This Instrument Prepared By:
W. Lee Corbett, P.C.
Suite 1050, American Center
3100 West End Avenue
Nashville, Tennessee 37203

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ESTABLISHING AND GOVERNING CONVENT PLACE TOWNHOMES

A Planned Unit Development

created under TENN. CODE ANN. §§ 66-27-101 *et seq.*

THIS DECLARATION is made as of the 26th day of February, 2013, by Spiva/Hill Management and Investment, LLC, a Tennessee limited liability company with offices located at 4121 Hillsboro Pike, Suite 302, Nashville, Davidson County, Tennessee 37215 (the "Declarant").

WITNESSETH:

WHEREAS, the Declarant is the owner of the fee simple title to those lands and premises described in Exhibit "A" attached hereto and made a part hereof, which lands and premises are hereinafter referred to as the "Parcel"; and

WHEREAS, the Declarant desires to submit the Parcel, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon or to be constructed thereon, and all rights and privileges belonging or in any way pertaining thereto (collectively the "Property"), to the provisions of the Horizontal Property Act of the State of Tennessee for the express purpose of establishing thereon a planned unit development ("PUD") to be known as Convent Place Townhomes, and to that end to cause this Declaration to be executed and recorded, together with all necessary exhibits hereto; and

WHEREAS, the Declarant further desires to establish said planned unit development for its own benefit and for the mutual benefit of all future owners and occupants of the Property or any part thereof, and intends that all future owners, occupants, deed of trust beneficiaries, and any other persons hereafter acquiring any interest in the Property, shall hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property.

BILL GARRETT, Davidson County
Trans:T20130015996 DEEDMAST
Recvd: 02/26/13 15:33 58 pgs
Fees:292.00 Taxes:0.00
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NOW, THEREFORE, the Declarant declares as follows:

1. **Definitions**. As used herein, unless the context otherwise requires:

(a) "Act" means the Horizontal Property Act of the State of Tennessee, TENN. CODE ANN. §§ 66-27-101, *et seq.*

(b) "Association" or "Townhouse Corporation" means Convent Place Townhouse Corporation, a mutual benefit corporation organized under the Tennessee Nonprofit Corporation Act.

(c) "Board" or "Board of Directors" means the Board of Directors of the Convent Place Townhouse Corporation.

(d) "Building" or "Buildings" means the building(s) now or in the future located on the Parcel and forming part of the Property and containing or comprising the Units. The "Building" or "Buildings" shall be delineated on the Plat, as the same may be amended from time to time. At the time of filing this Declaration there are two (2) Buildings located on the Property, designated on the Plat as Building A and Building B. A third Building, designated on the Plat as Building C, is planned. Buildings A and B each comprise a single Unit. Building C will be comprised of five (5) Units, as reflected on the Plat. Thus there will initially be a total of seven (7) townhome units upon the Property.

(e) "Bylaws" means the bylaws of Convent Place Townhouse Corporation, attached hereto as Exhibit "B" and made a part hereof, as the same may be amended from time to time.

(f) "Charter" shall mean the Charter of Convent Place Townhouse Corporation, as the same may be amended from time to time

(g) "Common Elements" means all real and personal property within the Property other than the Units (which include the Private Elements comprising or appurtenant to the Units) which are now or hereafter owned by the Association. The Common Elements are designated on the Plat as "Common Elements" or as "Common Area" and shall be held by the Association for the common use and enjoyment of the Unit Owners. The Common Elements shall include but not be limited to lawns (other than those within Private Elements), streets, roadways, culverts, walkways, parking areas not designated as Private Elements or Limited Common Elements, drainage structures and facilities, fences, sidewalks and walkways, curbs, signs, lights, utilities and other improvements not designated as Private Elements or Limited Common Elements. The Common Elements shall be transferred to the Association.

(h) "Declaration" means this instrument, as the same may be amended from time to time.

(i) "Deed of Trust" shall include a Mortgage, and "deed of trust beneficiary" shall include a Mortgagee and a holder of a deed of trust.

(j) "Declarant" shall mean Spiva/Hill Management and Investment, LLC, a Tennessee limited liability company, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein, or are its lawful successors.

(k) "Directors" means the directors comprising the Board of Directors of the Convent Place Townhouse Corporation from time to time.

(l) "Eligible Mortgage Holders" or "Eligible Mortgagees" shall mean those holders of first Mortgages secured by one (1) or more Units in the Planned Unit Development who have requested notice of certain items in writing as set forth in this Declaration in accordance with Paragraph 25 hereof.

(m) "Limited Common Elements" shall mean a portion of the Common Elements reserved for the exclusive use of the Owner or Owners of more than one, but less than all, Units, as more particularly set forth in this Declaration and the Plat. Expenses related to the Limited Common Elements shall be specially assessed equitably among the Units benefited thereby according to the benefit received. Any Limited Common Element which is reserved for the exclusive use of only one Unit shall be considered a Private Element.

(n) "Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the voting rights of the Unit Owners. For this purpose, each Unit shall be allocated one vote, provided that, notwithstanding the foregoing or anything else contained in this Declaration, the Charter, the Bylaws, or any other governing document, during the Period of Declarant Control each Unit owned by the Declarant shall be allocated three votes. "Majority of the Class A Members" means the Owners representing more than fifty percent (50%) of the voting rights of Class A Units. "Majority of the Class B Members" means the Owners representing more than fifty percent (50%) of the voting rights of Class B Units. Buildings A and B will each be Class A Units, and the Owners of Buildings A and B will be Class A Members, entitled to an aggregate of one vote for each such Building after the expiration of the Period of Declarant Control. The five Units in Building C will be Class B Units, and the Owners of such Units will be Class B Members, entitled to one vote for each such Unit, or an aggregate of five votes for such Building, after the expiration of the Period of Declarant Control. Following the expiration of the Period of Declarant Control, approval of matters to be voted on by the Members of the Association shall require the affirmative vote of a Majority of the Class A Members and the affirmative vote of a majority of the Class B Members, unless otherwise specifically provided in this Declaration or in the Bylaws or other governing document. Where, however, an action requires the approval of a majority of the pro rata membership interest in the Association, then the vote allocated to each Unit shall be based on its pro rata membership in the Townhouse Corporation.

(o) "Mortgage" shall refer to any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation including, but not limited to, a transfer or conveyance of fee title for such purpose.

(p) "Mortgagee "or "Mortgage Holder" shall mean the holder of any Mortgage.

(q) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(r) "Period of Declarant Control" means the period commencing upon the date hereof and ending on the earliest of the following dates: (1) five (5) years after the recording of this Declaration creating the Planned Unit Development; (2) twelve (12) months after the date as of which ninety percent (90%) of the Units of the Planned Unit Development shall have been conveyed to Owners other than the Declarant or an affiliate of the Declarant; or (3) the surrender in writing by the Declarant of the authority to appoint and remove directors and officers of the Association.

(s) "Person" means a natural individual, corporation, partnership, limited liability company, trustee or other legal entity capable of holding title to real property.

(t) "Planned Unit Development" or "PUD" means Convent Place Townhomes, a horizontal property regime with private elements, and therefore a planned unit development established in accordance with the Act.

(u) "Plat" means the drawing and description of the Property attached hereto as Exhibit "C" and incorporated herein by this reference, as the same may be amended from time to time.

(v) "Private Elements" means and includes the lot area upon which a Unit is located and the improvements located thereon, for which fee simple ownership and exclusive use is reserved to that Unit only. The term shall also include any "Private Elements" denoted as such on the Plat. Limited Common Elements located upon Private Elements shall be deemed to be Private Elements.

(w) "Property" means the fee simple estate in and to the Parcel, and all improvements and structures thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

(x) "Record" or "recording" refers to the recording of a deed, amendment, plat or other applicable instrument in the Register's Office for Davidson County, Tennessee.

(y) "Unit(s)" shall mean those portions of the Planned Unit Development intended for separate ownership and use as more particularly described in this Declaration and reflected on the Plat, and shall include the Private Elements and the residence or building, as well as the land underlying such residence or building and all other improvements now or hereafter located thereon. The Units are identified by number on the Plat and may be held and conveyed by reference to such number. Conveyance of a Unit shall automatically convey the undivided membership of the owner(s) of such Unit in the Association. Any Unit may be jointly or commonly owned in any estate recognized under applicable law.

(z) "Unit Owner" or "Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the Private Elements appurtenant thereto. Unless specifically provided otherwise herein, the Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

2. **Submission of Property to the Act.** The Declarant, by recording this Declaration, hereby submits and subjects the Parcel and the Property to the provisions of the Act and hereby establishes a planned unit development as authorized and described in the Act, to be known as Convent Place Townhomes.

3. **Improvements.** The improvements as described in the recitals of this Declaration consist of the dwellings reflected on the Plat showing numbers, areas, locations and other data as required by the Act.

4. **Units.** The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, deed of trust or other instrument shall legally describe a Unit by such identifying number or symbol, and every such description shall be deemed good and sufficient for all purposes. Except as provided herein or by the Act, or as existing on the date of the filing of this Declaration, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause such Owner's Unit to be separated into any parcels different from the whole Unit as shown on the Plat, although a Person who owns multiple contiguous Units shall not be precluded from removing non-load bearing interior walls in order to fully utilize all of such Units. With respect to common walls between Units, the vertical boundaries of the Units served thereby shall be the centerline of such walls. Notwithstanding the foregoing, or anything else contained within this Declaration, the Charter or the Bylaws, the Declarant, for itself and its successors, assigns, and/or transferees, specifically reserves the right, in its discretion and without requiring the consent of any other person or entity, to convert either or both of Buildings A or B, and any or all portions thereof, to the condominium form of ownership pursuant to the Tennessee Condominium Act of 2008, TENN. CODE ANN. §§66-27-201, et seq., and other requirements of applicable law, including without limitation the subdivision of each such unit to create additional condominium units therein, and including the creation of a Condominium Association to administer the affairs of such condominium. The Declarant or its successors, assigns, and/or transferees shall have the right, in its discretion and without requiring the consent of any other person or entity, to create a Master Association of which the Association and/or the Condominium Association created pursuant to such act, and/or all members of each such Association, shall be members, provided that, the creation of such Master Association and such Condominium Association shall not materially impair the rights or privileges of members of the Association, other than perhaps to dilute the percentage interests of the Association and its members in the Common Elements. In the event such condominium is created, the Association hereby grants to the Condominium Association and its members equal rights to the use of the Common Elements and a permanent, non-exclusive easement for such use. In addition the Association shall, upon request of the Declarant, it successors, assigns, and/or transferees, transfer all of the Common Elements to the Master Association formed pursuant to this paragraph; provided that, the rights and privileges of the Association and its members to the use and enjoyment of the Common Elements shall not be impaired. The creation of the Master Association and/or the Condominium Association shall, if applicable, automatically effect an equitable adjustment of the percentage of ownership in the Association of each Unit, and the owners of the condominiums so created shall have and may exercise all of the rights, privileges and obligations

incident to ownership of units in the condominium or in the Planned Unit Development, as applicable.

5. **The Association.**

(a) **Association of Unit Owners and Administration and Operation of the Property.** There has been or will be formed an Association having the name **Convent Place Townhouse Corporation,** a Tennessee nonprofit corporation, which Association shall be the governing body for all of the Unit Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation and care of the Property and its Common Elements as provided in the Act, the Association's Charter of Incorporation, this Declaration and the Bylaws. The Unit Owners shall each be members of the Association, with each Unit holding a pro rata share, based on square footage of the Unit, of the total membership interests in the Association which shall be appurtenant to such Unit. Voting rights for members of the Association shall be as set out in this Declaration and in the Bylaws of the Association, which are attached to this Declaration as Exhibit "B" and made a part hereof, as they may be amended from time to time. The Board of Directors of the Association shall be elected by the Unit Owners following the expiration or termination of the Period of Declarant Control, during which time the Board of Directors shall be appointed by the Declarant, and shall serve in accordance with the provisions of the Bylaws. The fiscal year of the Association shall be determined by the Board within the confines of applicable law, and may be changed from time to time as the Board deems advisable. Unless and until changed, the fiscal year of the Association shall be the calendar year. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the use and benefit of Unit Owners in accordance with the provisions of the Association's Charter of Incorporation, this Declaration and the Bylaws. Each Unit Owner shall be a member of the Association for so long as such Owner is a Unit Owner. A Unit Owner's membership in the Association shall automatically terminate when such Owner ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall automatically succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be divided among the respective Unit Owners as set out herein and in the Bylaws. If any Unit Owner consists of more than one (1) person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) person in accordance with the proxy or other designation made by persons constituting such Unit Owner, and filed with the Secretary of the Association.

(b) **Management of Property**. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board. The cost of such services shall be a common expense, as defined in Paragraph 8 below. During the Period of Declarant Control, the Declarant or its nominee shall serve as the Managing Agent. Any contract entered into with a Managing Agent following the Period of Declarant Control shall be terminable by the Board or the Association upon not more than ninety (90) days written notice.

(c) **Use by Declarant.** During the period of sale by the Declarant of any Units the Declarant, and the Declarant's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Property and the improvements thereon as may be required for purposes of sale of the Units. While the Declarant owns any of the Units and until each Unit sold by it is occupied by a third-party purchaser thereof, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as a model unit or units, or as a sales office, and may maintain customary signs in connection therewith.

(d) **Non-Liability of the Directors, Board, Officers and Declarant.** To the maximum extent provided by law, including, without limitation, Tenn. Code Ann. Sections 48-58-501, et seq., which is incorporated herein by reference, neither the Directors, Board, officers of the Association, nor the Declarant shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Directors, Board, officers, or Declarant. The Unit Owners shall indemnify and hold harmless each of the Directors, Board, officers, or Declarant, and their respective heirs, personal and legal representatives, successors and assigns in accordance with, and as provided in, the Association's Charter of Incorporation and its Bylaws, to the maximum extent allowed by law.

6. **Board's Determination Binding.** In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration, the Association's Charter of Incorporation, or its Bylaws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7. **Ownership Interests in the Association.** Subject to the provisions concerning voting rights contained herein and in the Bylaws of the Association, each Unit shall be allocated a pro rata share of the total membership in the Townhouse Corporation. Such pro rata share shall be calculated as a percentage, by dividing the square footage of such Unit by the total square footage of all Units, and rounding to the fourth decimal place and making appropriate adjustments so that the total percentages equal 100%. The pro rata share of each Unit as so calculated is set out on Exhibit "D" hereto. Notwithstanding the foregoing, the voting rights of a Unit Owner shall be as set out herein and in the Bylaws, and shall be based on such Unit Owner's pro rata share of the membership in the Townhouse Corporation only where specifically indicated herein and therein. Ownership of a Unit may not be conveyed separately from the percentage interest in the Association allocated to such Unit. The pro rata share of the total membership in the Townhouse Corporation allocated to a Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit. The pro rata membership share applicable to a Unit shall be used to allocate and calculate the assessments for common expenses and the division of proceeds, if any, resulting from any casualty loss, any eminent domain proceedings, any common surplus, or from any other disposition of the Planned Unit Development property, but not to determine voting rights except where specifically indicated. In the event of conversion of Buildings A and B to the condominium form of ownership as set out in paragraph 4 above, each Unit Owner shall have the right to transfer its pro rata membership share in the Association to the Master Association formed pursuant thereto.

8. **Common Elements/Common Expense.**

8.1 **Use of the Common Elements.** Except as herein set forth, and subject to such Rules and Regulations as may be adopted by the Association, each Unit Owner shall have the right to use the Common Elements in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and such Owner's agents, servants, tenants, customers, invitees and licensees. Each Unit Owner shall have the right to the exclusive use of the Private Elements contiguous to and serving such Unit alone and to the joint use, with other Owners benefitted thereby, of Limited Common Elements reserved for the use of more than one but less than all of the Units, but which include such Owner's Unit. Each Unit Owner shall have an unrestricted right of ingress and egress to his or her Unit. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, this Declaration, the Association's Charter of Incorporation, its Bylaws and any Rules and Regulations established by the Board, which shall have the right to adopt Rules and Regulations governing the administration of the Planned Unit Development. Any such Rules and Regulations so adopted shall be binding on all Unit Owners and Occupants.

8.2 **Common Expenses**. Each Unit Owner, including the Declarant for any Units owned by the Declarant but only following the expiration or termination of the Period of Declarant Control (during which time the Declarant shall pay the actual expenses of the Units owned by it), shall pay his or her or its proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with the Declaration, Charter and Bylaws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Each Unit Owner's proportionate share shall be based on such Unit Owner's pro rata share of the total membership interests in the Townhouse Corporation, as reflected on Exhibit D hereto. No Unit Owner shall be exempt from payment of such Owner's proportionate share of the common expenses by waiver or non-use of the Common Elements, or by abandonment of such Owner's Unit.

8.3 **Creation of the Lien and Personal Obligation for Assessments.** The Declarant (following the expiration of the Period of Declarant Control), for each Unit owned by it within the Planned Unit Development, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (a) annual assessments or charges, and (2) special assessments for capital improvements and other nonrecurring expenses, such assessments to be established and collected as hereinafter or in the Bylaws provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the Unit Owner who was the Owner of such Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such

person's successors in title unless expressly assumed by them, but shall, nevertheless, continue to be a lien against the Unit until paid.

8.4 **Purpose of Assessments**. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the Unit Owners and in particular for the improvement and maintenance of the Common Elements, including, without limitation, maintenance, repair and reconstruction. Such maintenance shall include, but not be limited to the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Elements, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements and any other expense for which the Association is responsible, and such other needs as may arise.

8.5 **Reserves**. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Elements, if any, and those other portions of the Property which the Association may be obligated to maintain and which may give rise to the need for future repair or replacement, if any. Such reserve fund is to be established out of regular assessments for common expenses.

8.6 **Annual Assessment**. The Board shall, from time to time, and at least annually, prepare a budget for the Planned Unit Development, determine the amount of the common charges required to meet the common expenses of the Planned Unit Development, and allocate and assess such common charges against the Unit Owners' respective percentage membership interests in the Townhouse Corporation, as set out in Exhibit "D" hereto. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Association pursuant to the provisions of Paragraph 19 of this Declaration. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Planned Unit Development property, including, without limitation, an amount for working capital of the Planned Unit Development, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, provided that, any assessment for such purpose shall require the consent of the Owner(s) of all Units within the PUD. The Board shall advise each Unit Owner in writing of the amount of common charges payable by such owner, and shall furnish copies of each budget on which such common charges are based to all Unit Owners, and to their Mortgagees upon request.

8.7 **Special Assessments for Capital Improvements**. In addition to the annual assessments authorized above, the Board may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Parcel or Common Elements, or for the purpose of defraying the cost of any nonrecurring or unanticipated expense.

8.8 **Uniform Rate of Assessment**. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Units, based on their respective percentages of membership interest in the Townhouse Corporation. Annual assessments shall be collected on a monthly basis. Special assessments shall be collected as determined by the Board.

8.9 **Date of Commencement of Annual Assessments: Due Dates**. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the Unit. Such annual assessments shall be paid ratably on a monthly or quarterly basis, as determined by the Board of Directors. The Board shall fix the amount of annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Unit Owner subject thereto. The due dates shall be established by the Board. The Board shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

8.10 **Effect of Nonpayment of Assessments: Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate permitted by law on the date the assessment became due, in addition to the late charge provided for in Paragraph 13.5 hereof. The Association, or the Board or any Unit Owner on behalf of the Association, may bring an action at law or in equity against the Unit Owner personally obligated to pay the same and/or may foreclose the lien against the Unit and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his, her, or its Unit.

For the purpose of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of assessments, and for the consideration of one dollar ($1.00) paid in cash, receipt of which is acknowledged, the Unit Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto W. Lee Corbett, Trustee, his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the uses and trusts set forth in this paragraph.

If the Trustor shall pay the assessments when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the assessments with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect and the said Trustee, or his successor in trust, is hereby authorized and empowered upon giving twenty (20) days notice by three publications in any newspaper, daily or weekly, of general circulation published in Davidson County, Tennessee, and after complying with all other requirements of law, including without limitation notice to the Unit Owner is and as required by law, to sell said Unit at the front door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity of redemption or statutory redemption, Homestead exemption, and all other exemptions of every kind, which are hereby expressly waived and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid and become the purchaser at any such sale. The

Association may, at any time after default in the payment of any assessment, enter and take possession of said Unit and shall only account for the net rents actually received by it. The purchaser shall be entitled to immediate possession of such Unit upon the delivery to him by the Trustee of a deed for said property. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges, and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorney's fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid with respect to such Unit;

(3) Third, to the payment of all unpaid assessments and other amounts due with respect to such Unit;

(4) Fourth, the residue, if any to the Unit Owner, his order, representative, assigns, or other person entitled thereto.

In the case of death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trust may be required or for any other reason, the Board of Directors is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

8.11 **Subordination of the Lien to Mortgages and Ad Valorem Taxes.** Except as and to the extent otherwise provided by law, the lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage and ad valorem taxes. Sale or transfer of any Unit shall not otherwise affect the assessment lien.

8.12 **Working Capital Fund.** At the time of closing of the sale of each Unit to an end purchaser a sum equal to at least two (2) monthly assessments for such Unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payments of regular assessments.

9. **Easements.**

9.1 **Unit Owners.** Declarant, for itself, its successors and assigns, hereby declares that every Unit Owner shall have a perpetual nonexclusive easement in, upon, through, and over the Parcel, to keep, maintain, use, operate, repair, and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements.

9.2 **Development Easements**. Declarant reserves unto itself, its successors and assigns an easement in, upon, through, and over the Common Elements and Private Elements for as long as the Declarant, it successors and assigns, shall be engaged in the construction, development, and/or sales of Units, which easement shall be for the purpose of construction, installation, maintenance, and repair of the Buildings and appurtenances thereto, for ingress and egress to all Units and all Common Elements, and other community facilities and for use of all roadways and parking lots, for sales promotion and exhibition. In addition, Declarant hereby reserves the irrevocable right to enter into, upon, over, or under any Unit for a period of two (2) years after the date of delivery of the Unit deed for such purposes as may be reasonably necessary for the Declarant or its agents to complete the Planned Unit Development or service any Unit thereof.

9.3 **Limited Common Areas**. Declarant, for itself, its successors and assigns, hereby declares that every Unit Owner shall have a perpetual and exclusive easement for possession and use of that portion of the area contiguous to his or her or its Unit which is designated "Limited Common Areas" or "Limited Common Elements" in this Declaration, on the Plat, or otherwise, and which are considered Private Elements (which shall not include those Limited Common Elements which are reserved for the use of more than one but less than all of the Units, in which event the easement herein granted shall be nonexclusive).

9.4 **Utilities.** Declarant reserves unto itself, its successors, assigns, and agents, an easement in, upon, through, and over the lands comprising the Common Elements and Private Elements for the purpose of installation, maintenance, repair, and replacement of all sewer, water, power and telephone, pipes, lines, mains, conduits, waters, poles, transformers, and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Planned Unit Development.

9.5 **Encroachments**. Declarant, for itself, its successors and assigns, hereby declares that every Unit Owner shall have a perpetual easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any common element, now existing as a result of construction of the Building or which may come into existence hereafter as a result of the reconstruction of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands.

9.6 **Municipal Services**. Declarant, for itself, its successors and assigns, hereby declares that the Metropolitan Government of Nashville, Davidson County, Tennessee (but not the public in general), shall have a perpetual nonexclusive easement to enter upon all roadways, parking areas, driveways, walkways, and sidewalks, for purposes of maintaining the safety, health, welfare, police, and fire protection of the citizens of said city, including the Occupants of the Planned Unit Development.

10. **No Partition**. Subject to the provisions of this Declaration, including without limitation paragraph 4 hereof, the Charter of Incorporation and Bylaws, and the Act, the Common Elements shall remain undivided and no Unit Owner(s) shall bring any action for partition or division thereof. In addition, the pro rata membership interest in the Townhouse

Corporation shall not be separated from the Unit to which it pertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

11. **Compliance by Owners**. Each Unit Owner or Occupant, their visitors, guests, invitees, and licensees shall comply with the provisions of this Declaration, the Charter of Incorporation and Bylaws, and the Rules and Regulations of the Association, and with any other documents, amendments, or supplements to the foregoing which subsequently may be adopted by the Association or its Board, or required by any governmental authority, all as the same may be lawfully amended from time to time. Failure to comply with any such provisions, rules, or regulations shall be grounds for injunctive relief by the Declarant, the Association, the Board, and/or any other Unit Owner.

12. **Parking Areas.** The parking area on the Plat shows the location of certain parking spaces which are designated as Private Elements or Limited Common Elements available for the exclusive use of the Owner(s) and/or Occupant(s) of the Unit to which the same are allocated as more particularly set forth on the Plat. Parking spaces within the Parcel, even though located on Private Elements or Limited Common Elements, shall only be used by the Unit Owners, and their guests, licensees, and invitees, in such manner and subject to such Rules and Regulations as the Board of Directors may prescribe.

13. **Covenants of Unit Owners**. Each Unit Owner, by accepting ownership of a Unit, agrees on behalf of himself, his successors, heirs, personal representatives and assigns, to the following:

13.1 **Permanent Easements**. There shall be such permanent easements through and over each of the Units as may be reasonably necessary for the installation, maintenance, replacements and repair of the Common Elements, Limited Common Elements or Private Elements and the other Units.

13.2 **Residential Use.** No part of the Units or the Limited Common Elements or Private Elements may be used for purposes other than residential housing and the related common purposes for which the Property was designed and as allowed by municipal zoning laws. Each Unit, or any two or more adjoining Units used together, shall be used as a residence or residences (in the case of residential apartments contained within Units 1 and 2) or such other use as is permitted by this Declaration, and for no other purpose, except that the Declarant may use any Unit owned by the Declarant as a sales office for the conduct of its business while Declarant retains such ownership. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (i) maintaining his personal professional library; (ii) keeping his personal business or professional records or accounts; (iii) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

13.3 **Use Restrictions**. In addition to the restrictions set forth in subparagraphs 13.1 and 13.2, the use of all Units and the Common Elements, Limited Common Elements or

Private Elements shall also be subject to the Bylaws, such reasonable Rules and Regulations as may be adopted by the Association or by its Board of Directors, and applicable law, provided that the present use of any existing Building or Unit on the Premises shall not be curtailed or restricted in any way without the approval and consent of the Owners of such Building or Unit.

13.4 **Encroachments.** In the event any portion of a Unit or a Common Element, Limited Common Element or Private Element changes boundaries and thereby encroaches upon another Unit or a Common Element, Limited Common Element or Private Element due to the shifting, settling or moving of the improvements, such changed boundaries shall be deemed to constitute the boundaries of the Unit and the Common Element, Limited Common Element or Private Element so affected.

13.5 **Assessments.** All assessments against a Unit by the Association for its pro rata share of the expenses of the Planned Unit Development shall be a lien against the Unit and shall be subject to a late charge equal to ten percent (10%) of any amount not paid within ten (10) days of the due date. Any amount that is thirty (30) days past due shall incur interest until paid at the maximum rate allowable by law. All assessments, interest charges, costs and expenses incurred by the Association in the collection or enforcement thereof, including reasonable attorney's fees, shall be added to the assessment together with any and all fees, charges, late charges, fines and interest charged pursuant to this Declaration or the Act, shall constitute a lien upon the Unit, and any sale or conveyance of the Unit shall be subject to such lien as provided herein and in the Act. Upon written request by any prospective Mortgagee or purchaser of a Unit, the Association shall certify to such person whether any assessments have been made as to such Unit that remain unpaid and the amount thereof. If such information is relied upon by a prospective Mortgagee or purchaser to its detriment, it shall become binding upon the Association even though such information may later be discovered to have been inaccurate.

13.6 **Suspension of Rights and Services**. In the event that any assessment applicable to a Unit shall remain unpaid or any infraction of the Association's published Rules and Regulations remain unremedied for a period of thirty (30) days after notice to the affected Unit Owner and the Mortgagee of such Unit, the Association may suspend the enjoyment right of any Unit Owner with respect to amenities that are a part of the Common Elements, and, to the extent permitted by law, the Association shall have the right to suspend cable or satellite television, internet access or other utility services provided to the Unit by the Association until such assessments are paid, or until the Association receives adequate security for payment, or until such infraction shall be rectified. Any cost incurred by the Association in disconnecting or reconnecting any utility service, including reasonable attorney's fees, shall be a further assessment applicable to the Unit.

13.7 **Time-Sharing**. No time-sharing estates will be created with respect to any Units in any Phase of the Planned Unit Development.

13.8 **Declarant's Right to Grant Easements**. The Declarant, during the Period of Declarant Control, and thereafter the Board of Directors, shall have the right to grant easements in, over, and under the Common Elements to utility companies, governmental

authorities, or adjoining property owners for the purpose of securing the provision of utilities and rights of parking or ingress and egress to the Planned Unit Development or to dedicate a portion of the Common Elements or any interest therein to an appropriate governmental authority in furtherance of the foregoing purposes.

13.9 **Actions against Declarant.** No legal action may be brought by the Association or any Unit Owner against the Declarant on account of any alleged defect in material, workmanship, or installation of the Common Elements, Limited Common Elements or Private Elements except in compliance with the following requirements:

(i) The Association or such Unit Owner shall give the Declarant sixty (60) days prior notice and opportunity to cure such defect or condition except in case of emergency endangering persons or property;

(ii) The parties shall endeavor to mediate the dispute for a period of sixty (60) days after the expiration of the Declarant's cure period;

(iii) The initiation of legal proceedings against the Declarant by the Association or such Unit Owner shall have been approved by the affirmative vote or written consent of Unit Owners possessing sixty-seven percent (67%) of the total percentage of ownership in the Planned Unit Development;

(iv) Declarant's liability in any such action shall be limited to the repair or replacement of any defective item or condition, and Declarant shall have no liability for loss of use, injuries to person or property, mold, mildew, or other consequential damages resulting from or in any manner arising out of any defect or condition in the Common Elements, Limited Common Elements or Private Elements; and

(v) The prevailing party in such proceeding shall be entitled to recover its reasonable attorney's fees and costs from the non-prevailing party.

The covenants contained herein shall be deemed covenants running with the land. Except as otherwise limited in this Declaration, the Bylaws, or the Charter, the Association or any Unit Owner shall have the right to prosecute any proceedings at law or in equity against any person or persons violating any of the covenants contained herein and to obtain relief by way of injunction, money damages, or both. No delay or omission on the part of the Association or a Unit Owner in exercising any right, power or remedy herein provided in the event of any breach of the foregoing covenants shall be construed as a waiver thereof or acquiescence therein. In the event any provision of the foregoing covenants shall be held invalid by judgment or court order, it shall not be deemed to affect any of the other covenants contained herein, which shall continue and remain in full force and effect. In the event that any of the foregoing covenants shall be declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then the term of such covenant shall be reduced to the maximum period of time allowed by the laws of the State of Tennessee. Should the Association or an aggrieved Unit Owner employ counsel to enforce any of the foregoing covenants, the Association or such Unit Owner, as the case may be, shall be entitled to recover from the

breaching Unit Owner the reasonable attorney's fees and expenses incurred in such action, provided the Association or such Unit Owner ultimately prevails in such action.

14. **Construction/Completion of Project-Conversion.**

The Declarant reserves the right to construct the unbuilt Units and the necessary parking as part of the Planned Unit Development. No additional land will become part of the Planned Unit Development unless approved by the Declarant or provided for herein including, without limitation, paragraph 4 hereof. Upon substantial completion of such Units, parking, and adjacent amenities, or conversion of Buildings A and B to the condominium form of ownership as set out in paragraph 4 above, this Declaration may be amended, if necessary or appropriate, to confirm the construction or conversion of such Units and show any additional improvements constructed in connection therewith by an Amendment that is executed by such Declarant alone, without requiring the consent of any other person or entity, and such Amendment will be recorded. Such Units and additional improvements or conversion shall also comply with all requirements of the applicable building and zoning codes and be consistent with prior approvals from the applicable codes agency. The Amendments confirming the conversion or construction of such Units shall automatically effect an equitable adjustment of the percentage of ownership in the Common Elements of each Unit as provided in Paragraph 7 hereof from and after the filing of such Amendments, and the owners of such newly constructed or converted Units shall have and may exercise all of the rights, privileges and obligations incident to ownership of a Unit in the Planned Unit Development, including, but not limited to, voting rights and liability for assessments by the Association for its pro rata share of Common Expenses of the Planned Unit Development and any special assessments with respect to such Unit.

15. **Leasing of Units**. There shall be no prohibition or restriction against leasing all or any part of Units 1 or 2 (Buildings A and B). For so long as Units 1 and 2 are a part of the Planned Unit Development, this prohibition against leasing or restrictions for such Units may not be amended without the consent of the Owner or Owners of Units 1 and 2. An Owner of a Unit in Building C (Units 5 - 9, herein referred to as "Building C Units") may lease his or her Unit for the same purposes as are set forth in this Declaration, provided that such lease transaction is in accordance with the following requirements, and further provided that, such requirements shall not apply to the Declarant until all Building C Units have been sold to third-party purchasers.

15.1 **Occupancy and Lease Agreement.** Occupancy or use of a Unit for more than thirty (30) days in any one (1) year by a person, other than an Owner, a member of the Owner's family, or a temporary caretaker, shall require the execution of a lease agreement between the Owner and the Occupant. Copies of all leases shall be filed with the Association's Managing Agent or Board of Directors. Unless approved in advance by the Board of Directors, no Owner shall lease a Unit to a corporation, partnership, trust, or entity other than a natural person. Each lease of a Unit shall stipulate, or shall be considered to stipulate, that if the lessee, after notice from the Association, shall fail to conform to the provisions of this Declaration, the Bylaws, or the Rules and Regulations of the Association, the Association shall be authorized to evict or require the lessee to vacate the premises upon thirty (30) days written notice, and lessee shall do so without prejudice to the Association's other legal remedies. The foregoing stipulation shall be considered to be a part of every lease entered into for a Building C Unit, whether or not

such stipulation is specifically expressed therein. During the term of the lease, the lessee shall be entitled to the privileges of use of the Common Elements, Limited Common Elements and Private Elements appurtenant to such Unit.

15.2 **Subletting and Leasing to Unit Owners.** No portion of a Unit, other than the entire Unit, may be rented. Except as provided herein, no Unit may be let or sublet for a period of less than six (6) months, whether or not rents or other fees are received by the Owner. Unit Owners may rent their Units to other Unit Owners or members of their immediate family for periods of less than six (6) months.

15.3 **Standard Lease Form.** The Association's Board of Directors shall have the authority to promulgate a standard lease form to be used by all Unit Owners in renting or leasing their Units, in which event all Unit Owners shall be required to use such form for such purposes.

15.4 **No Transient Purpose.** No Unit shall be rented for transient or hotel purposes.

15.5 **Number of Tenants.** No Unit shall be leased to more than three persons not related by blood or marriage.

15.6 **Identity of Tenants.** All Unit Owners shall provide the Association or Managing Agent with the identity and contact information of the Occupants of their Units.

15.7 **Negligence and Damage by Tenants.** All Unit Owners shall be jointly and severally liable to the Association for all damage to the Common Elements or Limited Common Elements caused by the negligent or intentional acts, omissions, use or misuse of the Common Elements or Limited Common Elements by their Occupants, tenants, or their guests, invitees, employees or agents to the extent that any such damage is not covered by the Association's insurance. In addition, the Unit Owner and the Unit Owner's tenant shall be jointly and severally liable for the insurance deductible for any such damage to the Common Elements and Limited Common Elements.

15.8 **Violation of Declaration, Bylaws or Rules and Regulations.** In the event a tenant of a Unit is found to have violated the Article of Organization, the Bylaws, this Declaration or the Rules and Regulations of the Association (after being given notice of the violation and an opportunity for a hearing thereon), the Directors shall be authorized to require the Owner of that Unit to evict or require the lessee to vacate the premises on thirty (30) days written notice. In the event that the Unit Owner fails to evict his or her tenant, the Association may evict the tenant and the cost thereof shall be assessed to the Unit and constitute an assessment against the Unit and the Unit Owner for which the Association shall have a lien against that Unit, enforceable as in the case of all other assessments. The Association may exercise its rights under this provision without prejudice to the Association's other legal remedies.

16. **Sale of Units**. A Unit Owner, who sells a Unit or any interest therein, shall give written notice to the Association of the name and address of the purchaser, and such other information as the Association may reasonably require in connection with such transaction.

17. **No Severance of Ownership.** No Unit Owner shall execute any deed, Mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, Mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any Unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer, or other disposition of such part of the appurtenant interests of all Units.

18. **Separate Real Estate Taxes**. Real estate taxes shall be separately assessed to each Unit Owner for such Owner's Unit as provided in the Act. In the event that such taxes for any year are not separately assessed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay such Owner's proportionate share thereof in accordance with such Owner's respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.

19. **Insurance.** Subject to the last paragraph of this Paragraph, the Association shall obtain and maintain, to the extent applicable to the Planned Unit Development and obtainable at a reasonable cost, the following insurance:

(a) Fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring all improvements upon the Parcel and within the Property (but not including furniture, furnishings, appliances, fixtures or other personal property supplied or installed by Unit Owners or included within the interior boundaries of the Units). Such insurance shall cover the Planned Unit Development, the Association, and all Unit Owners and their Mortgagees, as their interests may appear, in an amount at least equal to the full replacement value of such improvements, without deduction for depreciation. Each policy shall contain a standard Mortgagee clause in favor of each Mortgagee of a Unit which shall provide that proceeds shall be payable to such Mortgagee as its interest may appear, subject, however, to payment provisions in favor of the Association;

(b) Worker's compensation insurance, if applicable;

(c) Boiler and machinery insurance, if applicable;

(d) Plate glass insurance, if applicable;

(e) Water damage insurance, if applicable; and

(f) Such other insurance as the Board may determine.

All such policies shall provide that adjustment of loss shall be made by the Board, and that the net proceeds thereof shall be payable to the Association. Any such insurance that is not obtainable at a reasonable cost by the Association, in the sole discretion of the Board of Directors, shall be provided by the Unit Owners upon their individual Units.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on coinsurance or of invalidity arising from any acts of the insured, to the extent available at a reasonable cost. Such policies shall provide that they may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all Mortgagees of Units who have provided an address for such notice to the Association.

The Association shall obtain and maintain, to the extent obtainable at a reasonable cost, public liability insurance in such limits as the Association may from time to time determine, covering the Association and each Unit Owner in respect to any injury occurring upon or within the Common Elements. The Association shall review such limits, and/or the advisability of obtaining such insurance, at least once each year.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Notwithstanding the foregoing, the owners of Units 1 and 2 shall have the right to obtain and maintain their own fire and extended coverage insurance, in which case the cost of such insurance shall not be a common expense but shall be borne solely by the owners of such Units, and the cost of obtaining and maintaining fire and extended coverage insurance on Units 5, 6, 7, 8, and 9 shall be borne solely by the Owners of those Units.

20. **Repair or Reconstruction after Damage.**

20.1 **Vote of Members**. If not more than two-thirds (2/3) of a Building shall be damaged by fire or any other disaster then, provided that insurance with a reasonable deductible is available therefor, the Building shall be rebuilt or repaired. If such damage shall affect more than two-thirds (2/3) of the Building, then reconstruction shall not be compulsory without the unanimous consent of all of the Unit Owners of Units in the Building. The determination of the percentage of destruction of the Building shall be by a vote of the Unit Owners of Units in the affected Building.

20.2 **Plan for Reconstruction**. Any reconstruction or repair of the Building or any Unit located therein shall be substantially in accordance with the Declaration and the original plans and specifications for the Planned Unit Development unless the affected Unit Owners shall unanimously decide otherwise and such decision is approved by Unit Owners possessing at least sixty-seven percent (67%) of the total percentage of membership in the Townhouse Corporation and by Unit Owners owning sixty-seven percent (67%) of all the Units in the Planned Unit

Development, and Mortgagees whose prior approval is required for any such repair or reconstruction.

20.3 **Repair of Units**. If insurance on a Unit is carried by the Association, then each Unit Owner shall nevertheless be responsible for the reconstruction, repair or replacement of the interior of his Unit, including but not limited to the floor coverings, wall coverings, window shades, draperies, interior walls, furniture, furnishings, decorative light fixtures, and all appliances located therein, and for any deductible amount applicable to such insurance so carried by the Association. If insurance on a Unit is not carried by the Association for any reason, then each Unit Owner shall also be responsible for the costs of any reconstruction, repair or replacement of his or her Unit, and in any event each Unit Owner shall be responsible for any damage to any portion of the Planned Unit Development necessitated by his negligence or misuse or the negligence or misuse of persons for whose actions he is responsible. In the event damage to all or any part of a Unit Owner's Unit is covered by insurance held by the Association for the benefit of such Unit Owner, then the Association shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds, and may supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of a Unit Owner's Unit is not covered by insurance held by the Association for the benefit of such Unit Owner, then such Unit Owner shall begin reconstruction or repair of such Unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof. Notwithstanding the foregoing, if the affected Unit Owners have elected not to reconstruct or repair the Unit or the Building pursuant to Paragraph 20.1 hereof, then such repair or reconstruction shall not be required.

20.4 **Costs of Repair**. As soon as possible after the occurrence of a casualty which causes damage to any part of the Planned Unit Development for which the Association has insurance coverage (hereinafter referred to as the "Casualty"), the Association shall obtain cost estimates for the following:

(i) The cost of restoring all damage caused by the Casualty to the Common Elements, Limited Common Elements and Private Elements (hereinafter referred to as the "Common Element Costs"); and

(ii) The cost of restoring that part of the damage caused by the Casualty to each Unit that is covered by insurance held by the Association, without regard to the policy limits of such insurance (hereinafter referred to as the "Unit Costs").

20.5 **Application of Insurance Proceeds**. All insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Element Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Unit Costs. However, if such insurance proceeds are not sufficient to cover such estimated costs, then an assessment shall be made against the affected Unit Owners by the Association in the following manner:

(i) All Unit Owners of Units affected by the casualty shall be assessed on a pro-rata basis for the payment of the estimated Common Element Costs not otherwise paid for by insurance held by the Association.

(ii) Each Unit Owner of a damaged Unit shall be assessed an amount equal to the difference between his estimated Unit Costs and a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the Casualty by a fraction, the numerator of which is his estimated Unit Costs and the denominator of which is the total of all of the estimated Unit Costs.

21. **Condemnation**. In the event of any taking of any Unit in the Planned Unit Development by eminent domain, the Unit Owner and any Mortgagee of such Unit shall be entitled to receive the award for such taking attributable to the Unit Owner's proportionate share of the loss or reduction in the fee simple estate and the Building and other improvements to the land and after acceptance thereof he and his Mortgagee shall be divested of all interest in the Planned Unit Development if such Unit Owner shall vacate his Unit by virtue of such taking. If any repair or rebuilding of the remaining portions of the Planned Unit Development is required as a result of such taking, a majority in percentage of ownership of the remaining Unit Owners shall determine by vote or written consent whether to rebuild or repair the Planned Unit Development or to take such other action as such remaining Unit Owners deem appropriate. If no repair or rebuilding shall be required or shall be undertaken, the remaining portion of the Planned Unit Development shall be resurveyed and the Declaration shall be amended to reflect such taking and to proportionately readjust the percentages of ownership of the remaining Unit Owners based upon a continuing total ownership of the Planned Unit Development of one hundred percent (100%).

22. **Maintenance, Repairs and Replacements.** Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs to, and replacements upon and within such Owner's Unit; provided, however, the Association, by vote of its Board of Directors, may choose to provide such maintenance and repairs, or any part thereof at any time and from time to time. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of, and shall be furnished by, the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses. The expenses for the maintenance, repair, or replacement of Limited Common Elements and Private Elements shall be borne by the Owner of the Unit or Units to which such Limited Common Elements and Private Elements are appurtenant. In addition, at the discretion of the Board, the Association, through its Board of Directors, may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to and replacement within the Limited Common Elements and Private Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefitted Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Association such lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or the Occupant, tenant, agent, servant, invitee, or licensee of a Unit Owner, damage shall be caused to the Common Elements or to a

Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Board, to the extent not covered by insurance or sufficient proceeds therefor are not collected from the insurance carrier.

The Board or its authorized representative or representatives shall be entitled to reasonable access to the individual Units, Limited Common Elements and Private Elements as may be required in connection with the preservation of any individual Unit, Limited Common Elements or Private Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, Limited Common Elements, Private Elements or any equipment, facilities or fixtures affecting or serving the other Units, Common Elements, Limited Common Elements or Private Elements, or to make any alteration required by any governmental authority.

23. **Use Restrictions**. To further implement this plan of ownership, to make feasible the ownership and sale of Units in the Planned Unit Development, to preserve the character of the development and to make possible the fulfillment of the purposes of the Planned Unit Development as intended, the Declarant, its successors and assigns, by reason of this Declaration, and all future Owners of Units in the Planned Unit Development by their acquisition of title thereto, covenant and agree as follows:

23.1 **Rules and Regulations**. The Board shall have the power to formulate, publish and enforce reasonable Rules and Regulations concerning the use and enjoyment of the Common Elements and the activities of residents and their guests upon the Property. Such Rules and Regulations may provide for the imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

23.2 **Residence Use Restriction**. Each Unit shall be occupied, within the limitations set forth herein and in the Bylaws of the Association, and shall be used by the respective Unit Owners only for residential purposes, including the leasing of units for residential purposes as permitted hereby. No professional, business or commercial activity to which the general public is invited shall be conducted in any Unit.

23.3 **Common Elements Use Limitations**. Only Owners and guests and invitees of such Owners may use the Common Elements, provided that the use of the Common Elements shall be in accordance with and subject to limitations set forth herein, in the Bylaws, in restrictions, covenants and agreements of record, and in any Rules and Regulations duly adopted by the Board.

23.4 **Parking Spaces.** There shall be no obstruction of any Common Element. Nothing shall be stored in any Common Element without the approval of the Board. The use of parking spaces within the Common Elements and Limited Common Elements shall be regulated by the Board. No truck (other than standard sized pickup trucks belonging to an Owner), bus, camper trailer, boat, or trailer shall be left parked in the parking areas or in any part of the Planned Unit Development, except for repair and/or construction vehicles actually engaged in work on the Property.

23.5 **Insurance.** Nothing shall be done or kept in any Unit, or in any Common Element, which will increase the rate of insurance on any Common Element or on any other part of the Planned Unit Development without the approval of the Board. No Owner shall permit anything to be done or kept in his Unit or in any Common Element which will result in the cancellation of or increase the premium for the insurance on any Common Element, or which would be in violation of any law. No waste will be permitted in any Common Element.

23.6 **Nuisance**. No noxious or offensive activity shall be carried on in any Unit or in any Common or Private Element, nor shall anything be done therein or thereon which will constitute a nuisance to the other Unit Owners.

23.7 **Animals.** No animals, livestock or poultry of any kind shall be kept or maintained in any Unit or in any part of the Common Elements except that no more than two dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and provided that they do not constitute a nuisance to the other Unit Owners. At such time as all Units have been sold by the Declarant to original end purchasers, the Association may vote to limit the physical size of the pets permitted pursuant to this subparagraph 23.7.

23.8 **Structural Integrity**. Nothing shall be done in any Unit or in, on, or to any Building or any Common Element which would structurally change any such Building, except as is otherwise provided herein.

23.9 **Interference.** Nothing shall be done either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or Occupants. No Unit Owner shall make or permit any disturbing noises in a Building or Buildings by himself, his employees, agents, visitors, tenants, Occupants and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts, or conveniences of other Unit Owners.

23.10 **Electrical Equipment**. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in such Unit.

23.11 **Exterior.** Nothing shall be placed upon the windowsills and nothing shall be hung from the windows, balconies, exterior walls or porches without the prior written approval of the Board, which may be withheld for any reason.

23.12 **Flammable Substances**. No Unit Owner or Occupant or any of his agents, servants, employees, licensees, tenants, or visitors shall at any time, bring into or keep in his Unit any flammable, combustible, or explosive fluid, material, chemical or substance.

23.13 **Architectural Control.** It is the intention of the Declarant that all improvements on the Property be compatible in exterior appearance, exterior materials,

architectural style and detail with the existing Buildings on the Property or, as applicable, with the Units to be constructed on the Property, acknowledging that the Units to be constructed in Building C may not be considered compatible with Buildings A and B, which incompatibility now or in the future shall not be considered to violate this provision; to be in compliance with applicable zoning on the Property; and to be maintained in an appropriate manner. Therefore, subject to the last sentence of this subsection, no Unit Owner shall make any structural or aesthetic alterations or modifications to his Unit or to any of the Common Elements, Limited Common Elements or Private Elements, including, but not limited to, the commencement, erection, or maintenance of antennas, attached or detached signs, wall, satellite dish or other structure, planting or landscaping, awnings, painting, installation of siding, replacement of windows, the placement of any reflective or other material in the windows of the Unit or other exterior attachments, or any other change or modification to the exterior appearance of a Unit or Private Element, until the plans and specifications showing the nature, kind, shape, height, materials, location and other details, shall have been submitted to and approved in writing by the Board of Directors or by a committee (the "Architectural Review Committee") duly appointed by the Board of Directors. In the event of failure to approve or disapprove submitted plans and specifications within forty-five (45) days after said plans and specifications have been submitted, approval will be implied. Notwithstanding the foregoing, however, any renovations or modifications to Units 1 and 2 shall not require the consent or approval of the Board of Directors or of the Architectural Review Committee, so long as such renovations or modifications are not materially incompatible with such units as they presently exist.

23.14 **Number of Occupants**. Units may be regularly occupied by no more than 2 persons per bedroom. As used in this subparagraph, the term "regularly occupied" shall mean occupancy for a period in excess of 14 days consecutively, or 30 days in any one calendar year.

23.15 **Unit Locations.** In interpreting the provisions of this instrument, the Exhibits attached hereto, the Plat, subsequent deeds, and Mortgages to individual Units, etc., the actual location of the Unit shall be deemed conclusively to be the property intended to be conveyed, reserved, or encumbered, notwithstanding any minor deviations, either horizontally or vertically, from the locations as indicated on said Exhibits. To the extent that such minor variations in location exist, a valid easement therefor and for the maintenance thereof shall exist.

23.16 **Public Record**. All Unit Owners and any of their respective agents, employees, licensees or invitees shall be bound by any and all restrictions, covenants or agreements applicable to the Property and of record in Davidson County, Tennessee.

23.17 **Limitation during Sale Period.** None of the restrictions contained in this Paragraph 23 shall apply to the commercial activities, signs or billboards, if any, of the Declarant during the sales period of the Planned Unit Development or to the activities of the Association or its Board of Directors in furtherance of its powers and purposes set forth herein and in its Charter and Bylaws, as the same may be amended from time to time.

23.18 **Mold/Mildew**. Mold and/or mildew can grow in any portion of the Planned Unit Development that is exposed to elevated levels of moisture. Each Unit Owner agrees to: (i) regularly inspect the parts of the Planned Unit Development that they respectively

maintain, and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew, and/or water intrusion and/or damage; (ii) upon discovery, immediately repair in a good and workmanlike condition the source of any water intrusion in the parts of the Planned Unit Development that they respectively maintain; (iii) remediate or replace any building material located in the parts of the Planned Unit Development that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (iv) promptly and regularly remediate all mold and/or mildew discovered in the parts of the Planned Unit Development that they respectively maintain in accordance with current industry-accepted methods. In addition, the Association agrees to notify the Unit Owners, and each Unit Owner agrees to notify the Association of the discovery of mold, mildew, and/or water intrusion and/or damage in the parts of the Planned Unit Development that they respectively maintain.

23.19 **Grills.** No person may operate a grill on the porches or within ten (10) feet of a Building within the Planned Unit Development. For the purpose of this provision, the term "grill" means any grill, hibachi, cooker, charcoal burner, portable gas stove, propane stove, or barbecue pit designed to cook food. The term "grill" particularly includes charcoal grills. The use of lighter fluid or any other highly flammable petroleum product is prohibited.

24. **Party Walls.** Each wall built as a part of the original construction of a structure upon the Private Elements 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 Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be equally shared by the Unit Owners who make use of the wall, provided that the party causing any damage shall be responsible for the full cost thereof in accordance with applicable law.

25. **Additional Rights of Eligible Mortgage Holders and Other Parties**. The following provisions are intended for the benefit of each Eligible Mortgage Holder, and to the extent that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

25.1 **Information to Eligible Mortgage Holders**. Upon request in writing, the Association shall furnish each Eligible Mortgage Holder, and any holder, insurer or guarantor of the Mortgage held by such Eligible Mortgage Holder, with a written notice of any default by the Unit Owner of such Unit in the performance of such Unit Owner's obligations under this Declaration that is not cured within thirty (30) days.

25.2 **Additional Rights of Eligible Mortgage Holders.** Upon request in writing, each Eligible Mortgage Holder of a Unit and any holder, insurer or guarantor of a first Mortgage on a Unit shall have the right:

(a) to examine current copies of this Declaration, the By-Laws, Rules and Regulations and the books, records and financial statements of the Association during normal business hours;

(b) to receive, without charge and within a reasonable time after such request, the annual financial statement which is prepared and distributed by the Association to the Unit Owners at the end of its fiscal year;

(c) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(d) to receive written notice of any decision by the Unit Owners to make a material amendment to this Declaration, the By-Laws or the Charter of the Association;

(e) to receive written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(f) to receive written notice of any action which would require the consent of a specified number of Eligible Mortgage Holders pursuant to the terms of this Declaration.

25.3 **Rights of Eligible Mortgage Holders in Respect of Insurance Proceeds**. No provision of this Declaration, the Charter or By-Laws or any similar instrument pertaining to the submitted Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over any rights of the Eligible Mortgage Holders of Units pursuant to their Mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, Limited Common Elements or Private Elements, or any portion thereof or interest therein. In such event, the Eligible Mortgage Holder of a Unit shall be entitled, upon specific written request, to timely written notice of any such loss.

25.4 **Consent of Eligible Mortgagees Required for Certain Material Changes**. In addition to any other provisions of this Declaration that set forth particular requirements for amendment of this Declaration, and provided that the Association has received a written request for advance notice of the relevant proposed action within twelve months prior to the taking of the proposed action, the consent of Eligible Mortgage Holders that represent at least fifty-one percent (51%) of the Units that are subject to Mortgages held by Eligible Mortgage Holders who have given such advance written notice shall be required (i) for any amendment to this Declaration which is of a material adverse nature to the rights of Eligible Mortgage Holders or (ii) to otherwise add or amend any provisions of this Declaration which establish, provide for, govern or regulate any of the following changes:

(a) Reallocation of interests in the Townhouse Corporation, the Common Elements, Limited Common Elements or Private Elements, or rights to their use, except as set forth herein;

(b) Redefinition of any Unit boundaries;

(c) Convertibility of Units into Common Elements or vice versa;

(d) Restoration or repair of the Planned Unit Development (after damage or partial condemnation) in a manner other than that specified herein or elsewhere in the governing documents of the Planned Unit Development;

(e) Any provisions that expressly and materially benefit Mortgage Holders, insurers or guarantors; and

(f) Termination of the legal status of the Planned Unit Development after substantial destruction or condemnation.

25.5 **Notices to First Mortgagees upon Damage, Etc.** Each Eligible Mortgage Holder holding a first Mortgage on a Unit, or holder, insurer or guarantor of a first Mortgage on a Unit, who has made written request of the Association within the twelve-month period immediately preceding such occurrence, shall be furnished written notice by the Association in the event of the occurrence of:

(a) any material damage to or destruction of the Common Elements. For such purposes, any damage or destruction affecting any portion of the Common Elements to the extent of Twenty Thousand Dollars ($20,000.00) or more of their value shall be deemed material;

(b) any delinquency of sixty (60) days or more in the payment of assessments or other charges owed by the Owner of any Unit on which such Eligible Mortgage Holder holds a first Mortgage;

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

(d) a proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

25.6 **First Mortgagee's Rights Confirmed**. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, or if any Unit or any portion thereof or the Common Elements or any portion thereof shall be destroyed or damaged by a casualty, then the Eligible Mortgage Holder(s) of each affected Unit or Units will be entitled to timely written notice, upon specific written request made within the twelve-month period immediately preceding such proceeding, of any such proceeding or proposed acquisition, and the distribution to such Unit Owner of the proceeds of any award, settlement, or insurance proceeds under this Declaration, the Bylaws or otherwise, shall at all times be subject to the terms of the Eligible Mortgage Holder's Mortgage, provided that, the Association has actual (as opposed to constructive) written notice of such terms.

25.7 **Deemed Approval by First Mortgagee**. Any Eligible Mortgage Holder that holds a first Mortgage on a Unit who has made a written request for and has received a written proposal to approve additions or amendments and fails to deliver or mail to the

requesting party a negative response within sixty (60) days following receipt of notice of such proposal shall be deemed to have approved such request, provided that the notice was delivered by certified or registered mail, "return receipt requested."

25.8 **Mortgagee Consent Not Unreasonably Withheld, Etc.** Any Mortgagee consent required under this Paragraph 25 shall not be unreasonably withheld, conditioned or delayed.

25.9 **No Impairment of Mortgagees' Rights**. Notwithstanding anything to the contrary herein contained, the provisions of this Declaration governing leases of Units shall not apply to impair the right of any first Mortgagee to:

(a) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage; or

(b) take a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or

(c) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

25.10 **Notices to Association**. Each Owner shall be obligated to furnish to the Association the name and address of any Mortgagee encumbering such Owner's Unit.

25.11 **Construction of this Paragraph**. Nothing contained in this Paragraph 25 shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Bylaws of the Association or Tennessee law for any of the actions set forth in this Paragraph 25.

26. **Amendments.** Any amendments to this Declaration not otherwise provided for herein shall be adopted upon the affirmative vote or written consent of Unit Owners possessing at least sixty-seven percent (67%) of the total membership percentage in the Townhouse Corporation and, in addition thereto, the affirmative vote or written consent of a Majority of the Class A Members and of a Majority of the Class B Members and, if required for any reason, Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units that are subject to Mortgages held by Eligible Mortgagees, except for amendments otherwise provided for herein or as set forth below:

(a) During the Period of Declarant Control, the Declarant may amend this Declaration in order to correct errors made therein.

(b) The Declarant may amend this Declaration for the purpose of changing the percentage of ownership allocated to and the dimensions and configuration of any Units owned by the Declarant prior to the first conveyance of any such Unit to a person other than the Declarant.

(c) The Declarant, during the Period of Declarant Control, and thereafter the Association, may execute any amendments necessary to reflect the taking of all or any portion of a Unit or Units, or of the Property by eminent domain.

(d) Except as otherwise set out herein, including without limitation paragraph 4 hereof, amendments to this Declaration to change the percentage of ownership or the dimensions of any Units owned by adjacent Unit Owners may be adopted upon being duly executed by such Unit Owners and any Mortgagee having an interest in such Units, provided such amendment does not change either the aggregate ownership percentages or the aggregate dimensions of such Units and is approved by the Declarant, during the Period of Declarant Control, and thereafter by the Board of Directors, subject to such requirements as they may impose as a condition of such approval, including, but not limited to, minimum Unit or storage space size requirements, architectural and engineering plans, maintenance of liability insurance during construction, performance and payment bonds, or otherwise, the expense of which shall be borne by the affected Unit Owners.

(e) Amendments executed by the Declarant in accordance with paragraph 14.

(f) Except as specifically permitted hereby, no amendment shall be permitted that would unfairly discriminate against any non-consenting Unit Owner or Mortgagee or modify the interest of such non-consenting Unit Owner or Mortgagee with respect to percentage of ownership allocated to a Unit, the boundaries of such Unit, or lessen the requirements for amendment to this Declaration.

(g) No amendment shall reduce the rights of Mortgagees hereunder without the prior written approval of Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units that are subject to Mortgages held by Eligible Mortgagees.

(h) The following amendments may be made by the Declarant alone during the Period of Declarant Control and thereafter by the Board of Directors without the necessity of a vote of the Unit Owners: amendments to correct any scrivener's errors or to make other nonmaterial changes; to comply with applicable federal, state or local laws; or to bring the Planned Unit Development into compliance with the applicable Rules and Regulations of the Federal National Mortgage Association ("FNMA"), Department of Housing and Urban Development ("HUD") and/or Veterans Administration ("VA").

(i) No amendment shall reduce or affect the right of a Unit Owner of unimproved Units, as Declarant, to construct such Units.

(j) During the period of Declarant Control, no amendment shall reduce or affect the rights of the Declarant hereunder without consent of, and execution by, the Declarant.

The foregoing amendments shall be deemed effective when duly executed by the Declarant or certified by the Association, as the case may be, and recorded by appropriate instrument in the Register's Office of Davidson County, Tennessee. Any legal proceeding to

contest the validity of an amendment must be filed within one (1) year of the date the amendment is recorded in said Register's Office.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the date first above written.

DECLARANT:

SPIVA/HILL MANAGEMENT AND INVESTMENT, LLC

By: _____
George N. Spiva, Chief Manager

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, a Notary Public of the said county and state, George N. Spiva, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the Chief Manager (or other officer authorized to execute the instrument) of Spiva/Hill Management and Investment, LLC, a Tennessee limited liability company, the within named bargainor, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself as Chief Manager.

Witness my hand and seal this 20th day of February, 2013.

MORGAN WILEY
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

My Commission Expires July 7, 2014

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF PARCEL

EXHIBIT "A"

Land in Davidson County, Tennessee, being Lots Nos. 4 and 5 on the Plan of Jones and Calhoun Subdivision, of record in Plat Book 161, page 40, Register's Office for Davidson County, Tennessee, to which plan reference is made for a more complete description.

Said Lots No. 4 and 5 front 50 feet each on the westerly side of 22nd Ave., South, or Convent Place, and run back between parallel lines 175 feet to an alley.

Being the same property conveyed to Spiva/Hill Management and Investment, LLC, by deed from Michael S. Davidson and wife, Rebecca G. Davidson, of record as Instrument No. 20120720-0064030, Register's Office for Davidson County, Tennessee.

EXHIBIT B

BYLAWS
OF
CONVENT PLACE TOWNHOUSE CORPORATION

BYLAWS
OF
CONVENT PLACE TOWNHOUSE CORPORATION

These are the Bylaws of **Convent Place Townhouse Corporation,** a Tennessee nonprofit corporation (the "Association") whose members are comprised of those persons who hold ownership interests in the Units of Convent Place Townhomes, a Planned Unit Development located in Nashville, Davidson County, Tennessee, and whose membership is required by that certain Declaration (the "Declaration"), to which these Bylaws are attached as an exhibit, recorded in the Register's Office for Davidson County, Tennessee. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Declaration. The words "Member" or "Members" as used in these Bylaws mean and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration.

ARTICLE I
APPLICABILITY; OFFICE; CLASSES OF MEMBERS

Section 1. Unit Ownership. The property located in Nashville, Davidson County, Tennessee, described in the Declaration, hereinafter called the "Property", has been submitted to the provisions of the Horizontal Property Act (the "Act") of the State of Tennessee by the Declaration.

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the building, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, personal, or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of the Horizontal Property Act of the State of Tennessee. The Association has been formed to administer the affairs of the Property.

Section 3. Application. All present and future Unit Owners, Mortgagees, and Occupants of Units and their lessees, tenants, and employees, and any other persons who may use or occupy any portion of the Property in any manner are subject to these Bylaws, the Declaration and all rules and regulations adopted by the Association's Board of Directors. The acceptance of a deed or conveyance, or the entering into of a lease, or the act of occupancy of a Unit, shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

Section 4. Office. The office of the Association shall be located at 4121 Hillsboro Pike, Suite 302, Nashville, Davidson County, Tennessee 37215. The Board of Directors shall have full power and authority to change the principal office from one location to another by appropriate resolution. The Association may also have offices at such other places, within or without the State of Tennessee, as the Board may from time to time designate, or as the business of the Association may require.

Section 5. Classes of Members. There shall be two classes of Members in the Association, to be designated "Class A Members" and "Class B Members." "Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the voting rights of the

Unit Owners, including both Class A and Class B Members. For this purpose, each Unit shall be allocated one vote, provided that, notwithstanding the foregoing or anything else contained in these Bylaws, the Declaration, the Charter, or any other governing document, during the Period of Declarant Control each Unit owned by the Declarant shall be allocated three votes. "Majority of the Class A Members" means the owners representing more than fifty percent (50%) of the voting rights of Class A Units. "Majority of the Class B Members" means the owners representing more than fifty percent (50%) of the voting rights of Class B Units. Buildings A and B will each be Class A Units, and the owners of Buildings A and B will be Class A Members, entitled to an aggregate of one vote for each such Building after the expiration of the Period of Declarant Control. The five Units in Building C will be Class B Units, and the owners of such Units will be Class B Members, entitled to one vote for each such Unit, or an aggregate of five votes for such Building, after the expiration of the Period of Declarant Control. Following the expiration of the Period of Declarant Control, approval of matters to be voted on by the Members of the Association shall require the affirmative vote of a Majority of the Class A Members and the affirmative vote of a majority of the Class B Members, unless otherwise specifically provided in this Declaration or in the Bylaws or other governing document. Where, however, an action specifically requires the approval of a majority of the pro rata membership interests in the Association, then the vote allocated to each Unit shall be based on its pro rata membership in the Townhouse Corporation.

ARTICLE II
MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of Members shall be held at any place within or without the State of Tennessee as designated by the Board of Directors or by the written consent of all persons entitled to vote thereat. In the absence of any such designation, Members' meetings shall be held at the principal office of the Association. Any meeting is valid wherever held if held by the written consent of all persons entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Association.

Section 2. Annual Meeting. Commencing in the first year following the year in which the administration of the affairs of the Association are transferred from the Declarant to the Members of the Association, an annual meeting of the Members of the Association shall be held on a Saturday or Sunday during the first calendar quarter of such year, and each year thereafter, between the hours of 9:00 a.m. and 9:00 p.m., the date, time and place to be determined by the Board of Directors, for the election of Directors and for the transaction of such other business as may be brought before the meeting.

Section 3. Special Meetings. Special meetings of the Members may be called on the order of the President or of a majority of the Board of Directors, or upon the written request of Members holding ten percent (10%) or more of the total votes of the Association. Business transacted at a special meeting shall be confined to the purposes stated in the notice for that meeting.

Section 4. Fixing Record Date. For the purpose of determining the Members entitled to notice of any meeting, or any adjournment thereof, or for the purpose of any other action, the Board shall fix in advance a date as the record date for such determination. Such date shall not be more

than thirty (30) nor less than ten (10) days before the date of the meeting. If no record date is fixed, then the date shall be determined in accordance with the provisions of law relating thereto. Any Member who is in default with respect to any provision of the Declaration and/or these Bylaws shall not be entitled to vote at any meeting of the Members for so long as such default continues.

Section 5. Notice. Written, printed or electronic notice stating the place, date and hour of the meeting, a description of any matters which must be approved by the Members as set forth in Section 48-57-105(c)(2) of the Tennessee Nonprofit Corporation Act, and in the case of a special meeting, a statement of the purpose or purposes for which the meeting is called and the person or persons calling the meeting, shall be delivered either personally, electronically or by United States mail, by or at the direction of the President, Secretary, or other person calling the meeting to each Member entitled to vote at the meeting. Such notice shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, and shall be deemed delivered when deposited in the United States mail addressed to the Member at his address as it appears on the books of the Association, with postage thereon prepaid or, if personally delivered, when actually received by the Member or, if delivered electronically, when sent to the last known electronic mail address of such Member on the books of the Association. The person giving such notice shall certify that the notice required by this paragraph has been given, unless such notice is waived. Notice may be waived prior to, at, or subsequent to any meeting. Attendance of any Member at a meeting, in person or by proxy, shall constitute a waiver of notice of the meeting by such Member.

Section 6. Voting Rights. The aggregate number of votes for all Members of the Association shall be seven (7) and shall be divided among the respective Members, with one (1) vote granted to each Unit; *provided that*, notwithstanding the foregoing, or anything else contained in the Declaration, the Association's Charter, or these Bylaws, until the expiration of the Period of Declarant Control, the Declarant shall have three (3) votes for each Unit owned by it. No votes allocated to a Unit owned by the Association, if any, may be cast. The vote of Members holding a majority of the voting rights of Class A Members and a majority of the voting rights of Class B Members present at a meeting at which a quorum is present shall be the act of the Association, unless the vote of a greater or different number (such as, e.g., a pro rata portion of the total membership interests in the Association) is required by the Declaration, the Association's Charter, these Bylaws or the laws of the State of Tennessee.

Section 7. Quorum. Members representing ten percent (10%) or more of the votes entitled to be cast by Class A Members and ten percent (10%) or more of the votes entitled to be cast by Class B Members at any meeting, present in person or by proxy, shall constitute a quorum for the transaction of business, except as may otherwise be provided by law, by the Association's Charter, the Declaration, or these Bylaws. If a quorum shall not be present or represented by proxy at any such meeting, then those entitled to vote thereat, present in person or represented by proxy, may adjourn the meeting from time to time and notice of an adjourned meeting need not be given if the time and place to which it is adjourned are announced at the meeting at which adjournment is taken. No such adjourned meeting shall be held more than sixty (60) days following the preceding meeting. When a quorum is present to organize the meeting, it cannot be broken by the subsequent withdrawal of a Member or Members.

Section 8. Proxies. Every Member entitled to vote at a meeting may do so either in person or by written proxy, which proxy shall be signed and dated and filed with the Secretary of the meeting before being voted. Such proxy shall entitle the holders thereof to vote at any adjournment of such meeting, but shall not be valid after the final adjournment thereof, unless otherwise provided therein. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 9. Chairman of Meeting. The President, or in his or her absence, a Vice President, shall preside at all meetings of the Members. In the absence of the President, and the Vice President, the Board may appoint any Member to act as Chairman of the meeting.

Section 10. Secretary of Meeting. The Secretary of the Association shall act as secretary at all meetings of the Members and, in his or her absence, the Chairman may appoint any person to act as secretary for the meeting.

Section 11. Order of Business. The order of business at the annual meeting of the Members shall be as follows:

(a) Calling the roll and certifying the proxies.

(b) Proof of notice of the meeting or certificates as to waivers.

(c) Reading and disposal of unapproved minutes.

(d) Reports of the officers of the Association.

(e) Reports of the Board of Directors of the Association.

(f) Reports of Committees.

(g) Selection and appointment of inspectors of election (if deemed necessary).

(h) Election of Board of Directors of the Association.

(i) Unfinished business.

(j) New business.

(k) Adjournment.

Section 12. Order of Business at Other Meetings. The order of business at all other meetings of the Members shall as far as practical conform to the order of business at the annual meeting insofar as the special purpose of the meeting will permit.

Section 13. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association Members at any annual, regular or special meeting may be taken without a meeting by either written consent in conformity with Section 48-57-104 of the Tennessee Nonprofit Corporation Act or by written ballot in conformity with Section 48-57-108 of the Tennessee Nonprofit Corporation Act.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Management of Association. The property, business and affairs of the Association shall be managed and controlled by its Board of Directors. The Board shall, without limitation, have the following powers and duties:

(a) To elect and remove the officers of the Association, as hereinafter provided;

(b) To administer the affairs and property of the Association;

(c) To formulate policies for the administration, management and operation of the Common Elements and the Property;

(d) To adopt and enforce rules and regulations governing the administration, management, operation and use of the Units, the Limited Common Elements, the Private Elements, the Common Elements and the Property, including without limitation the parking areas located thereon, and to amend such rules and regulations from time to time;

(e) To provide for the maintenance, repair and replacement of the Common Elements, and payment therefor, and to approve payment vouchers or to delegate such approval to the officers;

(f) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Elements. The Board is affirmatively given the power to contract for such services with the Declarant, so long as the amount to be paid the Declarant under such contract is fair, reasonable, and in the best interests of the Association;

(g) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board, as set out in Section 13 of this Article III;

(h) To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(i) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Members their respective shares of such estimated expenses, as provided in the Declaration and in these Bylaws;

(j) To borrow money if necessary to avoid an operating or other deficit in the Association's finances, or to provide funds in an emergency, or for any purpose deemed necessary by them, to pledge the Association's assets to secure such borrowing, and to provide for a special assessment, if necessary, to repay such borrowing; and

(k) To impose fines for violations of the Act, the Charter of Incorporation, the Declaration, these Bylaws, or any rules and regulations or published policies adopted by the Board which govern the administration, management, operation and use of the Common Elements and/or the Property.

Section 2. Period of Declarant Control. Notwithstanding anything to the contrary contained herein, the Declarant will have the exclusive authority to appoint and remove directors and officers until the earlier to occur of: (1) five (5) years after the recording of the Declaration creating the Planned Unit Development; (2) twelve (12) months after the date as of which ninety percent (90%) of the Units of the Planned Unit Development shall have been conveyed to Owners other than the Declarant or an affiliate of the Declarant; or (3) the surrender in writing by the Declarant of the authority to appoint and remove directors and officers of the Association (the "Period of Declarant Control"); provided, however, if necessary to comply with federal regulations applicable to Mortgagees, such period shall end no later than the earliest of the dates prescribed in (1), (2), and (3) above.

Section 3. Qualification. Until the expiration of the Period of Declarant Control, Directors need not be Members of the Association. After such expiration, the Directors shall be Members of the Association or spouses of Members of the Association. All Directors must be of legal age. Each Director shall hold office until the expiration of the term for which he is elected, and thereafter until his successor has been duly elected and qualified.

Section 4. Classes of Directors; Number and Term of Office. There shall be two classes of directors, designated as "Class A Directors" and "Class B Directors." Until the expiration of the Period of Declarant Control, the Board shall consist of three (3) persons chosen by the Declarant. Thereafter, the Board shall continue to consist of three (3) persons, to be elected at an annual meeting or at a special meeting called for that purpose. One of such directors shall be elected by the Class A Members and shall be designated as a Class A Director, and two of such directors shall be elected by the Class B Members and each shall be designated as a Class B Director. Any action to be taken by the Board of Directors shall require the affirmative vote of one Class A Director and the affirmative vote of one Class B Director. If the expiration of the Period of Declarant Control occurs prior to an annual meeting, the Declarant may appoint three (3) persons to serve as directors until the next annual meeting. At the first annual meeting at which Directors are elected and for all subsequent elections, directors shall be elected to serve for terms of one year, and there shall always be at least one Class A Member and at least one Class B Member serving on the Board. If these Bylaws are amended at any time to increase the number of directors, provision shall be made in such amendment for at least one Class A Director and at least one Class B Director to be serving at all times, and such amendment shall further provide that any action by the Board shall require the affirmative vote of at least a majority of the Class A Directors and a majority of the Class B Directors.

Section 5. Election.

(a) For Member elected directors, those receiving the greater number of votes out of the number to be cast shall be declared elected, and in case of a tied vote as to the last place to be filled, a new ballot shall be cast in order to determine the last successful candidate.

(b) No Member who has failed to pay any dues or assessments to the Association, nor any Member against whom a lien therefor is being prosecuted or foreclosed, shall be eligible for election as an officer or a member of the Board.

(c) A vacancy created by the death, resignation, withdrawal or removal of a Class A Director shall be filled by a vote of the Class A Members. A vacancy created by the death, resignation, withdrawal or removal of a Class B Director shall be filled by a vote of the Class B Members. If permitted by the Tennessee Nonprofit Corporation Act, any such vote may be taken by written ballot among the applicable members without the necessity for a meeting. Such written ballots shall be retained in the records of the Association. Directors elected to fill any vacancy due to death, resignation, withdrawal or removal shall serve for the remaining unexpired term of the Director they replace.

Section 6. Removal and Resignation. After the expiration of the Period of Declarant Control:

(a) Other than a Director appointed by the Declarant, the Class A Members may remove a Class A Director, and the Class B Members may remove a Class B Director, with or without cause if the votes cast to remove a director would be sufficient to elect the Director at a meeting to elect Directors. Any such director may be removed only at a meeting called for the purpose of removing the Director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

(b) A Director may resign at any time by giving written notice to the Board, the President, or the Secretary. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board or by the officers designated to receive the same, and acceptance of the resignation shall not be necessary to make it effective.

Section 7. Annual and Regular Meetings. The annual meeting of the Board of Directors, of which no notice shall be necessary, shall be held immediately following the annual meeting of the membership, or immediately following any adjournment thereof, for the purpose of organizing the Board, for the election or appointment of officers for the ensuing year, and for the transaction of such other business as may be conveniently and properly brought before such meeting. The Board may also designate more frequent intervals for regular meetings. Notwithstanding the foregoing, the Board shall not be required to hold regular meetings during the Period of Declarant Control.

Section 8. Special Meetings. Special meetings of the Board may be called by order of the President or by any two (2) Directors, and shall be held in Nashville, Tennessee. The time and place of said meeting shall be noted in the call for the meeting.

Section 9. Notice of Directors Meetings. The annual and all regular Board meetings may be held without notice. The Secretary shall give notice of the time, place and purpose or purposes of any special meeting by mailing the same at least five (5) days before the meeting or by telephoning the same at least three (3) days before the meeting, to each Director at his address as it appears on the books of the Association. Such notice may be waived prior to, at, or subsequent to any such meeting.

Section 10. Conduct of Meetings. At meetings of the Board of Directors, the President, or a designated Vice President, shall preside. The Secretary or Assistant Secretary shall keep minutes of the meeting or, in their absence, the presiding officer shall appoint any person to keep such minutes.

Section 11. Quorum and Vote. The presence of a majority of the Directors which includes at least one Class A Director and at least one Class B Director, in person, by telephone, or by any other means of communication by which all Directors participating may simultaneously hear each other during the meeting, shall constitute a quorum for the transaction of business, but less than a quorum may adjourn any meeting from time to time until a quorum shall be present. No notice of an adjourned meeting need be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, if the period of adjournment does not exceed thirty (30) days in any one adjournment. The vote of a majority of the Class A Directors and a majority of the Class B Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the vote of a greater number is required by the Declaration, the Association's Charter, these Bylaws, or the laws of the State of Tennessee. No action may be taken at a meeting unless at least one Class A Director and at least one Class B Director are present. At any meeting at which every Director shall be present, even though without notice, any business may be transacted.

Section 12. Voting by Consent. Whenever the Directors of this Corporation are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, and signed by all the Directors entitled to vote thereon.

Section 13. Managing Agent and Manager. The Board may employ for the Property a managing agent or a manager at a compensation established by the Board, to perform such duties and services as the Board shall authorize.

Section 14. Compensation. The Directors shall receive such compensation for their services as Directors and as members of any committee appointed by the Board as may be authorized by vote of the Members. In the absence of any appropriate action by the Members, the Directors shall receive no compensation but shall be reimbursed for reasonable expenses incurred in the performance of their duties.

Section 15. Director Conflicts of Interest. Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director, provided that the Director's interest is disclosed to the Board and the contract is approved by a majority of the Directors who are at a meeting of the Board of Directors at which a quorum is present; excluding the Director with whom the contract is made. The interested Director shall not count for purposes of establishing a quorum of the Board. The interested Director shall be entitled to be present at any meeting at which the proposed contract is discussed but shall not be entitled to discuss the proposed contract during the discussions. Each Member acknowledges that Declarant and its affiliates may provide services utilized by communities such as this Property including, but not limited to, management services, telecommunications services, parking, management, and other services. Notwithstanding anything set forth herein, the Directors, during the Period of Declarant Control, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates and each Member consents and agrees thereto.

Section 16. Liability and Indemnification of Officers, Directors and Committee Members. To the maximum extent permitted by the laws of the State of Tennessee, including without limitation Section 48-58-601 of the Tennessee Nonprofit Corporation Act, as amended from time to time, no present or future Director of the corporation (or his or her estate, heirs or personal representatives) shall be liable to the corporation or its Members for monetary damages for breach of fiduciary duty as a Director of the corporation. Any liability of a Director (or his or her estate, heirs or personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future Director and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, including without limitation Sections 48-58-501, *et seq.* of the Tennessee Nonprofit Corporation Act, both as now in effect and as hereafter adopted or amended.

ARTICLE IV
OFFICERS

Section 1. Number and Qualifications. The Association shall have a President and a Secretary, and such other officers as the Board shall from time to time deem necessary or advisable. Any two (2) or more offices may be held by the same person, except the office of President and Secretary. An officer may be removed at any time by a majority vote of the entire Board.

Section 2. Election and Term. The officers shall be elected by the Board of Directors at its annual meeting. Each officer shall serve until the expiration of the term for which he is elected, and thereafter until his successor has been duly elected and qualified or until removed as herein provided.

Section 3. Duties of Officers. Officers shall have such authority and perform such duties in the management of the Association as are hereinafter set out, and such additional duties as are normally incident to their offices and as the Board may from time to time prescribe.

Section 4. Duties of President. The President shall be the Chief Executive Officer of the Association and, when present, shall preside at all meetings of the membership and shall preside at the meetings of the Board of Directors. The President or Vice President, unless some other person is specifically authorized by vote of the Board of Directors, shall sign all documents on behalf of the Association, including, but not limited to, deeds, mortgages, leases and contracts of the Association.

Section 5. Duties of Vice President. The Vice President, if any, shall perform the duties and have the powers of the President during the absence or disability of the President.

Section 6. Duties of Secretary. The Secretary shall keep accurate minutes of all meetings of the membership and all meetings of the Board of Directors and, to the extent ordered by the Board of Directors or the President, the minutes of meetings of all committees. He shall cause notice to be given of meetings of Members, of the Board of Directors and, when requested to do so, of any committee appointed by the Board. He shall have general charge of the records, documents and papers of the Association which shall, at all reasonable times, be open to examination by any Director or Member. He may sign or execute contracts with the President or a Vice President thereunder authorized in the name of the Association.

Section 7. Duties of Treasurer. The Treasurer, if any and subject to the order of the Board of Directors, shall be responsible for the money and funds of the Association and shall deposit such monies and funds in the name of the Association in such banks as the Board of Directors may designate. The Treasurer shall make, sign, and endorse the name of the Association on all checks, drafts, notes and other orders for the payment of money, and pay out and dispose of its funds under the direction of the President or the Board of Directors. No payment for any purpose in excess of the amount budgeted for that purpose shall be made without approval of the Board of Directors. If required by the Board, the Treasurer shall give such bond as shall be determined appropriate for the faithful performance of his duties.

Section 8. Compensation of Officers. The officers shall receive such salary or compensation as may be fixed by the Board of Directors and approved by the Members. If no action is taken to set such salary, then they shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties.

Section 9. Resignations and Vacancies. Any officer may resign at any time by giving written notice to the President or the Secretary. Any such resignation shall take effect at the time specified therein, or if no time is specified, upon its acceptance by the Board of Directors. A vacancy in any office arising because of death, resignation, removal, incapacity or otherwise may be filled by the Board for the unexpired portion of the term.

Section 10. Removal of Officers. Any officer or agent may be removed by the Board, with or without cause, whenever in its judgment the best interests of the Association will be served thereby.

ARTICLE V
OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Common Charges. The Board shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges required to meet the common expenses of the Association, and allocate and assess such common charges against the Members, other than the Declarant with respect to unoccupied Units held by it for sale (with respect to which the Declarant shall pay the actual expenses), according to their respective pro rata percentages of Membership in the Townhouse Corporation. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of Section 9 of this Article V. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Association, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. Any expense which benefits one or more but less than all of the Units may be charged against the Unit or Units so benefited. The Board shall advise each Member in writing of the amount of common charges payable by him or her, and shall furnish copies of each budget on which such common charges are based to all Members and to their Mortgagees.

Section 2. Purpose of Assessments. The assessments levied by the Board shall be used exclusively to promote the health, safety, and welfare of the Members and in particular for the improvement and maintenance of the Units and Common Elements, including, without limitation, maintenance, repair and reconstruction. Such maintenance shall include, but not be limited to the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Elements, the procurement and maintenance of insurance in accordance with the Declaration, the employment of attorneys to represent the Board when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, roofs, paving, and any other major expense for which the Board is responsible, and such other needs as may arise.

Section 3. Reserves. The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Elements and those other portions of the Property which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expenses. This Section shall not be construed to limit or restrict in any way the Board's authority to impose special assessments in accordance with Section 4 below.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments, the Board may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Property or Common Elements, or for any other purpose deemed appropriate by the Board in the exercise of its reasonable judgment. The Board may permit any special assessment to be paid in installments over any period deemed

reasonable by the Board even though such period may extend beyond the year in which the special assessment is levied.

Section 5. Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be based on the pro rata share of the membership interests in the Townhouse Corporation appurtenant to each Unit (other than Units held for sale by the Declarant). The amount of the assessment owed by the owners of each Unit shall be calculated by multiplying the total assessment by the pro rata percentage interest in the Membership of the Townhouse Corporation allocated to such Unit. Annual assessments shall be collected on a monthly basis. Special assessments shall be collected as determined by the Board. Notwithstanding the foregoing, an increase in the annual assessment that is more than twenty-five percent (25%) of the assessment for the previous year must be approved by a Majority of the Class A Members and by a Majority of the Class B Members at a meeting duly called for that purpose or at an annual meeting.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Unit on the first day of the month following the conveyance of the Unit, or at such other time as may be determined by the Board. Such annual assessments shall be paid ratably on a monthly basis. Thereafter, the Board shall fix the amount of annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Member subject thereto. The due dates shall be established by the Board. The Board shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Board setting forth whether the assessments on a specified Unit have been paid.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Board. Any assessment not paid within fifteen (15) days after the due date shall be considered late and subject to a late fee, the amount of which shall be determined from time to time by the Board. The Board may bring an action at law against the Member personally obligated to pay the same and/or may foreclose the lien against the property and in either event late fees, interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or its Unit.

For the purpose of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of assessments, and for the consideration of one dollar ($1.00) paid in cash, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Members and each of them, and their respective heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto W. Lee Corbett, Trustee, his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the use and trusts set forth in this paragraph.

If the Trustor shall pay the assessments when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the assessments with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect and the said Trustee, or his successor in trust, is hereby authorized and empowered upon giving twenty (20)

days notice by three publications in any newspaper, daily or weekly, of general circulation published in Davidson County, Tennessee, to sell said Unit at the front door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity of redemption or statutory redemption, and all exemptions of every kind, which are hereby expressly waived and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Board may bid and become the purchaser at any such sale. The purchaser at any such sale of a Unit shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. The Board may, at any time after default in the payment of any assessment, enter and take possession of said property and shall only account for the net rents actually received by it. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges, and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorney's fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid with respect to such Unit;

(3) Third, to the payment of all unpaid assessments with respect to such Unit;

(4) Fourth, the residue, if any will be paid to the Member, his order, representative or assigns.

In the case of death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trust may be required or for any other reason, the Board is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument of writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

Section 8. Statement of Common Charges. The Board shall promptly provide any Member, who makes a request in writing, with a written statement of his unpaid common charges.

Section 9. Insurance. The Board shall obtain and maintain insurance as required by the Declaration.

Section 10. Repair or Reconstruction after Damage. In the event of damage to or destruction of the Building as a result of fire or other casualty, the Board shall proceed as required by the applicable provisions of the Declaration.

Section 11. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which, or as to which, such violation or breach exists and to

summarily abate and remove, at the expense of the defaulting Member, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 12. Maintenance and Repair.

(a) All maintenance of and repairs to any Unit, structural or nonstructural, ordinary or extraordinary, shall be made by the Owner of such Unit other than maintenance of and repairs to any Common Elements contained therein not necessitated by the negligence, misuse, or neglect of the Owner of such Unit. Each Member shall be responsible for all damages to any other Unit and to the Common Elements resulting from his failure to effect such maintenance and repairs.

(b) All maintenance, repairs, and replacements to the Common Elements, whether located inside or outside of the Units shall be made by the Association and be charged to all the Members as a common expense, unless necessitated by the negligence, misuse, or neglect of a Member, in which case such expense shall be charged to such Member.

(c) All maintenance, repairs, and replacements to the Limited Common Elements shall be made as provided for in the Declaration.

Section 13. Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be subject to the following limitations:

(a) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units.

(b) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance or which interferes with the peaceful possession or proper use of the Property by its Members.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the Members or the Board, whichever shall have the obligation to maintain or repair such portion of the Property.

Section 14. Additions, Alterations, or Improvements by Board. Whenever in the judgment of the Board the common elements shall require additions, alterations, or improvements, the Board shall proceed with such additions, alterations, or improvements and shall assess all Members for the cost thereof as a common charge.

Section 15. Additions, Alterations, or Improvements by Members. It is the intention of the Declarant that all improvements on the Property be compatible in exterior appearance, exterior materials, architectural style and detail with the existing Buildings on the Property or, as applicable, with the Units to be constructed on the Property, acknowledging that the Units to be constructed in Building C may not be considered compatible with Buildings A and B, which incompatibility now or in the future shall not be considered to violate this provision; to be in compliance with applicable zoning on the Property; and to be maintained in an appropriate manner. Therefore, subject to the last sentence of this subsection, no Unit Owner shall make any structural or aesthetic alterations or modifications to his Unit or to any of the Common Elements, Limited Common Elements or Private Elements, including, but not limited to, the commencement, erection, or maintenance of antennas, attached or detached signs, wall, satellite dish or other structure, planting or landscaping, awnings, painting, installation of siding, replacement of windows, the placement of any reflective or other material in the windows of the Unit or other exterior attachments, or any other change or modification to the exterior appearance of a Unit or Private Element, until the plans and specifications showing the nature, kind, shape, height, materials, location and other details, shall have been submitted to and approved in writing by the Board of Directors or by a committee (the "Architectural Review Committee") duly appointed by the Board of Directors. In the event of failure to approve or disapprove submitted plans and specifications within forty-five (45) days after said plans and specifications have been submitted, approval will be implied. Notwithstanding the foregoing, however, any renovations or modifications to Units 1 and 2 shall not require the consent or approval of the Board of Directors or of the Architectural Review Committee, so long as such renovations or modifications are not materially incompatible with such units as they presently exist.

Section 16. Use of Common Elements and Facilities. A Member shall not place any furniture, or objects in the common areas or common facilities, except in an area designated as a storage area.

Section 17. Right of Access. A Member shall grant a right of access to his Unit to the manager (if any), the managing agent (if any), and any other person authorized by the Board, the manager, or the managing agent, to make inspections; to correct any condition originating in his Unit and threatening another Unit or a Common Element; to install, alter, or repair mechanical or electrical services or other common elements in his Unit or elsewhere in the building; and to correct any condition which violates the provisions of any Mortgage covering another Unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the Member. However, in case of an emergency, such right of entry shall be immediate, whether the Member is present at the time or not.

Section 18. Rules of Conduct. The Board may promulgate and amend rules and regulations governing the use of the Units and the Common Elements. The Board shall furnish copies of such rules and regulations to each Member prior to their effective date.

Section 19. Utilities. Contracts and/or arrangements for utilities shall be made by the Board for all Units, except in instances where the Units are separately metered, and for the Common Elements, with the cost of such utilities being a common expense.

ARTICLE VI
MORTGAGES

Section 1. Mortgage of Units. No Member shall mortgage his Unit except by a first Mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund, or other institutional lender, or by a home equity loan or a purchase money Mortgage to the Declarant.

Section 2. Notice to Board. A Member who mortgages his Unit shall notify the Board of the name and address of his Mortgagee and shall file a conformed copy of the note and Mortgage with the Board.

Section 3. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a Mortgagee of a Unit, shall promptly report any then unpaid common charges or other default by the Member of the mortgaged Unit.

Section 4. Notice of Default. The Board, when giving notice to a Member of a default in paying common charges or other default, shall send a copy of such notice to each holder of a Mortgage covering such Unit whose name and address has theretofore been furnished to the Board in writing.

Section 5. Examination of Books. Each Member and each Mortgagee of a Unit shall be permitted to examine the books of account of the Property at reasonable times and as more particularly set forth in the Tennessee Nonprofit Corporation Act.

ARTICLE VII
CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Association, and shall be distributed as provided in the Declaration.

ARTICLE VIII
RECORDS

Section 1. Records and Audits. The Board or the managing agent (if any) shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board to all Members at least annually.

ARTICLE IX
SECURITY

The Association or Declarant may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve security on the Property; however, each Member, and his or her tenants, guests, licensees, and invitees, acknowledges and agrees that neither the Association nor Declarant is a provider of security and neither party shall have a duty to provide security on the Property. Furthermore, the Association does not guarantee that non-owners and non-occupants will not gain access to the Property and commit criminal acts on the Property nor does the Association guarantee that criminal acts on the Property will not be committed by other Members or Occupants. It shall be the responsibility of each Member to protect his or her person and property and all responsibility to provide such security shall lie solely with each Member. Neither Declarant nor the Association shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken.

ARTICLE X
LOSS OR DAMAGE TO PERSONAL PROPERTY

Neither Declarant nor the Association shall be held liable for any loss or damage to any personal property placed or kept in any Unit or parking area on the Property. Each Member or Occupant with use of a Unit and parking area who places or keeps a vehicle and/or any personal property in the vehicle or parking area does so at his or her own risk.

ARTICLE XI
MISCELLANEOUS

Section 1. Notices. All notices to the Board shall be hand-delivered or sent by registered or certified mail, in care of the managing agent, or if there is no managing agent, to the office of the Board or to such other address as the Board may hereafter designate from time to time. All notices to any Member shall be hand-delivered or sent by registered or certified mail to the Unit owned by such Member or to such other address as may have been designated by him or it from time to time, in writing, to the Board. All notices to Mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Incorporation by Reference. The provisions of the Declaration are incorporated herein by reference, and shall control any inconsistency with these Bylaws.

ARTICLE XII
AMENDMENTS TO BYLAWS

Section 1. Amendments to Bylaws. Except as otherwise herein provided, these Bylaws may not be modified or amended without the acquiescence and affirmative vote of Members holding sixty-seven percent (67%) or more of the total voting rights of Class A Members and sixty-seven percent (67%) or more of the total voting rights of Class B Members in the Association and, if required, Eligible Mortgagees who represent at least fifty-one percent (51%) of the Units that are subject to Mortgages held by Eligible Mortgagees. All amendments or modifications shall be evidenced by an Amendment to Bylaws prepared, executed and certified by the President and Secretary and shall be recorded by the President and Secretary in the Davidson County Register's Office.

ARTICLE XIII
CONFLICTS

Section 1. Conflicts. These Bylaws are set forth to comply with the requirements of the Horizontal Property Act of the State of Tennessee and the Tennessee Nonprofit Corporation Act. In case any of these Bylaws conflict with the provisions of such statutes or of the Declaration, the provisions of such statutes or of the Declaration, as the case may be, shall control.

EXHIBIT C

PLAT

THE UNDERSIGNED, PRESTON H QUIRK, ARCHITECT, LICENSED IN THE STATE OF TENNESSEE CERTIFIES THAT CONSTRUCTION OF THE BUILDINGS PROPOSED FOR CONVENT PLACE TOWNHOMES, A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS, COMPLIES WITH THE REQUIREMENTS FOR A PLANNED UNIT DEVELOPMENT AS SET FORTH IN TENNESSEE CODE ANNOTATED SECTION 66-27-103(b) AND ARE IN COMPLIANCE WITH THE METROPOLITAN ZONING CODE AND 2006 INTERNATIONAL RESIDENTIAL CODE FOR METROPOLITAN NASHVILLE & DAVIDSON COUNTY, DATED THIS 18TH DAY OF FEBRUARY 2013

PRESTON H QUIRK, ARCHITECT

ALLEY

100.45'

N 04°47'13" E

N 82°57'26" W

175.47'

S 82°47'49" E

176.24'

99.93'

N 05°13'06" E

CONVENT PLACE

UNIT 9 PRIVATE ELEMENT 18.0'
UNIT 8 PRIVATE ELEMENT 18.0'
UNIT 7 PRIVATE ELEMENT 18.0'
UNIT 6 PRIVATE ELEMENT 18.0'
UNIT 5 PRIVATE ELEMENT 18.0'

SPRINKLER CLOSET
LIMITED COMMON ELEMENT
UNITS 5, 6, 7, 8, 9

BUILDING C
2003 CONVENT PLACE

FLOOR AREAS:
UNIT 1 - 3120 SF
UNIT 2 - 4480 SF
UNIT 5 - 1728 SF
UNIT 6 - 1728 SF
UNIT 7 - 1728 SF
UNIT 8 - 1890 SF
UNIT 9 - 1890 SF

BUILDING B
UNIT 1
ADDRESSES
2005 CONVENT PL
APTS 1, 2
PRIVATE ELEMENT

BUILDING A
UNIT 2
ADDRESSES
2003 CONVENT PL
APTS 1, 2, 3, 4
PRIVATE ELEMENT

LIMITED COMMON ELEMENT UNITS 1 & 2

LIMITED COMMON ELEMENT UNITS 1 & 2

LEGEND
PRIVATE ELEMENTS
LIMITED COMMON ELEMENTS
COMMON ELEMENTS

N

QUIRK DESIGNS

CONVENT PLACE TOWNHOMES
A HORIZONTAL PROPERTY REGIME
WITH PRIVATE ELEMENTS
OWNER: SPIVA HILL PROPERTIES
PROPERTY:
BOOK PAGE ROOCT

EXHIBIT

EXHIBIT D

PERCENTAGES OF OWNERSHIP

Exhibit D

Percentages of Ownership

Unit 1 – 18.84%
Unit 2 – 27.05%
Unit 5 – 10.43%
Unit 6 – 10.43%
Unit 7 – 10.43%
Unit 8 – 11.41%
Unit 9 – 11.41%

EXHIBIT E

LEGAL OPINION

CORBETT CROCKETT
An Association of Attorneys

February 26, 2013

Spiva/Hill Management and Investment, LLC
4121 Hillsboro Pike, Suite 302
Nashville, TN 37215

Re: Convent Place Townhouses/PUD

Gentlemen:

We have reviewed the following:

1. Declaration Establishing Convent Place Townhomes, a Planned Unit Development, of record in the Register's Office for Davidson County, Tennessee, to which this opinion is attached (the "Declaration").

2. Bylaws of Convent Place Townhouse Corporation, attached as Exhibit B to the Declaration.

3. Plat of Convent Place Townhomes, attached as Exhibit C to the Declaration.

4. Charter of Convent Place Townhouse Corporation, a Tennessee not for profit corporation, dated of even date herewith and recorded in the office of the Secretary of State of Tennessee, and in the Register's Office for Davidson County, Tennessee.,

5. Certificate of Preston Quirk, licensed professional architect, State of Tennessee, to the effect that construction of the Units comprising Convent Place Townhomes will be in substantial compliance with applicable local building codes for planned unit developments, such certificate being appended to the Plat attached to the Declaration as Exhibit C.

The documents described in paragraphs 1, 2, 3, 4 and 5 are incorporated herein by reference.

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Based solely upon our review of these documents, we are of the opinion that these documents are sufficient under Tenn. Code Ann. §66-27-101 *et. seq.* to create a planned unit development under said statute. This opinion is intended to comply with Tenn. Code. Ann. §66-27-103.

Yours very truly,

W. Lee Corbett P.C.

W. Lee Corbett, P.C.