do not benefit Declarant. Detached Units' Assessments shall only be for expenses determined by the Board to be for the use and benefit of the Detached Units, and which Assessment shall exclude expenses which do not benefit the Detached Units. Detached Units shall pay for the costs of maintaining the private alleys serving the Detached Units, and the Attached Units shall have no obligation to contribute to the same. Detached Units shall be not be required to contribute towards any of the costs of maintaining the Attached Units, or the parking lot and drive area serving the Attached Units. Special Assessments may be levied against all Units when all Units are benefited, or against a Unit or Units in particular portions of the Property when, in the opinion of the Board, the Special Assessments benefit less than the Association as a whole. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these Assessments. All such Assessments, together with interest at the highest allowable under the laws of Tennessee, cost and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each Assessment is made.

Each such Assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title

to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to such acquisition of the title. Assessments shall be paid in such manner and on such dates as may be fixed by the Members which may include, without limitation, acceleration of the annual Assessment for delinquents; unless the Board otherwise provides, the Assessments shall be paid in monthly installments.

Base Assessments shall be levied equally on all Units except for Declarant's units and Detached Units which shall be calculated as provided hereinabove. Special Assessments shall be levied as provided in Section 3 below. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these Assessments.

All Assessments, together with interest at a rate not to exceed ten (10%) percent or the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge and continuing lien upon the Unit 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 Owner of such Unit at the time the Assessment arose, but his or her grantee shall not be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance unless the obligation is expressly assumed by them. No first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of Assessment a certificate in writing signed by an officer of the Association setting forth whether such Assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such Assessment therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Members which may include, without limitation, acceleration of the annual Base Assessment for delinquents, including Owners delinquent in the payment of fines imposed in accordance with Article BI, Section 22, of the By-Laws. Unless the Board otherwise provides, the Base Assessment shall be paid in monthly installments.

No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. 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 by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Master Deed or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

So long as the Declarant has an option unilaterally to subject additional property to this Master Deed, the following shall apply: The Declarant shall be obligated for the difference between the amount of Assessments levied on all Units subject to Assessment and the amount of actual expenditures required to operate the Association during the fiscal year.

The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which Assessments would be necessary. To the extent received, such funds shall be used to reduce the Assessments otherwise required by the budget in Section 2.

Section 2. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment for each Detached Unit is initially established at Seventy Five Dollars ($75) each six (6) months, and may not be increased by more than ten (10%) from any year to the next year. The Base Assessment to be levied for the coming year against each Attached Unit subject to Assessment under Section 7 below shall be computed by dividing the budgeted Common Expenses by the total number of Attached Units subject to Assessment as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and Assessment shall become effective unless disapproved at a meeting of the members by the vote of Members representing at least a majority of both classes of the total Association membership. 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 Article II, Section 4, of the By-Laws.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the Assessments authorized in Section I of this Article, the Association may levy a Special Assessment or Special Assessments from time to time; provided, the written consent of the Class "B" Member is obtained, if such exists. 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, if the Board so determines. Special Assessments cannot be levied upon any Detached Unit for payment of any costs of maintenance of any Attached Unit or the parking lot or driveway for any Attached Units.

The Board may also levy a Special Assessment against any Member, without the necessity of a vote of the Members, to reimburse the Association, for costs incurred in bringing a Member and his Unit into compliance with the provisions of this Master Deed, any amendments thereto, the Articles of Organization, the By-Laws, and the Association rules, which Special

Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 4. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid Assessments prior and superior to all other liens except (1) all taxes, bonds, Assessments, and other levies which by law would be superior thereto, and (2) 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, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5. Capital Budget and Contribution. The Board may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital and reserve needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual Assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and Assessment, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Annual Assessments. The Assessments provided for herein shall commence as to all Units upon conveyance of the first Unit to a person other than a builder or developer holding title solely for purposes of development and/or resale. Assessments shall be due and payable in a manner and on a schedule as the Members may provide. The first annual Assessments shall be adjudged according to the number of days remaining in the fiscal year at the time Assessments commence on the Unit.

Section 7. Subordination of the Lien to First Mortgages. The lien of Assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the Assessment lien. However, the sale or transfer of any Unit pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any Assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or Assessments by the

Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of common expenses or Assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 8. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount as determined by the Board. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use to cover operating expenses and other expenses incurred by the Association pursuant to the terms of this Master Deed and the By-Laws. Thereafter, the Management Agent, as employed by the Board, shall be permitted to charge a reasonable transfer fee upon acquisition of record title as to each succeeding Unit purchaser.

A R T I C L E X I

ARCHITECTURAL STANDARDS

The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Master Deed or subject to annexation to this Master Deed.

The Declarant at the time of sale and/or at the time the Plat is revised for Rivendell Woods has the right to establish additional restrictions and/or design standards as they relate to the size (minimum square footage) of a Unit and the exterior materials.

Section 1. Modifications Committee. The Board may appoint a Modifications Committee ("MC") to consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, *if* any, appurtenant thereto.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition thereto, the following shall apply: Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Unit, or to paint the interior of his or her Unit any color desired. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the request for approval shall be deemed approved.

Section 2. No Waiver of Future Approvals. The approval of the MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 3. Variance. The MC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, 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 the restrictions set forth in the body of this Master Deed, or (c) estop the Committee 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.

Section 4. Enforcement In General.

(a) Enforcement of the standards as specified in this Master Deed may be by any proceedings at law or in equity against any Person or persons violating or attempting or threatening to violate a covenant or restriction, and may be either to restrain a violation or to recover damages. Failure by the Declarant, Association or any Owner to enforce any restriction herein contained shall in no event be deemed a waiver of the rights to do so thereafter nor constitute an acquiescence in or an estoppel against enforcing any, actual or future, breaches or violations of these covenants and restrictions.

(b) In the event any cost or expenses including attorneys fees, are incurred by the Declarant, Association or any Unit Owner or occupant of a Unit in connection with their action to correct or abate any violation or breach of the provisions hereof, provided reasonable notice to the Owner of the subject Unit or Units to abate said violation or breach has been given, such cost and expenses shall be a lien against the Owner of the Unit or Units committing such a breach or violation and such charges shall be subject to the provisions for lien rights and collection as specified in Section 6 below. No such cost or expenses shall be a lien when the nonexistence of a violation or breach hereof has been established by a court of competent jurisdiction The court shall determine the method of handling a violation.

Section 5. Covenant and Creation of the Lien of Personal Obligation for Court Ordered Violation in Section 4.

Each Owner of any Unit by acceptance of a deed, whether or not it shall be so expressed in such deed of conveyance, shall be deemed to covenant and agree to pay any court ordered violation costs and other costs or expenses incurred in Section 4, together with such interest thereon and costs of collection thereof, including attorneys fees, as provided herein, and same shall be a charge

on the land and shall be a continuing lien upon the Unit against which each such obligation is made. It shall also be the personal obligation of each Person who was an Owner of such property at the time of the violation.

Section 6. Assignment. The rights and powers retained by the Declarant shall be freely assignable and shall inure to the benefit of its successors and assigns.

ARTICLE XII

USE RESTRICTIONS

The Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business or sales offices for the Declarant or the Association) as may more particularly be set forth in this Master Deed or amendments hereto.

The Association, acting through its Members, shall have authority to make and to enforce standards and restrictions governing the use of the Property.

Section 1. Restrictions. In addition to all other covenants contained herein, the use of the Property is subject to the following:

(a) Residential Use. Except as otherwise provided in this Master Deed, each Unit shall be used as a residence and for no other purposes, and there shall not be within any Unit more than one single-family except as otherwise provided in this Master Deed. The Common Area shall be used for recreational, social, and other purposes directly related to the single-family use of the Units authorized hereunder.

(b) Maintenance of Interior. Each Unit Owner shall be responsible for the maintenance and shall maintain, the interior of his or her Unit, including interior walls, windows, glass, ceilings, doors (interior and exterior entry), and permanent fixtures and appurtenances thereto, patios and other easement areas appurtenant to such Unit, and such other portions of the Unit for which care and maintenance is his or her responsibility, in a clean, sanitary, and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating. In addition, each Detached Unit Owner shall be responsible to maintain each's respective exterior, yard, and driveway area.

(c) Association to Landscape Common Area and Additional Maintenance Areas. The Association shall have the right and the obligation at any time to plant, replace, maintain, and cultivate shrubs, trees, grass, plantings, and other landscaping upon the Common Area. The Owners must obtain prior written approval from the Declarant or its assigns before modifying any plantings or landscaping improvements.

(d) Signs. No sign of any kind shall be erected and displayed to the public

view on any Unit or portion of the Common Area, except for (1) directional or standard "For Sale" sign, established by Declarant or the Association, (2) signs used by Declarant, or by its successors or assigns, to advertise the Property, provided such signs *are* located on the Common Area or on Units owned by Declarant or its assigns.

(e) Parking and Garages. Ownership of a Non-Garage Unit (if any) shall entitle the Owner thereof to the use of not more than two (2) automobile, van or pick-up truck assigned parking spaces which shall be provided by the Association on the Common Area and Limited Common Area, and which spaces shall be as near and convenient to said Unit as reasonably possible, together with the right of ingress and egress in and upon said parking area. Units (if any) with a garage shall utilize driveway and garage as two (2) allotted parking spaces. Unit Owners or tenants will be allowed two (2) vehicles only. Commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall not be parked, stored or permitted on the Property. The Board may impose rules and regulations not inconsistent with this Master Deed with respect to the maintenance and use of parking spaces provided on the Common Area and the uses, operating and control of motor vehicles thereon.

(f) Occupants Bound. All provisions of the Master Deed, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit.

(g) Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept in or on any portion of the Common Area except that dogs, cats or such other household pets approved by the Association may be kept in the Unit. Pets may not be kept on balconies or patios. Dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. Pets are not permitted to roam free, and in the sole discretion of the Association, animals that endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Property shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board and turned over to the appropriate agency for keeping or disposal. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times whenever they are outside a Unit be confined on a leash held by and under the physical control of a responsible person. No dog runs are allowed.

(h) Nuisance. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an. unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or

offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy an Owners enjoyment of his or her respective Unit.

(i) Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including, specifically, without limiting the generality of the foregoing, 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 Property.

(j) Antennas. No exterior antennas, aerials, or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of a Unit or Common Area. Satellite dishes up to one meter in diameter may be placed on units if not visible from street but, under no circumstances shall the satellite system be installed without the written consent of the Board. No satellite dishes may be installed upon open space or Common Areas. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all the Units.

(k) Basketball Equipment Clotheslines, Garbage Cans, Tanks, etc. No basketball equipment, clothes lines, above-ground tanks, and other similar items shall be placed, allowed or maintained upon any portion of the Common Area, including any Unit. All garbage cans shall be located or screened so as to be concealed from view of neighboring Units, streets and property located adjacent to the Unit, except that garbage cans may be placed at curbside on days designated for trash pick-up for that particular Unit. All rubbish, trash, and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon.

(1) Temporary Structures and Detached Storage Buildings. No structure of a temporary character, or other out-buildings including storage buildings shall be placed or used on or about the Common Area and Limited Common Area.

(m) Guns. The discharge of firearms within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

(n) Tents, Trailers and Temporary Structures. Except as may be permitted by the Declarant during initial construction within the Property, no tent, utility, shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Property.

(o) Drainage and Septic Systems. Catch basins and drainage areas are for the

purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Property for the purpose of altering drainage and water flow. Septic systems are prohibited on the Property.

(p) Tree/Shrubbery Removal. Except as may be permitted by the Board during initial construction within the Property, no trees or shrubbery shall be removed, except for diseased or dead trees or shrubbery.

(q) Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

(r) Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

(s) Lighting. Except for seasonal holiday decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved in accordance with Article XI of this Master Deed. Maintenance of attached porch lights shall be the responsibility of the Owner.

(t) Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of any Unit. Exterior sculpture, fountains, flagpoles, flags, and similar items must be approved in accordance with Article XI of this Master Deed.

(u) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant Article XI hereof.

(v) Leasing of Units.

(1) Definition. "Leasing" for purposes of this Master Deed, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(2) General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board. No more than five (5) people may occupy the Unit at any one time unless previously approved by the Board. No transient tenants may be accommodated in a Unit. All leases shall be in

writing and shall be for an initial term of no less than twelve (12) months, except with the prior written consent of the Board. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Master Deed, By-Laws, and the rules and regulations.

(3) Compliance with Master Deed, By-Laws and Rules and Regulations. Every Owner shall cause all occupants of his or her Unit to comply with the Master Deed, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Master Deed, By-Laws, and rules and regulations adopted pursuant thereto.

(w) Parks. Any park, tot lot or other areas or equipment furnished by the Association or erected within the Common Area, if any, shall be used at the risk of the user, and the Association shall not be held liable to any person for any claim, damage, or injury occurring thereon or related to use thereof

(x) Fences, Exterior Structures. No fences, ornamental screens, awnings, screen doors, sunshades, walls, or hedges shall be erected or permitted upon the Common Area except such as are installed in accordance with the initial construction of the

improvements or approved by the Association or Declarant. With regard to Detached Units, the Association or Declarant may allow wrought iron or PVC fences so long as the design and location of which are approved in writing in advance by the Association or Declarant. However, even then no fences shall be allowed in the front of any Detached Units and no wooden fences shall be allowed.

(y) Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to 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.

(z) Playground Equipment. No playground equipment, including but not limited to, swing sets, slides, seesaws, playhouses, and/or climbing apparatuses, shall be allowed upon the Common Area except those (if any) installed by the Declarant or its assigns to be used by all the residents. With regard to Detached Units, no playground equipment may be installed unless prior written approval has been obtained from the Modifications Committee. The Modifications Committee reserves the right to require screening of any playground equipment it considers for any Detached Unit.

(aa) Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his/her respective Unit and the utility charges for said Unit.

(bb) Yard Sales. Yard sales shall not be permitted, either within a Unit or upon any portion of the Common Area, without the prior written consent of the Board.

Section 2. Additional Restrictions. The Board shall be entitled to invoke additional rules and regulations from time to time for the operation, use, and maintenance of the property, including the Units and Common Area, provided such rules and regulations are not inconsistent with this Master Deed.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions of this Master Deed shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property subject to this Master Deed, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Master Deed is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Master Deed shall be modified or terminated as specified therein.

Section 2. Amendment. Declarant may unilaterally amend this Master Deed at any time so long as Declarant owns any Unit governed by this instrument or until January 1, 2015, whichever is later. Thereafter and otherwise, this Master Deed may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof of Members representing sixty-seven (67%) percent of the total votes of the Association, and the written approval of the Class "B" Member so long as the Class "B" membership exists. Any amendment to be effective must be recorded in the public records of Davidson County, Tennessee.

If an Owner consents to any amendment to this Master Deed or the By-Laws, it will be

conclusively presumed that such Owner has the authority so 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.

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

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Directors of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements for Utilities etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit A, the Association and the designees of each (which may include, without limitation, The City of Nashville and/or Davidson County, Tennessee, and any utility), blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units and on the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the Association's Board or as provided by Declarant. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board shall have the right to grant such easement on said Property without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Property.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to the City of Nashville and/or Davidson County, Tennessee, or any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Master Deed.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 6. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety, which right may be exercised by the Association's Members, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after 24 hours notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

(a) In the event that an Owner fails to comply with the provisions of this Article or any other provisions of this Master Deed, the Board shall notify such Owner in writing of such lack of compliance, which notice shall specify the nature of such lack of compliance. It within five (5) days following receipt of such notice, such Owner (1) fails to remedy such lack of compliance and (2) fails to deliver written notice to the Board requesting a hearing before the Board with regard to the matters of non-compliance set forth in such notice, the Association may enter upon such Owner's Unit for the purpose of remedying the non-compliance set forth in such notice and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall promptly hold a hearing and shall provide the Owner with at least seven (7) days' written notice concerning the date, time, and place thereof. The decision of a majority of the members of the Board present at the hearing will be binding upon the Association and the Owner. The cost of remedying an Owner's failure to comply with the provisions of this Article and/or Master Deed shall be assessed to the Owner by the Board. Such Assessment shall be due and payable thirty (30) days from the date of the written notice thereof and shall be collected and enforced in the manner provided in Article IX of this Master Deed.

Section 7. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Master Deed 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.

Section 8. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Directors. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Master Deed (including, without limitation, the foreclosure of

liens), (b) the imposition and collection of Assessments as provided in Article X hereof (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 9. Use of the Words "Rivendell Woods". No Person shall use the words "Rivendell Woods" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term, "Rivendell Woods" in printed or promotional matter where such term is used solely to specify that particular property is located within Rivendell Woods.

A R T I C L E X I V

MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Units in the Property. The provisions of this Article apply to both this Master Deed and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore 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 Property or which affects any Unit 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 an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Master Deed or By-Laws of the Association 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.

Section 2. Special FFILMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association

shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provisions of any master deed subsequently recorded on any portion of the Property shall not be subject to this provision where such decision or subsequent master deed is otherwise authorized by this Master Deed.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Master Deed; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Master Deed or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 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 Unit.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any 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.

Section 6. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Master Deed, By-Laws, or Tennessee law for any of the acts set out in this Article.

Section 7. 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.

A R T I C L E X V

DECLARANT'S RIGHTS

Section 1. Transfer of Rights. Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Davidson County, Tennessee.

Notwithstanding any provisions contained in the Master Deed to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 2. Landscaping Buffers. Within the areas designated on the Preliminary Plan as the exterior boundary Landscape Buffers (if any), healthy trees larger than eight (8) inches in diameter at a distance of five (5) feet above the ground level shall not be cut or removed without the prior written consent of the Board. The Board may determine, in its sole discretion, under what conditions and requirements trees may be removed and replaced, and may impose additional reasonable restrictions and requirements as it deems appropriate, in its sole discretion, in connection with the maintenance and preservation of the Landscape Buffers (if any).

Section 3. Selection of Product. Declarant shall choose the specific housing product to

be constructed within the development.

This Article may not be amended without the express written consent of the Declarant. The rights contained in this Article shall terminate only upon the recording by Declarant of a written statement that all sales activity has ceased and that Declarant releases such rights by express reference thereto.

A R T I C L E X V I

COMMON OPEN SPACE - ZONING ORDINANCE SECTION

Any common open space established by an adopted final development plan for a Horizontal Property Regime Condominium shall be subject to the following:

(a) The Metropolitan Nashville Planning Commission may require that the landowner provide for and establish an organization for the ownership and maintenance of any common open space, and such organization shall not be dissolved nor shall it dispose of any common open space, by sale or otherwise (except to an organization conceived and established to own and maintain the common open space), without first offering to dedicate the same to the "City of Nashville" and the said dedication be approved by the Metropolitan Nashville Planning Commission. However, the conditions of any transfer shall conform to the adopted final development plan.

(b) In the event that the organization established to own and maintain common open space, or any successor organization, shall at any time after the establishment of the planned Unit development fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the horizontal property regime condominium and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the common open space for a period of one year. When the zoning administrator determines that the organization is not prepared for the maintenance for the common open space, such agency shall continue maintenance for yearly periods:

(c) The entire cost of such correction shall be a lien upon each of the Units from the date the lien is filed in the Register's Office for Davidson County, Tennessee.

ARTICLE XVII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall or fence built as a part of the original construction of a structure upon the Property and placed on the dividing line between two Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this

Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

A R T I C L E X V I I I

OBLIGATION TO REBUILD

Section 1. Damage and Destruction - Duty to Rebuild. If all or any portion of a residence constituting a part of an Unit is damaged or destroyed by vandalism, malicious mischief, fire, windstorm, or other casualty, it shall be the duty of the Owner of said Unit to rebuild, repair, or reconstruct said residence in a manner that will restore it substantially to its appearance and condition immediately prior to casualty.

Section 2. Time Limitation. The Owner of any damaged residence shall be obligated to proceed with all due diligence and commence reconstruction within forty-five (45) days after damage occurs and to complete reconstruction within six (6) months after the damage occurs for any major structural damage and within sixty {60) days for any minor non-structural damage, unless prevented by causes beyond their reasonable control, except that disputes concerning insurance coverage shall not be deemed an adequate cause for delay.

A R T I C L E X I X

CONSTRUCTION STANDARDS

The Class "A" Members by taking title to a Unit or units in "Rivendell" community hereby agree to accept the quality of construction standards of the development from design to completion.

IN WITNESS WHEREOF, the undersigned "Declarant" has executed this Amended and Restated Declaration of Protective Covenants, Conditions & Restrictions & Master Deed this 14 of October, 2008.

RIVENDELL, LLC

By: _____

Title: Owner

STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared John Floyd, with whom I am personally acquainted, and who upon his oath acknowledged himself to be the President of Rivendell, LLC, and he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Rivendell, LLC by himself as such President.

WITNESS MY HAND and official seal at my office on this the 14th day of October, 2008.

Brenda Gentry
NOTARY PUBLIC

My commission expires: 8-18-12

BRENDA GENTRY
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF RUTHERFORD

EXHIBIT "A"

Property Description

PROPERTY DESCRIPTION – LOT 1, RIVENDELL WOODS, PHASE 3
Commencing at an iron rod situated in the easterly margin of Hickory Park Drive, said point also being the southwest corner of Lot 70-A-B on the plat of Hickory Park Villas, Section 2 of record in Plat Book 6250, Page 465, R.O.D.C., TN.;

Thence, along said road, S 83°13'20" E, a distance of 5.22 feet to the point of beginning of the herein described tract of land;

Thence, leaving said road, S 83°13'20" E, a distance of 1284.80 feet to a point situated in the centerline of a branch;

Thence, along said branch, S 25°53'00" W, a distance of 28.99 feet to a point;

Thence, along said branch, S 47°13'38" W, a distance of 53.47 feet to a point;

Thence, along said branch, S 51°42'17" W, a distance of 90.85 feet to a point;

Thence, along said branch, S 23°04'05" W, a distance of 48.83 feet to a point situated in the northerly margin of Old Forest Road;

Thence, along said road, N 68°02'45" W, a distance of 77.64 feet to an iron rod;

Thence, along said road, along a curve to the left, having a central angle of 17°13'46", a radius of 325.00 feet, a tangent of 49.24 feet, a length of 97.73 feet, and having a chord which bears N 76°39'38" W, a distance of 97.36 feet to an iron rod;

Thence, along said road, N 85°16'31" W, a distance of 694.39 feet to an iron rod;

Thence, along said road, along a curve to the left, having central angle of 25°07'06", a radius of 325.00 feet, a tangent of 72.40 feet, a length of 142.48 feet, and having a chord which bears S 82°09'56" W, a distance of 141.34 feet to an iron rod;

Thence, along said road, S 69°36'23" W, a distance of 34.04 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 90°00'02", a radius of 13.50 feet, a tangent of 13.50 feet, a length of 21.21 feet, and having a chord which bears N 65°23'36" W, a distance of 19.09 feet to an iron rod situated in the easterly margin of Hickory Park Drive;

Thence, along said road, N 20°23'37" W, a distance of 245.11 feet to the point of beginning and containing 196,979.25 square feet or 4.52 acres of land.

Being a portion of the same property conveyed to Rivendell, LLC of record in Instrument No. 20060717-0085867 in the Register's Office for Davidson County, Tennessee.

PROPERTY DESCRIPTION – LOT 2, RIVENDELL WOODS, PHASE 3
Beginning at an iron rod situated in the easterly margin of Hickory Park Drive, said point also being the northwest corner of the Open Space on the plat of Rivendell Woods, Phase 1, Section 1, First Amendment of record in Instrument No. 20070329-0037618, R.O.D.C., TN.;

Thence, along said road, along a curve to the left, having a central angle of 12°47'36", a radius of 630.00 feet, a tangent of 70.63 feet, a length of 140.67 feet, and having a chord which bears N 13°59'49" W, a distance of 140.38 feet to an iron rod;

Thence, along said road, N 20°23'37" W, a distance of 255.72 feet to an iron rod;

Thence, along a said road, along a curve to the right, having a central angle of 90°00'00", a radius of 13.50 feet, a tangent of 13.50 feet, a length of 21.21 feet, and having a chord which bears N 24°36'23" E, a length of 19.09 feet to an iron rod situated in the southerly margin of Old Forest Road;

Thence, along said road, N 69°36'23" E, a distance of 34.04 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 25°07'06, a radius of 275.00 feet, a tangent of 61.26 feet, a length of 120.56 feet, and having a chord which bears N 82°09'56" E, a distance of 119.60 feet to an iron rod;

Thence, along said road, S 85°16'31" E, a distance of 694.39 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 17°13'46", a radius of 275.00 feet, a tangent of 41.66 feet, a length of 82.70 feet, and having a chord which bears S 76°39'38" E, a distance of 82.38 feet to an iron rod;

Thence, along said road, S 68°02'45" E, a distance of 76.67 feet to a point situated in the centerline of a branch;

Thence, along said branch, S 23°04'05" W, a distance of 33.28 feet to a point;

Thence, along said branch, S 51°22'19" W, a distance of 81.03 feet to a point;

Thence, along said branch, S 34°21'22" W, a distance of 84.69 feet to a point;

Thence, along said branch, S 51°48'34" W, a distance of 93.93 feet to a point;

Thence, along said branch, S 57°25'34" W, a distance of 96.53 feet to a point;

Thence, along said branch, S 54°55'27" W, a distance of 99.64 feet to a point;

Thence, leaving said branch, N 26°26'50" W, a distance of 58.41 feet to an iron rod;

Thence, S 68°20'56" W, a distance of 62.64 feet to an iron rod;

Thence, S 75°54'47" W, a distance of 67.71 feet to an iron rod;

Thence, N 89°39'08" W, a distance of 73.32 feet to an iron rod;

Thence, N 77°14'02" W, a distance of 49.09 feet to an iron rod;

Thence, N 64°48'56" W, a distance of 73.32 feet to an iron rod;

Thence, N 52°52'31" W, a distance of 118.74 feet to an iron rod;

Thence, S 14°09'45" E, a distance of 56.49 feet to an iron rod;

Thence, S 09°47'16" E, a distance of 56.49 feet to an iron rod;

Thence, S 82°23'59" W, a distance of 110.00 feet to the point of beginning and containing 299,212.98 square feet or 6.87 acres of land.

Being a portion of the same property conveyed to Rivendell, LLC of record in Instrument No. 20060717-0085867 in the Register's Office for Davidson County, Tennessee.

EXHIBIT "B"

HOA CHARTER

This instrument was prepared by:

COPE, HUDSON, SCARLETT, REED & MCCREARY, Attorneys
16 Public Square North
Murfreesboro, Tennessee 37130
(615) 893-5522

FILED
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STATE OF TENNESSEE
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RILEY DARNELL
SECRETARY OF STATE

CHARTER
OF
RIVENDELL WOODS TOWNHOMES
HOMEOWNERS' ASSOCIATION, INC.

6389.0663

In compliance with the requirements of Section 48-52-102 of the Tennessee Non-Profit Corporation Act, the undersigned, a resident of Rutherford County, Tennessee, adopts the following charter for the above listed corporation:

I.

The name of the corporation is RIVENDELL WOODS TOWNHOMES HOMEOWNERS' ASSOCIATION, INC.

II.

The corporation is a mutual benefit corporation.

III.

The corporation is not a religious corporation.

IV.

(a) The complete address of the corporation's initial registered office in Tennessee is 275 Robert Rose Drive, Murfreesboro, Tennessee, Rutherford County, Tennessee 37129.

(b) The name of the initial registered agent, to be located at the address listed in IV(a) is Tim Hensley.

V.

The name and complete address of the incorporator is Jeff Reed, P. O. Box 884, 16 Public Square North, Murfreesboro, Tennessee 37130.

VI.

The complete address of the corporation's principal office is 275 Robert Rose Drive, Murfreesboro, Tennessee 37129.

VII.

This corporation is a nonprofit corporation.

VIII.

This corporation will have members.

IX.

Upon dissolution of the corporation, other than incident to a merger or

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consolidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

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X.

OTHER PROVISIONS

A. PURPOSE AND POWERS OF THE ASSOCIATION: The Rivendell Woods Townhomes Homeowners' Association, Inc., hereafter called the "Association," does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and any Common Areas within that certain tract of property described as:

SEE EXHIBIT "A" ATTACHED HERETO

and such additions thereto as may hereafter be brought within the jurisdiction of the Association and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(1) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Register's Office of Rutherford County, Tennessee, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(2) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(3) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(4) borrow money, pledge, deed in trust, or hypothecate any or all of its real

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or personal property as security for money borrowed or debts incurred;

(5) dedicate, sell or transfer all or any part of any Common Area, if any, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

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(6) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area.

(7) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation law of the State of Tennessee by law may now or hereafter have or exercise.

B. MEMBERSHIP: Every person or entity who is a record owner of an undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

C. VOTING RIGHTS: The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to four (4) 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 ninety-five (95%) percent of the Units planned for the property have certificate of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purpose of development and sale; or
(b) December 31, 2019; or

(c) when, in its discretion, the Class "B" Member, so determines.

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D. BOARD OF DIRECTORS: The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association.

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At the first annual meeting, the members shall elect three Directors for a term of one (1) year, and at each annual meeting thereafter the members shall elect three (3) directors for a term of one (1) year.

E. DISSOLUTION. The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members.

F. DURATION: The corporation shall exist perpetually.

G. AMENDMENTS: Amendment of this Charter shall require the assent of a majority vote of a quorum of the entire membership of the Association.

However, in the event "Declarant" as defined in the Declaration owns any units within Rivendell Woods, Phase Three or Rivendell Woods, Declarant may unilaterally amend this Charter without the necessary consent of any other lot owner within Rivendell Woods, Phase Three or Rivendell Woods.

DATE: 10-13-08

JEFF REED
Incorporator

EXHIBIT "A"

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PROPERTY DESCRIPTION – LOT 1, RIVENDELL WOODS, PHASE 3

Commencing at an iron rod situated in the easterly margin of Hickory Park Drive, said point also being the southwest corner of Lot 70-A-B on the plat of Hickory Park Villas, Section 2 of record in Plat Book 6250, Page 465, R.O.D.C., TN.;

Thence, along said road, S 83°13'20" E, a distance of 5.22 feet to the point of beginning of the herein described tract of land;

Thence, leaving said road, S 83°13'20" E, a distance of 1284.80 feet to a point situated in the centerline of a branch;

Thence, along said branch, S 25°53'00" W, a distance of 28.99 feet to a point;

Thence, along said branch, S 47°13'38" W, a distance of 53.47 feet to a point;

Thence, along said branch, S 51°42'17" W, a distance of 90.85 feet to a point;

Thence, along said branch, S 23°04'05" W, a distance of 48.83 feet to a point situated in the northerly margin of Old Forest Road;

Thence, along said road, N 68°02'45" W, a distance of 77.64 feet to an iron rod;

Thence, along said road, along a curve to the left, having a central angle of 17°13'46", a radius of 325.00 feet, a tangent of 49.24 feet, a length of 97.73 feet, and having a chord which bears N 76°39'38" W, a distance of 97.36 feet to an iron rod;

Thence, along said road, N 85°16'31" W, a distance of 694.39 feet to an iron rod;

Thence, along said road, along a curve to the left, having central angle of 25°07'06", a radius of 325.00 feet, a tangent of 72.40 feet, a length of 142.48 feet, and having a chord which bears S 82°09'56" W, a distance of 141.34 feet to an iron rod;

Thence, along said road, S 69°36'23" W, a distance of 34.04 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 90°00'02", a radius of 13.50 feet, a tangent of 13.50 feet, a length of 21.21 feet, and having a chord which bears N 65°23'36" W, a distance of 19.09 feet to an iron rod situated in the easterly margin of Hickory Park Drive;

Thence, along said road, N 20°23'37" W, a distance of 245.11 feet to the point of beginning and containing 196,979.25 square feet or 4.52 acres of land.

Being a portion of the same property conveyed to Rivendell, LLC of record in Instrument No. 20060717-0085867 in the Register's Office for Davidson County, Tennessee.

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PROPERTY DESCRIPTION – LOT 2, RIVENDELL WOODS, PHASE 3

Beginning at an iron rod situated in the easterly margin of Hickory Park Drive, said point also being the northwest corner of the Open Space on the plat of Rivendell Woods, Phase 1, Section 1 First Amendment of record in Instrument No. 20070329-0037618, R.O.D.C., TN.;

Thence, along said road, along a curve to the left, having a central angle of 12°47'36", a radius of 630.00 feet, a tangent of 70.63 feet, a length of 140.67 feet, and having a chord which bears N 13°59'49" W, a distance of 140.38 feet to an iron rod;

Thence, along said road, N 20°23'37" W, a distance of 255.72 feet to an iron rod;

Thence, along a said road, along a curve to the right, having a central angle of 90°00'00", a radius of 13.50 feet, a tangent of 13.50 feet, a length of 21.21 feet, and having a chord which bears N 24°36'23" E, a length of 19.09 feet to an iron rod situated in the southerly margin of Old Forest Road;

Thence, along said road, N 69°36'23" E, a distance of 34.04 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 25°07'06, a radius of 275.00 feet, a tangent of 61.26 feet, a length of 120.56 feet, and having a chord which bears N 82°09'56" E, a distance of 119.60 feet to an iron rod;

Thence, along said road, S 85°16'31" E, a distance of 694.39 feet to an iron rod;

Thence, along said road, along a curve to the right, having a central angle of 17°13'46", a radius of 275.00 feet, a tangent of 41.66 feet, a length of 82.70 feet, and having a chord which bears S 76°39'38" E, a distance of 82.38 feet to an iron rod;

Thence, along said road, S 68°02'45" E, a distance of 76.67 feet to a point situated in the centerline of a branch;

Thence, along said branch, S 23°04'05" W, a distance of 33.28 feet to a point;

Thence, along said branch, S 51°22'19" W, a distance of 81.03 feet to a point;

Thence, along said branch, S 34°21'22" W, a distance of 84.69 feet to a point;

Thence, along said branch, S 51°48'34" W, a distance of 93.93 feet to a point;

Thence, along said branch, S 57°25'34" W, a distance of 96.53 feet to a point;

Thence, along said branch, S 54°55'27" W, a distance of 99.64 feet to a point;

Thence, leaving said branch, N 26°26'50" W, a distance of 58.41 feet to an iron rod;

Thence, S 68°20'56" W, a distance of 62.64 feet to an iron rod;

Thence, S 75°54'47" W, a distance of 67.71 feet to an iron rod;

Thence, N 89°39'08" W, a distance of 73.32 feet to an iron rod;

Thence, N 77°14'02" W, a distance of 49.09 feet to an iron rod;

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Thence, N 64°48'56" W, a distance of 73.32 feet to an iron rod;

Thence, N 52°52'31" W, a distance of 118.74 feet to an iron rod;

Thence, S 14°09'45" E, a distance of 56.49 feet to an iron rod;

Thence, S 09°47'16" E, a distance of 56.49 feet to an iron rod;

Thence, S 82°23'59" W, a distance of 110.00 feet to the point of beginning and containing 299,212.98 square feet or 6.87 acres of land.

Being a portion of the same property conveyed to Rivendell, LLC of record in Instrument No. 20060717-0085867 in the Register's Office for Davidson County, Tennessee.

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EXHIBIT "C"

BYLAWS

BY-LAWS

OF

RIVENDELL WOODS TOWNHOMES HOMEOWNERS' ASSOCIATION, INC.

Article I

Name, Principal Office and Definitions

Section 1. Name. The name of the Association shall be Rivendell Woods Townhomes Homeowners' Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association in the State of Tennessee shall be located in the County of Rutherford. 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.

Section 3. Definitions The words used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Rivendell Woods Townhomes, (said Declaration, as amended, renewed, or extended from time to time, is hereafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article II

Association: Membership, Meetings, Quorum, Voting, and Proxies

Section 1. Membership. The Association shall have two (2) classes of membership; Class "A" and Class "B", as is more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 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 may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held within thirty (30) days from date control of Association passes from Class B to Class A Members. Meeting shall be of the Members or their proxies. Subsequent regular annual meetings shall be set by the Board so as to occur at least ninety (90) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by the resolution of a majority of a quorum of the Board of Directors or upon a petition signed by

Members representing at least fifty (50%) percent of the total votes of the Association. The notice of any special meetings shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meetings of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meetings, not less than ten (10) nor more than fifty (50) 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 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.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7, Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting of if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members or their alternates representing at least fifteen (15%) percent of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Members may vote by proxy, provided the proxy is signed, dated and filed with the Secretary prior to the meeting for which it is valid.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of Members representing 25% of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

Article III

Board of Directors: Number, Powers, and Meetings

A. Composition and Selection

Section 1. Governing Body, Composition. A Board of Directors, each of whom shall have one (1) vote shall govern the affairs of the Association. Except with respect to directors appointed by the Declarant, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner who is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control. The Directors shall be selected by the Class "B" Member acting in its sole discretion, subject only to Article III, Section 6, hereof, and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

(a) When ninety-five (95%) percent of the Units planned for the property have certificate of occupancy issued thereon and have been conveyed to Persons other than the Declarant or builders holding title solely for purpose of development and sale; or

(b) December 31, 2019; or

(c) when, in its discretion, the Class "B" Member, so determines.

Within thirty (30) days thereafter, the Class "B" Member shall cause the Board to call a meeting, as provided in Article II, Section 4, of these By-Laws for an annual meeting, to advise the membership of termination of the Class "B" Control Period and to elect Directors from Class "A" Members.

Section 3. Declarant Participation. This Section 3 may not be amended without the express, written consent of the Declarant.

After termination of the Class "B" Control Period, the Declarant shall have the right to participate in the decision-making process and the right to disapprove all actions of the Board and this Architectural Review Committee, as is more fully provided in this Section. These rights shall be exercisable only the Declarant, its successors, and assigns who specifically take this power in a recorded instrument, and shall terminate one (1) year from the date of termination of the Class "B" Control Period. Declarant participation shall be as follows:

No action authorized by the Board of Directors or Modifications Committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Sections 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The 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 to be implemented by the Board, any committee thereof, of the Association, the Declarant, its representatives or agents shall make its concerns, thoughts and suggestions known to the members of the subject committee and/or the Board. The Declarant shall have the right to disapprove any policy or program authorized by the Board of Directors or any committee thereof, and any action to be taken by the Board, any committee thereof, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Declarant, its representatives, or agents at any such time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Notwithstanding any provision herein to the contrary, the Declarant shall not have the right to require any action or counteraction on behalf of any committee, the Board or the Association, and shall not exercise its rights hereunder 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.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three (3) nor more than five (5), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the termination of the Class "B" Control Period, the Association shall call an annual meeting to be held at which Class "A" Members shall elect five (5) directors, who shall serve as at-large directors. The directors elected by the Class "A" Members shall not be subject to removal by the Declarant acting along and three (3) shall be elected for a term of one (1) year and two (2) for a term of two (2) years.

(b) At the first annual meeting of the membership after the termination of the Class "B" Control Period and at each annual meeting of the membership thereafter, the directors shall be selected by vote of the membership. Each Class "A" Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled.

At the expiration of the initial term of office of each member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The Directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members representing a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected at large solely by the votes of Class "A" Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Class "A" Members. Upon removal of a director, a successor shall then be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy until the next annual meeting.

Any director elected by the Class "A" Members who has three (3) consecutive unexcused absences from the Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting, at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board and it may appoint a successor.

B. Meetings

Section 8. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any directors who has signed a waiver of notice or a written consent to holding of the meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by a majority of directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by 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) by telegram, charges prepaid; or (e) by email self-evidencing delivery/receipt. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set up for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meetings of the Board of Directors, 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 shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, 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 of Directors. 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 who are present at such meeting may adjourn the meeting at a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. 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.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such; provided, any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. Subject to the provisions of Section 16 of this Article, 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 his or her behalf by a director. In such case, the President may limit the time any Member may speak.

Section 16. Action Without a Formal Meeting. An 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 (or via e-mail), setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties

Section 17. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as directed by the Declaration Articles, or these By-Laws to be done and exercised exclusively by the Members of the membership generally.

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

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) Preparation and adoption of annual budgets in which there shall be established the contribution of each Owner to the common expenses;

(b) Making assessments to defray the Common Expenses, establishing the means and method of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Units proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

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

(d) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Area of Common Responsibility 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) Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) Making and amending rules and regulations;

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

(h) Making or contracting for the making of repairs, additions, and improvements to or alterations of the common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, theses By-Laws and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) Making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and all other books, records, and financial statements of the Association; and

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

Section 18. Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) 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, finders fees, service fees, prizes, gifts, or otherwise, unless first disclosed and approved by the Board;

(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 Broad of Directors;

(f) Commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing;

(i) Any income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) A statement reflecting all cash receipts and disbursements for the preceding period;

(iii) A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) A balance sheet as of the last day of the preceding period; and

(v) A delinquency report listing all Owners who are delinquent in paying the monthly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15^{th}) day of each month unless otherwise determined by the Board of Directors;

(g) An annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, during the Class "B" Control Period, the annual report shall include certified financial statements.

Section 20. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operation, or other agreements with trusts, condominiums, or cooperatives, and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

Section 22. Enforcement. The Board shall have the power to impose reasonable fines against Owners or occupants, which shall be an assessment on the Unit, shall constitute a lien upon the property of the violating Owner, and may be collected in the same manner provided for the collection of assessments in Article X of the Declaration. The Board also shall have the

authority to suspend an Owner's right to vote, or to use the Common Area, for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any occupant of the Unit violates the Declaration, By-Laws, or a rule or regulation 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 Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right, of the Board to do so thereafter.

(a) Notice. Prior to the imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner 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 agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator 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 of Directors or the Covenants Committee, if any, may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) 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.

(c) Appeal. Following a hearing before the Covenants Committee, if any, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or 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 procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV

Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more officers may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 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 from time to time 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.

Section 5. Resignation. Any officer may resign at any time given 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.

Section 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 or persons (including the Management Agent) as may be designated by resolution of the Board of Directors.

Article V

Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Section 2. Covenants Committee. In addition to any other committee which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions in 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 Article III, Section 22 of these By-Laws.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Tennessee law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable 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 the 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 extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing, and shall be deemed to have been duly given if delivered personally or it 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 Unit of such Member; or

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

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws so long as it has unilateral right to annex property in "Rivendell Woods Townhomes" to the Declaration for development as part of the Properties and so long as the amendment has no material adverse effect upon any right of any Owner; thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Class "A" Members representing sixty-seven (67%) percent of the total votes of the Association, and the written approval of the Class "B" Member, so long as the Class "B" membership exists. So long as the Class "B" membership exists, any amendment to these By-Laws shall also require the written consent of the U. S. Veterans Administration ("VA") if the VA has guarantees the Mortgage on any Unit. However, 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. No amendment shall be effective until recorded in the public records of Rutherford County, Tennessee

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Rivendell Woods Townhomes Homeowners' Association, Inc., a Tennessee non-profit Corporation.

That the foregoing By-Laws constitutes the original By-Laws of said association, as duly adopted at a meeting of the Board of Directors thereof held on the 14 day of October, 2008.

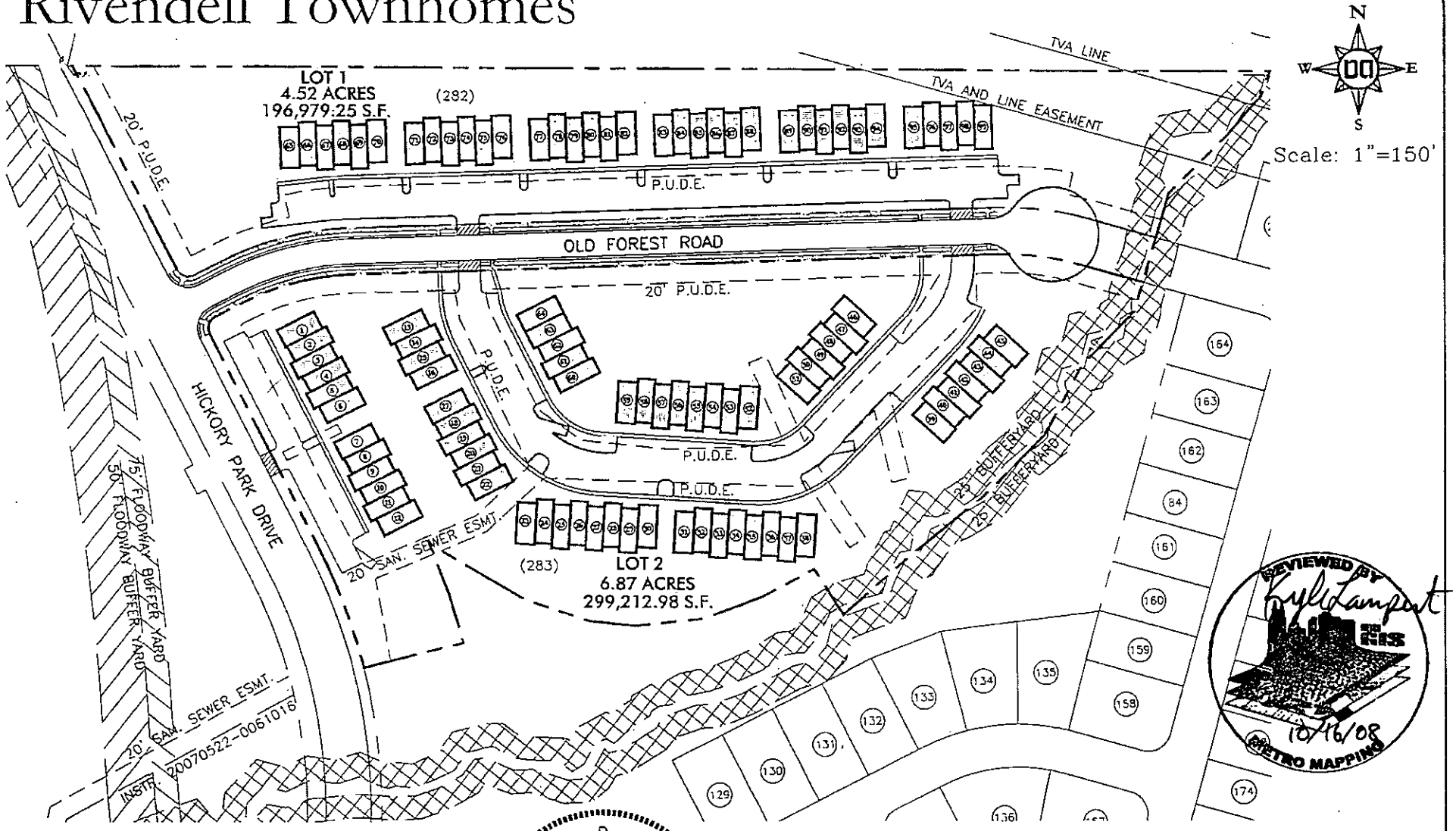
IN WITNESS WHEREOF, I have hereunto subscribed my name on this the 14 day of October, 2008.

Jason Beavers, Secretary, pro tem

EXHIBIT "D"

PLAT DEPICTING TOWNHOMES

Rivendell Townhomes



REVIEWED BY Kyle Lampert
METRO MAPPING
10/16/08

Development Summary:
Area in Lot 1: 4.52 Ac (35 Units)
Area in Lot 2: 6.87 Ac (64 Units)
Total Development Area: 11.39 Ac (99 Units)

Notes:
1) All Paved Areas to Serve as Access and Public Utility & Drainage Easements.
2) (1) Represents Unit Number

STEVEN D. DELLE
REGISTERED LAND SURVEYOR
No. 1710
STATE OF TENNESSEE

Exhibit "A-1"
to
Covenants, Master Deed
for
Rivendell Townhomes,
Phase 3
Map 174, Portion of Parcel 1

Consulting Civil Engineering
Land Planning & Zoning
Landscape Architecture
Surveying
516 Heather Place
Nashville, Tennessee 37204
(615) 297-5166

EXHIBIT "E"

Percentage of Undivided Common Elements

Each unit shall have an undivided interest in the Undivided Common Elements of one and one hundredths percent (1.01%).