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DECLARATION OF PROTECTIVE COVENANTS CONDITIONS AND RESTRICTIONS FOR TOWNHOMES AT 2818 VAULX A TOWNHOUSE PLANNED UNIT DEVELOPMENT

(Horizontal Property Regime with Private Elements)

THIS DECLARATION of Protective Covenants, Conditions and Restrictions for Townhomes at 2818 Vaulx, a Townhouse Planned Unit Development ("Horizontal Property Declaration"), a Horizontal Property Regime with Private Elements, is made this 27th day of August 2014, by Derek Young and Deirdre Young (the "Developer"), pursuant to the provisions of the Horizontal Property Declaration and the Horizontal Property Act of the State of Tennessee codified at Tenn. Code Ann. § 66-27-101 through 123 (the "Act"), for the purpose of forming a development property and establishing certain easements, covenants and restrictions to run with the land:

WHEREAS, Developer is the owner of certain real property located in Nashville, Davidson County, Tennessee, more particularly described on Exhibit A attached hereto (the "Property" or "Development Property");

WHEREAS, it is contemplated by Developer that the Units in Townhomes at 2818 Vaulx created by the recording of this Declaration (the "Units") shall be, or may be, conveyed to other project developers ("Project Developers") who may construct additional improvements on the Units and may submit one or more Units to an additional declaration creating development property consisting of additional units (the "Master Sub Units");

WHEREAS, the owner of a Master Sub Unit may also submit such Master Sub Unit to an additional declaration creating a development property consisting of additional units (the "Sub Units"; the "Master Sub Units" and "Sub Units" shall be hereinafter referred to collectively as the "Sub Units");

WHEREAS, it is the desire and intent of the Developer, by recording this Declaration, to establish a Development property (as defined in the Act) consisting of Units and certain improvements in accordance with the plat of Townhomes at 2818 Vaulx a copy of which is included in Exhibit D attached to this Declaration, to be known as Townhomes at 2818 Vaulx to impose upon the Property mutually beneficial restrictions under a general plan for the benefit of all of the Development property Units contained therein and the owners thereof;

NOW, THEREFORE, Developer, upon recording hereof, does submit the Property and all improvements thereon, to the provisions of the Tennessee Development property Act of Horizontal Property Declaration and the Horizontal Property Act of the State of Tennessee, to be

held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division thereof into development property ownership and all of which shall run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title or interest in the Property or any part thereof, and shall be for the benefit of each Owner of any portion of the Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a different meaning therefore:

(a) "Act" shall mean the "Horizontal Property Act" of the State of Tennessee codified at Tennessee Code Annotated, Section 66-27-101 through 123.

(b) "Affiliate" shall mean any entity that directly or indirectly controls or is controlled by or is under common control with Developer.

(c) "Association" shall mean Townhomes at 2818 Vaulx Homeowner's Association, Inc., a nonprofit corporation organized pursuant to the Tennessee Nonprofit Corporation Act, Tenn. Code Ann.§ 48-51-101 et seq. as the same may be amended from time to time, of which all Owners shall be members and which corporation shall administer the operation, management, maintenance, control and administration of the Development Property. The Association will be formed pursuant to the Charter to be filed with the Secretary of State of Tennessee.

(d) "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected pursuant to the By-Laws of the Association.

(e) "Business Day" shall mean week days, Monday through Friday, excluding legal holidays.

(f) "By-Laws" shall mean the set of By-Laws, a copy of which is attached hereto as Exhibit B, recorded simultaneously with this Declaration, providing for the self-government of the Development Property by the Association, and such amendments thereto as may be recorded from time to time.

(g) "Charter" shall mean the Charter of Townhomes at 2818 Vaulx Homeowner's Association, Inc., a copy of which is attached hereto as Exhibit C.

(h) "Common Elements" shall mean all portions of the Development property other than the Units, including, but not limited to the following:

(i) The private streets or driveways shown on the Plat;

(ii) All utilities or utility lines serving the Units or the Common Elements that are not public utilities or lines;

(iii) All easements, rights or appurtenances affecting or relating to the use of all of the Units or the Common Elements;

(vii) All other elements (other than the Land Units) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Development property;

(i) "Common Expenses" shall mean the expenses arising out of the ownership of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Development Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements; any valid charge against the Development Property as a whole; and expenses declared to be Common Expenses by the provisions of the Development property Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(j) "Common Surplus" shall mean the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Expenses.

(k) "Development property Documents" shall mean the Declaration and all Exhibits hereto, the By-Laws, the Charter of the Association, as the same shall be amended from time to time and the Rules and Regulations of the Association.

(l) "CPI Factor" shall mean the cumulative percentage increase, from the date of recording this Declaration, in The Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84=100, or if such index is not available a comparable index selected by the Board of Directors of the Association (the "CPI Factor).

(m) "Declaration" shall mean this instrument and all Exhibits hereto as it, from time to time, may be amended.

(n) "Developer" or "Declarant" shall mean DeRon Jenkins, or his successors and assigns who shall receive by assignment from the Developer all, or a portion of its rights hereunder as such Developer, by an instrument expressly assigning such rights as Developer to such assignee and recorded in the Register's Office for Davidson County, Tennessee.

(o) "Land" shall mean the real property described in Exhibit A to this Declaration.

(p) "Limited Common Element" shall mean a portion of the Common Elements designated as a Limited Common Element on the Plat, any amendment to the Plat or by the terms of this Declaration for the exclusive use of one or more but fewer than all of the Units.

(q) "Limited Common Expense" shall mean the expense arising from the maintenance or repair of a Limited Common Element for which the Unit Owners of the Units to which the Limited Common Element is appurtenant shall be liable to the Association. Limited Common Expense shall include, but not be limited to, the expense of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of a Limited Common Element; and expenses declared to be Limited Common Expenses by the provisions of the Development property Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(r) "Unit" shall mean the parts of the Development Property as set forth in the Plat intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Elements assigned to each Unit as herein provided. The Units are identified on the Plat and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(i) Upper and Lower Boundaries: The upper and lower boundaries extended to their planer intersections with the parametrical boundaries as follows:

(1) The upper boundary shall be the plane parallel to the Land within the boundaries of the Unit, which is twenty (20) feet above the height of the highest roof or other improvement permitted under applicable zoning law or building code.

(2) The lower boundary shall be the plane parallel to the Land within the boundaries of the Unit, which is twenty (20) feet below the lowest footing, foundation or other improvement, now or hereafter, constructed within the Unit

(3) To the extent there are any property rights in and to the areas, which are located either above the upper boundary, or below the lower boundary, of a Unit, such property rights shall be deemed Common Elements owned by the Association.

(ii) Parametrical Boundaries: The parametrical boundaries shall be the vertical planes of the exterior boundaries of the Unit as described in metes and bounds on the Plat

If any utility line, wire or conduit lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

Any improvements within a Unit shall be part of the Unit unless such improvement is a Common Element or Limited Common Element.

(s) "Mortgage" shall mean a first lien Mortgage on one or more Units or Sub Units.

(t) "Mortgagee" shall mean a holder of a Mortgage who has given notice to the Association that it is the holder of a Mortgage affecting all or any part of the Development Property as hereinafter provided.

(u) "Occupant" shall mean any Person, including any Owner or Sub Unit Owner having a right to occupy or use all or any portion of a Unit or a Sub Unit for any period of time.

(v) "Owner" or "Unit Owner" shall mean and refer to every person or entity that is a record owner of a Unit or a Sub Unit.

(w) "Permitee" shall mean any Occupant and any officer, agent, employee, licensee, customer, vendor, supplier, guest, invitee or contractor of an Owner or Developer.

(x) "Person" shall mean one or more natural persons, corporations, partnerships, limited liability companies, firms, trusts, trustees, governments, governmental authorities or other entities.

(y) "Plan" or "Plat" shall mean the Plat showing the Units, the Common Elements and the Limited Common Elements of the Development Property attached hereto as Exhibit D, and made a part hereof for all purposes, as such Plat may from time to time be amended.

(z) "Property" or "Development Property" shall mean the Land, the Units and the Common Elements.

(aa) "Road" shall mean any and all of the private roads, driveways, drive aisles or other common access areas as shown on the Plat.

(bb) "Rules and Regulations" shall mean those Rules and Regulations adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Development Property, provided they are not in conflict with the Act or the Development property Documents.

(cc) "Sub Association" shall mean the owners association created upon the submittal of a Unit or Sub Unit to an additional declaration creating another development property.

(dd) "Sub Declarant" shall mean the owner of a Unit or Sub Unit who submits a Unit or Sub Unit to an additional declaration creating another development property.

(ee) "Sub Unit Owner shall mean and refer to every person or entity who is a record owner of a Sub Unit.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 Description of Improvements and Identification of Units. The Development Property shall consist of the Units and Common Elements shown on the Plat.

Section 2.02 Amendment of Development property Plan. Developer reserves the right to change the boundaries of Units and to increase or decrease the number of Units so long as Developer or an Affiliate owns the Units so altered, provided however, the Developer shall not be permitted to alter the roads or drive aisles which serve the Development property, except in areas which are more than 15 feet to the west of the western boundary of Unit A. Changes in the boundaries of Units shall

be reflected by an amendment to the Plat, and an amendment to this Declaration. An amendment to the Plat or the Declaration reflecting an alteration of the boundaries of the Units owned by Developer need be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees. Developer also reserves the right (i) to convert all or any portion of any Unit owned by Developer to a Common Element and (ii) to convert a portion of any Road comprising a Common Element to a portion of a Unit provided the use of such Road by Unit Owners is not materially affected. For example, the Developer may extend the Road shown on the Plat by converting portions of Units to the road extension. Upon conversion of all or a portion of a Unit to a Common Element, Developer shall record an amendment to the Plat and the Declaration. No other party shall be required to approve or execute such amendments. Such amendment to Declaration shall revise the appurtenant interest in the Common Elements of any altered Unit to an appurtenant interest in the Common Elements equal to a fraction, with a numerator equal to the area in square feet of the altered Unit and the denominator being the total of the area in square feet of all altered Units, multiplied by the aggregate undivided interests in the Common Elements of all altered Units prior to such alteration. Upon conversion of a portion of a road to a Unit, the Unit's undivided interest in the Common Elements shall not change. Developer shall pay all expenses in connection with amendments pursuant to this Section.

Section 2.03 Easements and Restrictions. The Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the Development property Documents. Units, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Development Property, which easements and restrictions are described on Exhibit F attached hereto. Additional easements established hereunder include the following:

(a) Utility Easements. Utility easements and easements for the construction of utility lines are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone, cable television and other technological services) in order to adequately serve the Development Property.

(b) Utility Equipment. There may be utility equipment which is appurtenant to the Units, but which is located on the Common Elements. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the Unit; provided that no utility equipment shall be placed on any part of the Common Elements or Limited Common Elements other than the present location unless the prior written approval of the Developer or the Association shall have been obtained.

(c) Easements for Ingress and Egress. The Common Elements shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement of way over all roads, parking areas, walkways and other common areas in favor of all Owners for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners, subject to all restrictions in the Development property Documents, including the right of the Association to close the Road to vehicles to allow the use of the roadways for pedestrian events.

(d) Easement for Use of Leased or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Development property Documents.

(e) Easements for Encroachments. To the extent that any Unit, Common Element or Limited Common Element encroaches on any other Unit, Common Element, or Limited Common Element, whether by reason of any deviation from the Plat in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Unit, Common Element or Limited Common Element stands. This easement, however, shall not relieve an Owner of liability for his or his agent's negligence, intentional acts or willful and intentional misconduct in causing the encroachment. In the event any Unit, any adjoining Unit, or any adjoining Common Elements or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit, or encroachment of any Unit upon any other Units, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

(f) Easement of Support. Each Unit and the Common Elements and Limited Common Elements shall have an easement of support from every other Unit, Common Elements or Limited Common Elements which provide such support.

(g) Easement for Use of Limited Common Elements. Each Owner, which has been allocated the use of Limited Common Elements, shall have an easement for ingress and egress to and from such Limited Common Elements over the Common Elements, and to the extent, such Owner has the duty to repair and maintain such Limited Common Elements, an easement to repair and maintain such Limited Common Elements. The Association is authorized to adopt rules and regulations regarding the use of such easements, including, but not limited to, the right to limit the areas of such easements and the time and manner of use.

(h) Easements Appurtenant to Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title of the Unit shall include a conveyance of the easements and rights herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute all instruments on their behalf for evidencing all such easements created by the provisions hereof.

(i) Construction Easements. Developer reserves for Developer and for the benefit of each Owner non-exclusive perpetual easements in, on and over the Common Elements for access and temporary encroachments by contractors and subcontractors during construction to the extent reasonably necessary to construct improvements on the Units or the Common Elements.

(j) Dedication and Transfer of Easements for Utilities and Roadways. Developer, during the period Developer or an Affiliate owns a Unit, and thereafter, the Association shall have the exclusive right and power to convey or dedicate all or part of the utility lines, utility facilities or roadways serving the Development property to public use and benefit or to any governmental authority or utility for such purpose and to grant easements over the Common Elements and Units for the purpose of installing, replacing, maintaining or repairing utilities or roadways. All Unit Owners hereby grant Developer and the Association a power of attorney for executing all instruments and taking all actions on behalf of the Unit Owners required to accomplish the conveyance or dedication of utility lines, utility facilities or roadways as provided in this paragraph.

(k) Access Easements Benefitting the Association. Declarant hereby declares, grants, creates, imposes and establishes for the benefit of the Association and its Permittees a perpetual, non-exclusive easement for access, ingress and egress to, from, over, under and through the entire Property for the performance of its obligations and duties hereunder.

(l) Access Easement Serving the Association and Unit B. The Plat shows and depicts an Access Easement over the southern edge and southeastern side of Unit A connecting the public right-of-way of Nolensville Road to the Common Element to the West of Unit A. This Access Easement is dedicated, created and conveyed to and for the benefit of the Association and Unit B to provide the Association and/or the Unit B owner, and its tenants, occupants, licensees, and guests a perpetual nonexclusive easement of way over the drive or drive aisle located therein for the purposes of vehicular and pedestrian access over and across such Access Easement area to the Common Area and beyond to connect to Unit B. The Owners of Unit A and Unit B shall share in the cost of maintaining such drive or drive aisle located in the Access Easement Area in proportion to their respective use.

Section 2.04 Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as otherwise limited in this Declaration, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of the Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units. The extent or amount of such ownership shall be expressed by a percentage relating to each Unit and shall remain constant, unless changed in accordance with the provisions of Section 2.02 hereof or by the unanimous approval of all Owners and Mortgagees affected hereby. The percentage ownership in the Common Elements relating to each Unit is set forth on Exhibit E attached hereto and has been calculated based on the relative square footage of the Land within each Unit.

Section 2.05 Rights in or to Limited Common Elements, Business Identification Signage. The Limited Common Elements appurtenant to any Unit shall be as described in this Declaration or shown on the Plat. The description shall be expressed by identifying the type of Limited Common

Elements which are appurtenant to the Unit, if any, and the Owners of such Units (whether one or more than one Unit) shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Developer as permitted in Section 2.02 hereof or by the unanimous approval of the Owners of the Units to which Limited Common Elements are appurtenant and their respective Mortgagees. Each Owner of a Unit to which the Limited Common Element is appurtenant shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of such Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units to which the Limited Common Elements are appurtenant. Present zoning laws applicable to the Property would permit two or more signs for business identification (which shall be permitted to identify multiple occupants or owners) along the frontage of the Development property on Nolensville Road. The Developer declares that the Limited Common Element Unit "A" which is shown on the Plat and which is the portion of the Development property which directly fronts on Nolensville Road is subject to an easement or allocation in favor of Unit B for the placement, use and maintenance of the northern-most business identification sign to identify and publicize the businesses or occupants of Unit B. The Unit B Owner shall have the right to locate, erect, maintain, repair, replace and use such northern-most sign (the "Unit B Sign") for the benefit and business purposes of Unit B and its owners, occupants, tenants and licensees. The Unit A Owner shall have the right to locate, erect, maintain, repair, replace and use a separate sign (the "Unit A Sign") to the South of the Unit B Sign for the benefit and business purposes of Unit A and its owners, occupants, tenants and licensees. Notwithstanding, any detail shown on the Plat to the Contrary, the Unit B Sign is allocated to Unit B as a Limited Common Element for Unit Band the Unit A Sign is allocated to Unit A as a Limited Common Element for Unit A.

ARTICLE III
ORGANIZATION AND MANAGEMENT

Section 3.01 Management of the Development Property. Operation and administration of the Development Property shall be performed by the Association. The powers and duties of the Association shall include those set forth in the Act, the Tennessee Nonprofit Corporation Act, Tenn. Code Ann.§§ 48-51-101 et seq., this Declaration, the Charter and the By-Laws, as the same may be amended from time to time.

Section 3.02 Members. The members of the Association shall consist of all record Owners of the Units. Change of membership in the Association shall be established by recording in the Register's Office for Davidson County, Tennessee, the deed or other instrument establishing record title to a Unit in the Development Property, and the delively to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. The record Owner thereof shall cast the votes for a Unit or the duly authorized proxy of the record Owner in the manner provided in the By-Laws. In the event a Unit has been submitted to an additional declaration creating an additional development property, the President of the Sub Unit owners association or other officer designated by the board of directors of such association shall cast the votes of such Unit. Each Unit is allocated the percentage of the votes of the Association equal to the percentage ownership of the Common Elements appurtenant to such Unit as set forth in Exhibit E attached hereto.

Section 3.03 By-Laws. The By-Laws of the Association shall be in the form attached as Exhibit B to this Declaration, and may be amended from time to time as set forth therein.

ARTICLE IV
ASSESSMENTS

Section 4.01 Liability, Lien and Enforcement.

The Association is given the authority to administer the operation and the management of the Development Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levies, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses, which the Association is authorized to incur under the terms and conditions of this Declaration. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Owner, his family members, guests, invitees or tenants for damages of any nature and for penalties for rules violations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Development Property, the following provisions shall be effective and binding upon the Owners of all Units.

Section 4.02 Assessments.

(a) All assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Declaration, each Owner of a Unit and the Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to such Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing for all Units on the date determined by Developer after the date of sale of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association. Notwithstanding any provision hereof to the contrary, the Association acting by and through its Board of Directors shall be permitted to collect the annual assessments. If Owner goes unpaid and are placed in the hands of any attorney for collection or for enforcement of the lien held by the Association, or if the Association incurs any cost incident to the collection of the assessments, the defaulting Unit Owner shall pay a reasonable attorney's fee, all court and other costs, and the reasonable costs of any other collection efforts incurred by the Association.

(b) Assessments for the payment of Limited Common Expenses shall be levied against the Owners of those Units to which the Limited Common Elements are appurtenant unless the Board of Directors determines that it would be as equitable and more efficient to include certain Limited Common Expenses in Common Expenses. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.

(c) In the event a Unit has been submitted to an additional declaration creating an additional development property, all assessments assessed against a Unit shall be paid by the Sub Association created under such additional declaration.

Section 4.03 Annual Budget.

Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt an annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Development Property, and may include reasonable allowances for contingencies and reserves for replacements. The Association shall not be required to include reserves for repairs and replacement if the provision for such reserves will result in tax liability to the Association for such revenues in excess of expenses. The Association shall also have the right to refund any assessments in excess of actual expenditures to avoid tax liability on such excess amounts. The budget shall take into account any projected anticipated income, which is to be applied in reduction of the amounts, required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board of Directors of the Association, copies of the budget shall be made available to each Unit Owner.

Should the Board of Directors at any time determine in the sole discretion of the Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Development property Documents and the Act.

Section 4.04 Omission of Assessment.

The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 4.05 Detailed Records.

The Association shall keep detailed, accurate records in and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner or his representative at convenient hours of weekdays in Davidson County, Tennessee.

Section 4.06 Payment of Common Expenses and Limited Common Expenses

All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article IV. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance without prejudice to the purchaser's right to recover from the

selling Unit Owner the amounts paid by the purchaser therefore. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Declaration, the Association, upon written request of the Owner or purchaser of such Unit, shall furnish to the Owner, the purchaser or any proposed Mortgagee, a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed lease; purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be paid by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before the payment of the proceeds to or on behalf of the selling Unit Owner.

Section 4.07 Default in Payment of Assessments.

(a) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the greater of (i) the maximum legal rate on judgments or (ii) 12%, but not to exceed the maximum rate allowed under applicable law (the "Interest Rate"), and such late fees and penalties provided in the Rules and Regulations of the Association, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Such lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Such lien shall also secure all costs and expenses, including late penalties and attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon any Unit and its appurtenant undivided interest in the Common estate mortgages in the State of Tennessee but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lien holders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the Interest Rate on any such advance made for such purpose. Subject to the provisions of Section 4.07(b), all persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

(b) If any Unit has been submitted to an additional declaration resulting in the creation of Sub Units, the Association's lien for delinquent assessments and related expenses shall not attach to the Sub Unit of any Sub Unit Owner who makes timely payment of his share of the assessments assessed by the Association against the Unit containing such Sub Unit.

(c) The lien herein granted to the Association shall be effective upon the recording of this Declaration in the Register's Office for Davidson County, Tennessee. No further recordation of any claim of lien for assessment under this section is required. Such lien shall

include assessments, late fees, penalties and other charges imposed by the Association for violations of this Declaration, the By-Laws and the Rules and Regulations, and shall include interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

Section 4.08 Election of Remedies.

Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed an election by the Association, which shall prevent it from thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to the Association. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

Section 4.09 Power of Sale to enforce Assessment Lien

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the Limited Common Elements, the assumption of the obligations of Unit Owners set forth in this Declaration by Unit Owners, their successors and assigns, the receipt of which is hereby acknowledged, and to secure the payment of assessments for Common Expenses, and other assessments, assessed against a Unit Owner by the Association as provided in this Declaration and By-Laws, interest, late charges and attorney fees as provided herein, hereinafter collectively referred to as the "Secured Charges," a lien is expressly retained in favor of the Association on each and every Unit Owner's Unit and pro-rata interest in the Common Elements.

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of one dollar 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 John T. Cook, Trustee, a resident of Williamson County, Tennessee, 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 Section 4.09.

(c) Trustors agree (i) to pay the Secured Charges when due, as provided in this Declaration; (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against their Unit and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to keep their respective Units in good repair and preservation; (iv) to comply with all of the terms and conditions of this Declaration and By-Laws and all rules and regulations of the Association; and (v) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Declaration and By-Laws or any rule and regulation of the Association. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of these things, and the amounts so paid shall bear interest at the highest rate allowed under applicable laws in effect from time to time from the day of payment and shall become a part of the Secured Charges secured hereby.

(d) If a Trustor shall pay the Secured Charges when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the Secured Charges with respect to any Unit or any portion thereof 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 days notice by three publications in any newspaper, daily or weekly, published in Davidson County, Tennessee to sell said Unit, subject to the provisions of Section 4.07(b) hereof, at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the statutory right of redemption, the equity of redemption, homestead, dower and all exemptions and rights 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 at any sale under this trust conveyance. The Association may, at any time after default in the payment of any of the Secured Charges, enter and take possession of said property, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Unit, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, conveyance and enforcing said lien as herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation, which may arise because of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all unpaid Secured Charges with respect to such Unit;

(3) Third, the residue, if any, will be paid to the Unit Owner of such Unit, his order, representatives or assigns;

(e) In the case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the Association 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.

ARTICLE V
MAINTENANCE AND OPERATION OF THE DEVELOPMENT PROPERTY

Section 5.01 The Association's Obligation to Repair.

(a) The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense:

(i) The Common Elements and any Limited Common Elements required to be maintained by the Association pursuant to the terms of this Declaration.

(ii)Incidental damage caused to a Unit by any work done by the Association.

(b)If a Unit Owner fails to maintain and repair his Unit or any Limited Common Element as required by this Declaration, the Association may perform such maintenance and repair and assess the Unit Owner for all expenses incurred, together with up to a twenty percent (20%) service charge for the Association's services.

(c) The Association shall inspect the Common Elements at least annually for repair and maintenance requirements, and shall promptly undertake the repair and maintenance thereof.

(d) If the Association fails to maintain and repair the items specified in Section 5.0l(a), then any Unit Owner(s) shall have the right to make written demand (a "Maintenance Demand") for such maintenance upon the Association and all other Unit Owners, provided that such Maintenance overnight delivery service with signature required, to the Association and all Unit Owners at all of the following: (i) the last known address for each Person as on file with the Association, (ii) such address as is listed for such entity on the records of the Metropolitan Trustee for property tax bills, and (iii) the address of the Registered Agent of such entity as maintained by the Tennessee Secretary of State. Provided that no response is received with thirty (30) days of delivery of the Maintenance Demand, then the Unit Owner which made the Maintenance Demand may perform such maintenance and repair and assess the Association and the other Unit Owners, in proportion to their prorated interest in the Common Elements, for all reasonable expenses incurred, together with up to a ten percent (10%) service charge for the acting Unit Owner's services.

Section 5.02 Each Owner's Obligation to Repair.

(a) Each Owner shall, at such Owner's expense, maintain his Unit in good tenantable condition and repair, and shall be responsible for the repair and maintenance of his Unit:

(b) The Owner of a Unit shall also maintain and repair any Limited Common Elements appurtenant to such Unit unless this Declaration specifies the maintenance of a particular Limited Common Element to be performed by the Association.

Section 5.03 Alterations. Additions and Improvements by the Association.

Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Article VIII of the Declaration, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements with a cost in excess of$25,000.00, such sum to be increased by the CPI Factor, other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements in accordance with the Declaration, unless the same is authorized by the Board of Directors of the Association and ratified by the affirmative vote of the voting members casting not less than 75% of the total votes of the members of the Association present at any regular or special meeting of the Unit Owners called for that purpose at which a quorum is present. The cost of the foregoing shall be assessed against the Owners of Units as provided in Article IV hereof except as otherwise provided in this Section 5.03. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from

the Unit Owners exclusively, or substantially exclusively, benefitting there from, and the assessment shall be levied in such proportions as may be determined to be fair and equitable by the Board of Directors of the Association. Where such alterations or additions exclusively, or substantially exclusively, benefit Unit Owners requesting the same, said alterations and additions shall be made only when authorized by the Unit Owners exclusively, or substantially exclusively, Benefitting there from. Alterations, improvements or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation if the same is necessary and in the best interest of the Unit Owners.

Section 5.04 Utilities.

Each Unit Owner shall be required to pay all charges for utilities serving his Unit, including electricity, water, sewer, gas, cable television, telephone service, and other technological services used or consumed in his Unit. The utilities only serving the Common or Limited Common Elements shall be separately metered to the extent reasonably practical, and paid by the Association as a Common or Limited Common Expense.

ARTICLE VI
RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 6.01 Rules and Regulations of the Association.

The Association is authorized to promulgate, amend and enforce Rules and Regulations concerning the operation and use of the Development property; if such Rules and Regulations are not contrary to or inconsistent with the Act and the Development property Documents. The Board of Directors shall furnish a copy of the Rules and Regulations to each Unit Owner or if the Unit has been submitted to another declaration, the association established under such declaration, prior to the time they become effective. All present and future Unit Owners, Sub Unit Owners, tenants, and occupants of the Units and any person who uses any part of the Development Property in any manner, are subject to, and shall comply with the provisions of the Development property Documents and the Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Development Property by any person shall constitute his agreement to be subject to and bound by the provisions of the Development property Documents and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by a Unit Owner or Sub Unit Owner, their family members, guests, invitees, lessees or renters, including the payment of penalties for such violations, which may be collected pursuant to Sections 4.07, 4.08 and 4.09.

Section 6.02 Restrictions on Use.

The use of the Development Property is subject to the following restrictions:

(a) All Units shall be used only for such residential, commercial, office or business purposes that are lawful and permitted by applicable zoning ordinances and shall be subject to all of the use restrictions set forth in this Declaration. Notwithstanding the foregoing, no activity shall be conducted on any portion of any Unit that threatens the life-safety of other Owners or Occupants of any of the Units, as may be determined in the reasonable discretion of the Board of Directors.

(b) Without limiting the generality of the foregoing, except as otherwise specifically provided in this Section 6.02(b), no part of the Units, may be used for any of the following purposes: (A) shooting gallery, arcade, permanent carnival (this shall not prohibit temporary festivals or mobile food trucks), (B) massage parlor, except for day spas that are approved by the Board of Directors; (C) facility that hosts nude, semi-nude or other erotic performances; (D) establishment where sexually explicit, obscene, pornographic or "adult" materials or paraphernalia, including, but not limited to, movies, videotapes, DVDs, devices, novelties, books, magazines, or other related items are sold or displayed; (E) "head shops" or other facilities used for the sale, display or advertisement of any paraphernalia used in the preparation or consumption of controlled substances; (F) any service station or automotive repair facility, including without limitation any tire, battery and accessory facility (provided however that car wash facilities shall be permitted); (G) tattoo parlor; (H) cash advance, paycheck advance loan office and/or predatory lending companies; (I) methadone clinic; (J) dump or junkyards; (K) bar and nightclub, except in a hotel or restaurant; (L) retail liquor stores; (M) pawnshop; (N) water and sewer treatment, except as it concerns the on site detention pond or treatment of onsite storm water; (0) trailer park; (P) day labor facility; (Q) pain clinics that involve drug or drug treatment, provided that physical rehabilitation clinics, medical clinics and chiropractic clinics are expressly permitted; (R) used automotive dealer or junkyard; (S) unlicensed pawnshop or for-profit second hand store, provided that licensed pawnshops and nonprofit second hand stores are expressly permitted; (T) predatory phone services businesses, such as phone, internet and other communication utility businesses that primarily serve low income customers and offer no credit, no ID, no deposit or no contract phone, internet or other communications utility service, provided that nationally recognized phone services, such as AT&T, Verizon, Sprint and Cricket, which typically require credit checks or contract service, are expressly permitted; and (U) with respect to any Unit on the "upper level" of the Development property, being those Units with vehicular access to Nolensville Pike (as opposed to Rosedale Avenue), outside storage of equipment, inventory or materials used in a trade or business (or donation center) shall be prohibited unless such use is screened in an aesthetic manner as approved by the Association so as to screen such use from the improved areas of Unit A.

(c) No immoral, improper, offensive or unlawful use shall be made of any Unit, Common Elements or Limited Common Elements, or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Development Property shall be observed.

(d) No Owner shall permit anything to be done or kept in his Unit or in the Common Elements or Limited Common Elements which will result in any increase of

fire or hazard insurance premiums or the cancellation of insurance on any part of the Development Property, or which would be in violation of any law. No waste shall be committed to the Common Elements or Limited Common Elements.

(e) No sign of any kind shall be displayed to the public view on or from any part of the Development Property, without the prior written consent of the Board of Directors of the Association, except (i) signs temporarily used by the Developer or Project Developers in the selling or leasing of the Units or Sub Units or (ii) signs in other locations on the Development Property approved by the Board and in compliance with applicable law.

(f) No noxious or offensive activities shall be carried on, nor shall anything be done, on any part of the Development Property, which in the judgment of the Board of Directors of the Association, may be or become an unreasonable annoyance or nuisance to the other Owners.

(g) No Owner shall cause or permit anything to be placed on the Common Elements or Limited Common Elements immediately surrounding his Unit unless approved in writing by the Board of Directors.

(h) All large truck and tractor trailer traffic shall utilize the entrance road or drive aisle located adjacent to the North end of Unit A, and the southern entrance road or drive aisle shall be posted to prohibit such traffic.

Section 6.03 Limitation of Liability.

The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds, for problems resulting from the operation or lack of operation of sewer lines servicing the Development Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit, appliance or equipment.

Section 6.04 Abatement of Violations.

The violation of any Rule or Regulation adopted by the Board of Directors of the Association or breach of the provisions of the Development property Documents, shall give the Developer, the Association or any Unit Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Owner, including court costs, attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner. Nothing herein contained shall prevent an Owner from maintaining such an action or proceeding against the Association and the expense of any action to remedy a default of the Association shall be a Common Expense if a court of competent jurisdiction finds the Association to be in default as alleged in such action or proceeding.

If a Unit has been submitted to an additional declaration, any action permitted to be taken under this Declaration by a Unit Owner shall be taken by the Sub Association.

Section 6.05 Failure of the Association to Insist on Strict Performance; No Waiver.

Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall be deemed to have been made unless expressed in writing and approved by the action of the Board of Directors of the Association.

Section 6.06 Use by Developer and Declarants Under Additional Declarations.

Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors of the Association nor their use of the Development Property or application of this Declaration shall interfere with the completion of the contemplated improvements and sales of the Units or any Sub Units in the Development property. Subject to the rights of the Mortgagees hereunder, the Developer and the declarants under any additional declaration submitting a Unit to a development property regime (a "Sub Declarant") may make such use of the Unit and any unsold Sub Units owned by such party, the Limited Common Elements and the Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, management office and model units, the showing of the Development Property and the Units and Sub Units therein, the display of signs thereon and therein. These special Declarant rights exist so long as Developer or any Sub Declarant holds any Unit or Sub Unit in the Development property for sale in the ordinary course of business. The Developer expressly reserves for itself and any Sub Declarant the right to lease any Unit or Sub Unit in the Development Property on such terms as such owner may deem proper and desirable and to transfer Units or Sub Units subject to such leases.

ARTICLE VII
RIGHTS OF MORTGAGEES

Section 7.01 Notification of Mortgagees Required.

Upon written request to the Association identifying the name and address of the Mortgagee and the Unit or Sub Unit, any Mortgagee shall have the right to be given written notification by the Association of (a) any sixty (60) day default by the Owner of the Unit or Sub Unit covered by the Mortgage in the payment of assessments or in any other provision of the Development property Documents; (b) any material loss to or taking of the Common Elements or Limited Common Elements; (c) material damage to a Unit or Sub Unit covered by the Mortgage; (d) any condemnation of all or a portion of the Development Property; (e) a lapse or cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specified percentage of

Mortgagees if such Mortgagee has given notice to the Association of its interest in the Development property.

Section 7.02 Right of Inspection.

Mortgagees shall have the right to examine the Development property Documents, the books and records of the Association or the Development Property and to receive annual reports, other financial data, and, upon request, an annual statement, within ninety (90) days following the end of any fiscal year of the Association.

Section 7.03 Priority of Mortgagees.

(a) Any lien which is or may be created hereunder upon any Unit or Sub Unit, including, but not limited to, the lien created for assessments under Section 4.07 hereof and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any first Mortgage upon such interest made in good faith and for value and recorded, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 4.07 hereof on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein. Notwithstanding the above, the lien created pursuant to Section 4.07 hereof is prior to any first Mortgage to the extent of the Common Expense assessments based on the annual budget, which would have become due in absence of acceleration during the six months immediately preceding institution of an action to enforce the lien. Also, such lien shall be prior to any Mortgage to the extent of amounts secured by such lien prior to the recording of the Mortgage.

(b) No provision of this Declaration, the Charter, the By-Laws or the Rules and Regulations shall be construed to grant to any Unit Owner, Sub Unit Owner or to any other party any priority over any rights of the Mortgagees of the Units and Sub Units pursuant to their Mortgages in the case of distribution to Unit Owners or Sub Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units, Sub Units, the Common Elements, the Limited Common Elements or any portion thereof.

(c) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing authority, which may become liens prior to a Mortgage, shall be separately assessed against and collected on each Unit or Sub Unit as a single parcel, and not on the Development Property as a whole.

(d) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

Section 7.04 Request for Protection by Mortgagees.

Whenever the holder of any Mortgage desires the benefit of the provisions of this Article VII to be applicable to it, it shall serve written notice of such fact upon the Association, by registered or

certified mail, addressed to the Association, and actually mailed to its address stated herein, identifying the Unit or Sub Unit upon which it holds a Mortgage or identifying any Units or Sub Units owned by it, together with sufficient pertinent facts to identifying any Mortgage which may be held by it. Said notice shall designate the place to which the notices are to be given by the Association to such Mortgagee.

ARTICLE VIII
CASUALTY LOSS AND INSURANCE

Section 8.01 Responsibility of Owners; Separate Insurance Coverage.

(a) Hazard Insurance on Unit. The Owner of each Unit shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to buildings and improvements of similar construction, design and use, as any buildings or improvements located within such Owner's Unit, insuring the Unit against loss or damage by the perils of fire and other customary coverage. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than 100% of the then current replacement cost of the improvements which constitute the Unit (but excluding land, foundations, excavations and other items usually excluded from such insurance coverage). The cost of such insurance shall be paid by the Unit Owner. Such insurance coverage shall be written in the name of the Unit Owner or if the Unit has been submitted to another declaration, then such coverage shall be governed by the terms of such additional declaration. All insurance obtained by the Owner of each Unit or Sub Unit shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or Developer, and their respective servants, agents, employees and guests.

(b) Other Insurance. The Owners of Units shall obtain and maintain at all times comprehensive general public liability insurance against claims for bodily injury, death or property damage in a combined single limit of not less than $3,000,000 (Three Million Dollars). The limit of such insurance shall be subject to review by the Association and shall be increased every five years, subject to the general availability of an incremental increase, from the date of the recording of this Declaration by the CPI Factor. Such Insurance shall name the Association as an additional insured. Unit Owners may obtain personal property insurance and such other insurance coverage as the Unit Owner or the Board of Directors of any Sub Association may determine. Unit Owners shall obtain and maintain any workmen's compensation insurance coverage required by the laws of the State of Tennessee.

Section 8.02 Insurance to be maintained by the Association.

(a) Hazard Insurance. To the extent the Common Elements contain improvements of the type and value which the board of Directors determines are practical to insure, the Association shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance insuring the Common Elements against loss or damage by the perils of foe, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements, and if the Development Property is located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Board shall, to the extent obtainable, insure the insurable property

included in the Development Property against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than 100% of the then current replacement cost of the improvements, which constitute the Common Elements and Limited Common Elements (but excluding road ways and other items usually excluded from such insurance coverage). Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association or the Insurance Trustee (hereinafter defined), as trustee for the use and benefit of the Sub Associations, individual Owners (without naming them), and their Mortgagees, as their interest may appear. Periodically, prior to the renewal of any such policy or policies of insurance, the Association may obtain an opinion or an appraisal from a qualified appraiser for determining the full replacement cost of the insurable portion, if any, of the Common Elements. The cost of any such opinion or appraisal shall be a Common Expense. All such policies of insurance shall comply with the provisions of Section 8.03 hereof and shall (i) contain standard mortgagee clause endorsements in favor of the Mortgagee or Mortgagees of each Unit and Sub Unit, if any, as their respective interest may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner.

(b) Public Liability and Property Damage Insurance. The Association shall obtain and maintain at all times comprehensive general public liability insurance against claims for bodily injury, death or property damage in a combined single limit of not less than $3,000,000 (Three Million Dollars), with a maximum per occurrence deductible of $25,000.00. The limit of such insurance shall be subject to review by the Association and shall be increased, subject to the general availability of an incremental increase, every five years from the date of the recording of this Declaration by the CPI Factor, provided that no increase in coverage shall be required on account of an increase in the CPI Factor until such calculation would specify an increase in coverage to the next generally available incremental increased coverage amount. For example, if the calculation using the CPI Factor calls for an increase in coverage to $3,030,000, but the next incremental increase generally available is $3,100,000, then no increase in coverage shall be required until such time as the CPI Factor calculation would yield a result higher than $3,100,000. Additionally, the Association shall obtain such property damage insurance in such amounts and in such form as shall be deemed appropriate by the Board of the Association taking into consideration the nature and insurability of any personal property owned by the Association or any improvements or betterments which are made to the Common Elements or Limited Common Elements for which the Association is responsible to maintain property insurance. Such policy shall provide coverage for bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements and Limited Common Elements and for legal liability resulting from employment contracts to which the Association is a party.

(c) Workmen's Compensation Insurance. The Association shall obtain and maintain at all times any workmen's compensation insurance required to meet the requirements of the laws of the State of Tennessee.

(d) Fidelity Bonds. The Association shall obtain and maintain fidelity bonds for any person who either handles or is responsible for funds held or administered by the Association naming the Association as the obligee. The amount of the fidelity bond should cover the maximum funds that will be in the custody of the Association, but not less than the sum of three months' assessments on all Units.

(e) Other Insurance. The Association shall obtain and maintain such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all Units.

Section 8.03 Governing Provisions.

All insurance obtained and maintained by the Association as provided in Section 8.02 above shall be governed by the following provisions:

(a)All policies shall (i) comply with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association. Be written with a company licensed to do business in the State of Tennessee and, to the extent practical and available, holding a financial rating of Class V or better and a general policyholders rating of" A" or better by Best's Insurance Reports or other then comparable rating.

(b) Exclusive authority to adjust all claims under the policies obtained by the Association shall be vested in the Association or its authorized representatives.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Mortgagees.

(d) The Association shall be required to make commercially reasonable efforts to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Developer or the Owners;

(ii) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Mortgagee of each Unit or Sub Unit;

(iii) The insurance coverage will be primary, even if a Unit Owner or Sub Unit Owner has other insurance that covers the same loss; and

(iv) No act or omission by any Unit Owner or Sub Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

Section 8.04 Premiums and Deductibles.

Premiums for insurance policies purchased by the Association shall be paid by the Association and the cost shall be a Common Expense. The cost of any other insurance shall be allocated to the Units on the basis of the respective cost of such insurance to the extent such allocation may be determined by the Association. All other insurance costs shall be assessed as Common Expenses; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or Sub Unit or its appurtenances or of the Common Elements or Limited Common Elements by an Owner shall be assessed against that Owner.

Section 8.05 Insurance Trustee.

The Association may engage the services of a bank or trust company authorized to do trust business in the State of Tennessee and having a capital and surplus of not less than $50,000,000 to act on its behalf as an insurance trustee ("Insurance Trustee") and to receive and disburse the insurance proceeds with respect to Common Elements in accordance with the provisions of this Declaration. In the event the lowest of two bids from reputable the CPI Factor, the Association upon written demand of the Mortgagee of any Unit or Sub Unit shall engage the services of a bank or trust company to act as Insurance Trustee as aforesaid. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money, which comes into the possession of the Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units, Sub Units and their Mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, which certificate will be provided to said Insurance Trustee upon request made to the Association. Such certificate is to certify unto said Insurance Trustee the name of the Owner of each such Unit, the name of the Mortgagee who may hold a Mortgage encumbering each such Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any such Unit, and his respective Mortgagee, as their respective interests may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of all or a portion of the Common Elements. The rights of the Mortgagee of any such Unit under any standard mortgage clause endorsement to such policy shall, notwithstanding anything to the contrary therein or in any Mortgage contained, at all times be subject to the provisions hereof with respect to the application of insurance proceeds to reconstruction of the damaged Common Elements. No provision hereof shall entitle an Owner or any other party to any priority over a Mortgagee with respect to the distribution of any insurance proceeds with respect to any such Unit.

Section 8.06 Loss to Common Elements Only.

In the event of the loss of or damage to only Common Elements, real or personal, by reason of fire or other casualties, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or the Insurance Trustee, as the case may be, to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and his respective Mortgagee, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the Owner of each Unit and his Mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Common Elements appurtenant to all Units. If a Unit has been submitted to an additional declaration then such excess insurance proceeds shall be paid to the Sub Association. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire or casualty loss or damage payable to the Association or the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association

shall pay, or shall deposit with the Insurance Trustee, as the case may be, a sum, which together with the insurance proceeds received or to be received, if any, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The Association may levy and collect an assessment against the Owners of all Units in an amount, which shall provide the funds required to pay for said repair, replacement or reconstruction.

Section 8.07 Loss to Units.

In the event of loss or damage to Units by fire or other casualty, the Owner of the Unit (or the Sub Association, if the Unit has been submitted to an additional declaration) shall elect to rebuild or not to rebuild the damaged improvements. If the Owner elects not to rebuild, it shall promptly demolish the damaged improvements, remove or clean up all rubbish and debris, grade and landscape the surface area of the ground constituting the Unit and thereafter maintain such area in a good and attractive condition in compliance with any Rules and Regulations of the Association. If the Owner elects to rebuild, it shall proceed with due diligence to repair or restore the improvements pursuant to the original plans and specifications of such improvements or pursuant to plans and specifications approved pursuant to Article XIII.

ARTICLE IX
CONDEMNATION

Section 9.01 Condemnation.

In the event of the taking of all or a portion of a Unit, the condemnation proceeds shall be paid to the Unit Owner (or to the Sub Association if a Unit has been submitted to an additional declaration). In the event of a partial taking, the Unit Owner must restore the balance of the Unit to a good condition and the plans for such restoration must be approved pursuant to Article XIII. If any Unit or 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, the Mortgagee of such Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition as provided in Section 7.01, and no provision hereof shall entitle the Owner of such Unit or other party to priority over such Mortgagee with respect to the distribution of any award or settlement to the Owner of the Unit.

Section 9.02 Partial Condemnation.

(a) In the event that the Development Property is not to be terminated and one or more Units are taken in whole or in part, then the share of the Common Elements appurtenant to such Unit shall be equitably reduced by reducing such share by the percentage reduction in land area taken in such condemnation proceeding and then re-computing the shares of all Owners in the Common Elements as percentages of the total of their shares as reduced by the taking.

(b) Changes in the ownership of the Common Elements and in the share of liability for Common Expenses which are affected by eminent domain, shall be evidenced by an amendment of this Declaration, which must be approved only by a majority of the Board of Directors of the Association.

ARTICLE X
TERMINATION

Section 10.01 Terminations by Consent.

Except in the event of this Declaration and plan of and said plan of development property ownership may only be otherwise terminated by the consent of all of the Owners of all Units and Sub Units and all parties holding Mortgages, liens or other encumbrances, against any of said Units in which event the termination of the Development Property shall be evidenced by a deed in compliance with the Act, executed in writing by all of the aforesaid parties in recordable form, and such instrument shall be recorded in the Register's Office for Davidson County, Tennessee.

Section 10.02 The Association Appointed as Attorney-In-Fact for Unit Owners.

The Association shall be appointed as attorney-in-fact for each Unit Owner and each Sub Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the termination of this Declaration and plan of development property ownership established herein.

ARTICLE XI
AMENDMENT

Section 11.01 Amendments by Developer.

Without limiting the rights of the Developer to alter the plans as described in Section 2.02 above, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Developer from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Development Property Documents.

(a) The Developer reserves the right to amend the By-Laws of the Association until Developer relinquishes control of the Association as provided in Section 12.01 below.

(b) The Developer reserves the right to amend this Declaration so long as there is no Unit Owner or Sub Unit Owner other than the Developer.

(c) The Developer reserves the right at any time to amend this Declaration without the consent of other Owners if required by any Mortgagee as a condition of making a loan secured by an interest in a Unit or a Sub Unit in order to meet the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; provided that any such changes or amendments requested by a Mortgagee shall not materially affect the rights of the Unit Owners or Sub Unit Owners or the value of the Unit or Sub Unit or the undivided interest in the Common Elements attributable to each Unit Owner or Sub Unit Owner.

Section 11.02 Amendments by Unit Owners.

When there is a Unit Owner or Sub Unit Owner other than the Developer, then, in addition to the amendments permitted under Section 2.02 and Section 11.01 above, the Declaration may be amended in the following manner:

(a) A proposal to amend this Declaration may be considered at any meeting of the members of the Association called for that purpose in accordance with the provisions of the Mortgagees as provided in Section 7.01 above. The proposal to amend the Declaration must be approved by the affinitive vote of the members representing not less than sixty-seven percent (67%) of the total allocated votes of the Association and by the affirmative vote of the Mortgagees representing fifty-one percent (51%) of the total allocated votes of the Units subject to Mortgages to the extent the approval of Mortgagees are required for such amendment by the then requirements of the Federal Horne Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) Notwithstanding the foregoing, no amendment to the Declaration under this Article XI shall:

(i) Change a Unit, including the ownership in Common Elements, responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Owners so affected and prior written approval of the holders of record of any mortgage or other liens on the Unit or Units so affected; or

(ii) Change, impair or prejudice the rights of Developer or change the provisions of this Declaration with respect to the Developer's rights hereunder without Developer's prior written.

Section 11.03 Effectiveness of Amendments

A copy of each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and shall be effective when recorded in the Register's Office for Davidson County, Tennessee.

ARTICLE XII
CONTROL OF THE ASSOCIATION

Section 12.01 Election of Board of Directors.

Developer, its successors or assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill the vacancies until either (a) Developer or any Affiliate sells all Units or (b) ten years have expired after the recording of this Declaration ("Termination of Control"); provided that the Developer may, at its option, terminate its control of the Association at an earlier date. Notwithstanding any provision of this Declaration to the contrary, the Developer shall not be permitted to transfer control of the Association, or the Board of Directors of the same, to any party who is not a Unit Owner within the Development property. For the purposes of the preceding sentence only, any individual who is an owner, member, partner or principal of a Unit Owner shall be considered a "party" who is a Unit Owner.

Section 12.02 Notice of Meeting.

Within sixty (60) days after the date of Termination of Control of the Association by the Developer, the Association shall call and give not less than ten (10) days nor more than thirty (30) days notice of a meeting of the Unit Owners for the purpose of electing the members of the Board of Directors of the Association. Such meeting shall be called and the notice given in accordance with the By-Laws.

Section 12.03 Status of Unsold Units.

(a) Developer shall be deemed the Owner of each Unit, which has not been conveyed to a person other than the Developer. Unless otherwise provided in the Development property Documents, the Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Unit or Sub Unit under the Development property Documents.

(b) Any person having a first mortgage lien against any Unit or Sub Unit which has not been conveyed to a person other than Developer, whether under a blanket mortgage affecting the Development Property generally or under a mortgage on one or more specific Units or Sub Units, shall be deemed to be a Mortgagee with respect to any such Unit or Sub Unit, and shall be entitled to all rights and privileges available to a Mortgagee of any such Unit or Sub Unit under the Development property Documents so long as the Mortgagee has given notice to the Association that it is a Mortgagee.

Section 12.04 Professional Management and Other Contracts.

Any agreement entered into by the Association prior to the Termination of Control (including contracts for professional management of the Development Property, whether it be the Developer, its successors and assigns, or any other person or entity) shall provide the following:

(a) The Association shall have the right of termination which is exercisable without penalty any time upon not more than ninety (90) days' written notice to the other party thereto; and

(b) The Association shall have a right of termination for cause, which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

ARTICLE XIII
DESIGN STANDARDS AND REVIEW; CONSTRUCTION REQUIREMENTS

Section 13.1 Establishment of the Design Control Committee.

Developer hereby establishes a Design Review Committee ("DRC"). Developer shall be entitled to appoint the members of the DRC until the earlier to occur of (i) the date upon which Developer elects in writing not to exercise such right, or (ii) the later of (a) the twentieth (20th) anniversary of the date of this Declaration, or (b) the date that Developer or any Affiliate no longer owns in fee simple any Unit or Sub Unit (the period during which Developer has the right to appoint the members of the

DRC is referred to as the "Developer Appointment Period"). Following the expiration of the Developer Appointment Period, the Board of Directors of the Association shall act as the DRC unless and until it appoints a DRC. If it appoints a DRC, the DRC shall have the number of members to be determined by the Board. Members of the DRC shall serve at the pleasure of the Developer during the Developer Appointment Period. Any changes in membership shall be effective upon written notice thereof, given by Developer to the Association. The vote of a majority of the members of the DRC shall constitute the action of the DRC.

It shall be the duty of the DRC to perform the functions required of it by this Declaration; to consider and act upon such proposals and plans which are submitted to it pursuant to the terms hereof.

Section 13.2 Design Compatibility; Submission of Plans; DRC Review and Approval.

(a) Submission of Plans. It is the intention of Developer that all improvements within the Development Property be constructed, installed, erected, operated and maintained so that the Development Property shall be aesthetically and architecturally harmonious. Accordingly, except as otherwise provided herein, all improvements within the Development Property, including the initial construction, and any alterations, additions, exterior remodeling or reconstruction of any improvements following the initial construction thereof, shall be performed only in accordance with Plans (as hereinafter defined) approved by the DRC for such work as provided herein. With respect to each Unit, prior to the commencement of the construction and installation of any improvements whatsoever on said Unit, or any part thereof, the Owner of such Unit shall deliver to the DRC, in duplicate, detailed plans and specifications for such proposed improvements (collectively, the "Plans"), including and encompassing (at a minimum) the following:

(i) Scaled elevations (including all architectural details and showing all sides and accurate grade at a scale of one-fourth (1/4) inch equals one (1) foot, exterior design concepts and specification, material selections and specifications (including samples) and color (including samples) for the exterior surfaces of the proposed improvements;

(ii) A complete site plan and specifications [which shall be dimensional and based on a scale of one (I) inch equals forty (40) feet or larger] (a) showing the location and size of the proposed improvements on the Unit, including, without limitation, trash receptacles, trash compactors, service areas, storage areas, mechanical and electrical equipment, fencing, structural screening, landscaping screening and other building appurtenances, loading areas, walks, walkways, sidewalks, roadways. Driveways, curbs and gutters and other improvements, and (b) providing details as to the location, size and type of all pipes, lines, conduits, and appurtenant equipment and facilities for the provision of sanitary sewage, storm water, water, electricity, gas, telephone, steam and other utility services to serve such Unit;

(iii) A signage plan and specifications showing the scaled elevations, design concepts, lighting fixture type (if applicable), lighting method (if applicable), material selections (including samples), color (including samples), configuration, location, height, size, and verbiage for all sign age to be located by the Owner on such Unit;

(iv) A landscaping plan and specifications showing the proposed landscaping, including detailed information regarding the species, type, height, caliper and spacing of all trees, shrubs and other landscaping, reflecting the locations of all beams, providing the height and toe of all beams and including plans and specifications for the landscaping irrigation facilities to be installed;

(v) A lighting plan and specifications reflecting the plans and specifications for all exterior lighting fixtures, poles and facilities (including, without limitation, the location, height, size, fixture type, fixture shape, fixture and lighting color, fixture material and lighting method) to be installed on the Unit (and, to create a uniform lighting effect, Developer may require the lighting plans and specifications for each Unit to be the standard used in connection with the first improvements constructed on the Property);

(vi) A detailed grading and drainage plan and specifications for the Unit, providing, without limitation, all relevant data and calculations with regard to the quantity and direction of storm water runoff from the Unit and the size, location and material types for all pipes, catch basins, headwalls, ditches, swales, and other drainage structures and improvements; and

(vii) Relevant information and documentation with respect to the finished grade elevation and topography (which shall show topography at two (2) foot contours and shall be based on a scale of one (1) inch equals forty (40) feet or larger) of the Unit.

In addition to samples of materials and colors specifically required to be submitted as part of the Plans (as described above), the DRC is entitled to request and require the submitting party to submit samples of other materials and colors identified or referenced in the Plans (for which samples may not be specifically required as part of the Plans submission described above).

(b) DRC Review and Approval of Plans. Except as otherwise provided below, the DRC may disapprove Plans for any reason, including purely aesthetic reasons, which in the sole discretion of the DRC shall be deemed sufficient. The DRC shall either approve or disapprove Plans within thirty (30) Business Days of the receipt thereof. If the DRC approves Plans as submitted, one (1) complete set of the Plans shall be marked "Approved" and signed by the DRC and returned to the submitting party; and the remaining set of the Plans shall be filed in the DRC's office. If the DRC disapproves the Plans, one (1) complete set of the Plans shall be marked "Disapproved" and signed by the DRC and returned to the submitting party, accompanied by a reasonably detailed statement of items in the Plans found by the DRC not to be acceptable. If the DRC approves Plans for a Unit, any modification or change in the approved Plans must be submitted in duplicate to the DRC for review and approval in accordance with the procedure specified above. If the DRC disapproves Plans for a Unit, upon the resubmission to the DRC of the Plans (with revisions) in duplicate, the DRC shall either approve or disapprove the resubmitted Plans within twenty (20) Business Days of the receipt thereof. Once the DRC has approved the Plans for a Unit, the construction of the improvements on said Unit as described in said Plans shall be promptly commenced and diligently pursued to completion; and, unless the DRC agrees in writing to a different time schedule, if such construction is not commenced within one (1) year following the date of the DRC's initial approval of the Plans therefore, such

approval shall be deemed automatically rescinded, and before construction of improvements on said Unit may be thereafter commenced, the Plans therefore must again be submitted to and approved by the DRC pursuant to the terms and procedures set forth above for an initial submission of Plans. Upon the completion of the initial construction and installation of any such Structures on a Unit in accordance with approved Plans, the same shall not thereafter be changed or altered without the prior written approval of the DRC (although the DRC's approval of such changes or alterations may in some cases be contingent upon the approval of such changes or alterations by one (1) or more third parties, including other Owners and Occupants of the Property) if such changes or alterations would materially modify the exterior appearance of such improvements, which approval shall be sought pursuant to the terms and procedures set forth above for an initial submission of Plans and, notwithstanding the terms above, shall not be unreasonably withheld, conditioned or delayed by the DRC (in accordance with the criteria set forth above). Further, the DRC shall not unreasonably withhold, condition or delay its approval of any proposed changes or alterations to any improvements (which were constructed in accordance with approved Plans therefore) which are consistent with the architectural design, aesthetic quality, and exterior materials and colors of the existing improvements on the Property, although (as described above) the DRC's approval of proposed changes or alterations may in some cases be contingent upon the approval of such changes or alterations by one (1) or more third parties, including other Owners and Occupants of the Property. Provided, however, and notwithstanding the foregoing or any other term or provision in this Declaration to the contrary, the DRC's disapproval of any proposed expansion of a improvements shall be conclusively deemed reasonable if such expansion would (i) impair, obstruct or deny access to service and loading areas (including, without limitation, any service access road), (ii) reduce the number of parking spaces in the Property, or (iii) interfere with, impair or obstruct the flow of pedestrian and/or vehicular traffic within the Property. Nothing herein shall require that the DRC's approval be obtained with respect to the interior designs or interior floor plans of the improvements located on any Unit

(c) The DRC's Failure to Respond to Plans. If the DRC fails to approve or disapprove any Plans within thirty (30) Business Days after receipt thereof by the DRC (in the case of an initial submittal of such Plans) or within twenty (20) Business Days after receipt thereof by the DRC (in the case of any resubmittal of Plans) and (i) provided the Plans were complete (according to the requirements and standards set forth above), (ii) provided the Plans describe improvements which comply with and conform to all of the requirements of this Declaration, and (iii) provided the DRC shall again fail to approve or disapprove such Plans within twenty (20) Business Days after an additional written request to respond to such Plans is delivered to the DRC by the submitting party (such additional written request shall conspicuously state on a separate cover sheet that the DRC's approval rights under this Declaration will expire if no response is given by the DRC within the specified twenty (20) Business Day period and shall be delivered to the DRC by the submitting party following the expiration of the initial thirty (30) Business Day or twenty (20) Business Day response period (as the case may be) specified above), such Plans shall be conclusively presumed to have been approved by the DRC pursuant to this Declaration. Provided, however, and notwithstanding the generality of the foregoing, the DRC has no right or power, by its failure to respond with respect to any Plans submitted to it within the applicable time period specified herein, to waive or grant any variances relating to any requirements or standards set forth in this

Declaration; however, failure to respond shall be deemed rebuttable evidence that such Plans comply with the standards set forth in this Declaration.

(d) Non-Conforming or Unapproved Improvements. In addition to any remedies contemplated or permitted pursuant to other provisions in this Declaration, the Association may require any Owner to restore, at the Owner's sole cost and expense, such Owner's Unit to the condition that existed prior to the installation or construction of improvements thereon ("restoration," for purposes of this subsection, to include, without limitation, the demolition and removal of any unapproved improvements) if such improvements were commenced or constructed in violation of this Section13.2. In addition, if any Owner knowingly and intentionally commences or constructs Structures in violation of this Section 13.2, such Owner, after notice and hearing before the Board, shall pay to the Association a sum of one hundred dollars ($100) per day, up to a maximum of$10,000.00 for one hundred (100) days (the "Violation Fee") (such amount to be increased every five (5) years on the Anniversary Date by the CPI Factor measured during the previous five (5) year period) for each day such violation continues, commencing on the sixth (6th) day after the decision of the Board to impose such fine. Each Violation Fee, together with costs of collection therefore, shall be a charge and continuing lien upon the against which such assessment is made, in accordance with the provisions of Section 4.10 hereof, as of the effective date of each Violation Fee. Each Owner acknowledges that it would be difficult to determine damages if an Owner violates the provisions this Section 13.2, and that the fines imposed herein constitute a fair and reasonable estimate of damages and do not constitute a penalty. Notwithstanding any provision herein to the contrary, all improvements shall be deemed approved and in compliance with this Section 13.2 unless an Owner has received written notice of violation from the Association or the DRC prior to one (1) year following the completion of construction or installation of the improvements.

(e) Limitation of Liability. Neither the DRC, the Association nor the officers, directors, employees and/or agents of the DRC or the Association shall be liable in damages or otherwise to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with any submittal or re-submittal of Plans for review and approval under this Declaration. Without the prior written consent of the Association, no Owner who submits or resubmits Plans may bring an action or suit against the Association, the DRC, or the Association's or DRC's officers, directors, employees and/or agents to recover any such damages, and such parties hereby release, remise and quitclaim all claims, demands and causes of action for damages arising out of or in connection with any mistake of judgment, negligence or nonfeasance of the Association, the DRC, or either of their officers, directors, employees and/or agents relating to the review and approval, disapproval or failure to respond with respect to any Plans which are submitted or resubmitted under this Declaration; and such parties hereby waive all rights and entitlements they may have under any provision or principle of law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

(f) No Liability for Design or Other Defects. The approval of any Plans under this Declaration by the DRC shall not impose any liability or responsibility whatsoever upon the DRC, the Association or either of their partners, officers, directors, employees and/or agents (i) with respect to the compliance or non-compliance of any such Plans, or any structures erected or installed in accordance therewith, with applicable zoning ordinances, building codes, signage ordinances, or other applicable governmental laws, ordinances or regulations

or (ii) with respect to defects in or relating to the Plans, including, without limitation, defects relating to engineering matters, structural design matters and the quality or suitability of materials.

Section 13.3 General Requirements and Restrictions Regarding Construction.

(a) All construction activities within the Property shall be performed in a good and workmanlike manner, using first-class materials, and in compliance with all Laws.

(b) All construction activities within the Property shall be performed: (i) so as not to unreasonably interfere with any construction work being performed on the remainder of the Property (or any part thereof); and (ii) so as not to unreasonably interfere with the use, occupancy or enjoyment of any other portion of the Property (or any part thereof) or the business conducted on any other portion of the Property or by any other Owner or Occupant.

(c) Each Owner shall diligently complete all construction activities within its Unit as quickly as feasible, shall regularly (as needed) clean the roadways and driveways used by its construction vehicles of mud, dirt and construction debris and, upon completion of all construction activities, shall promptly restore such affected roadways and driveways to a condition which is equal to or better than the condition which existed prior to the commencement of such work. If an Owner does not fulfill the terms of this Section, the Association shall have the same rights to perform, or cause to be performed, the obligations of such Owner, and such Owner shall be obligated to reimburse the Association for the cost of such work plus a fee in the amount of twenty percent (20%) of the amount of such cost, which sum shall be payable to the Association upon demand and shall be secured by a lien on such Owner's Unit in such amount plus the costs of collection.

(d) Prior to the commencement of any construction activities on any Owner's Unit, such Owner shall meet with the members of the DRC to discuss available options for areas in the Property which may be used by such Owner for staging and parking of construction equipment and workers during the construction of any improvements. The DRC shall designate, to the extent available, specific areas of the Property, which shall be used for such staging activities. Other than those particular areas designated by the DRC, no Owner or its Permittee, shall use any other portions of the Property for staging, storage or other construction related activities. The DRC shall also have the right to designate certain roads, drives and entrance areas to be used by any construction traffic accessing the Property. In the event that any Owner fails to follow the rules set forth by the DRC for staging, parking, construction traffic and other construction related activities, the DRC, on behalf of the Association, after notice and hearing, shall have the right to deny access, including the right, if necessary to obtain a restraining order, or injunction to deny access, over and across the Property to any contractor, subcontractor, material men or delivery vehicle until such time as the defaulting Owner shall have taken all initiatives reasonably required by the DRC to ensure such committee of future compliance with the applicable rules. Any decision of the DRC pursuant to the preceding sentence May he appealed to the full Board within fifteen (15) days after the decision of the DRC.

Section 13.4 Improvements Constructed by Developer Exempt.

Notwithstanding any provision herein to the contrary, the provisions of this Article XIII shall not and do not apply to any improvements or structures of any type whatsoever constructed, installed or erected upon the Property by Developer or any Affiliate.

ARTICLE IV
MISCELLANEOUS

Section 14.01 Rights and Powers of Successors and Assignees.

The rights and powers reserved to or exercisable by the Developer under the Development property Documents or the Act may he exercised by any successor or assignee of the Developer to whom the Developer specifically assigns such rights and powers by written instrument recorded in the Register's Office for Davidson County, Tennessee.

Section 14.02 Headings.

The captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Declaration.

Section 14.03 Gender/Number.

Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders.

Section 14.04 Exhibits.

Exhibits A, B, C, D. E and F attached to this Declaration are an integral part of this Declaration.

Section 14.05 Invalidity and Severability.

It is the intention of the Developer that the provisions of this Declaration are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

Section 14.06 Interpretations.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a development property project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof. This Declaration shall be governed by and construed in accordance with the laws of the State of Tennessee.

Section 14.07 Waiver of Jury Trial.

The Developer and all parties acquiring an interest in the Development property subsequent to the recording of this Declaration shall be deemed to have waived the right to demand a jury trial in any court proceeding brought or initiated to enforce or otherwise interpret the provisions of this Declaration, and any such proceeding shall be adjudicated by a trial judge.

IN WITNESS WHEREOF, for Declarant has caused this Horizontal Property Declaration to be duly executed this 27th day of August, 2014.

Derek Young

Deirdred Young

State of Tennessee
Davidson County

Before me, the undersigned, a Notary Public, within and for the State and County aforesaid, personally appeared Derek Young, with whom I am personally acquainted or proved to me based on satisfactory evidence, and acknowledged to me that he was the person described in the foregoing instrument and that the statements contained therein were true to the best of his knowledge, information and belief.

Sworn to and subscribed before me this 27th day of August, 2014.

Notary Public

STEPHANIE ALLEN
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires 05-08-2017

My Commission expires: 5/8/17

State of Tennessee
Davidson County

Before me, the undersigned, a Notary Public, within and for the State and County aforesaid, personally appeared Deirdre Young, with whom I am personally acquainted or proved to me based on satisfactory evidence, and acknowledged to me that he was the person described in the foregoing instrument and that the statements contained therein were true to the best of his knowledge, information and belief.

Sworn to and subscribed before me this 27th day of August, 2014.

Notary Public

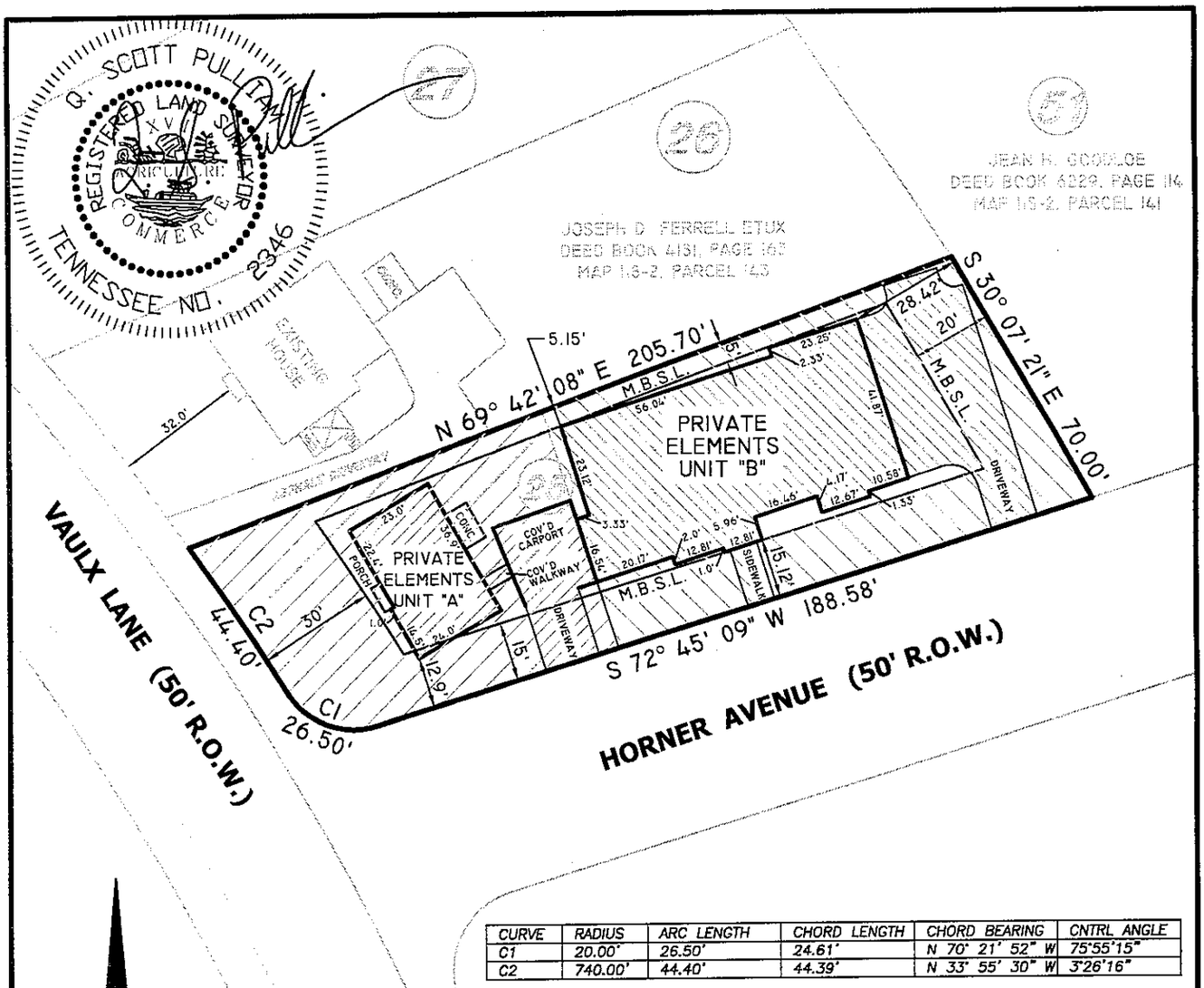
STEPHANIE ALLEN
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires 05-08-2017

My Commission expires: 5/8/17

EXHIBIT A

BEING all of Lot No. 25 on the Map of the First Subdivision of the W.T. Berry Estate, Section 2, of record in Book 1130, Page 8, Register's Office of Davidson County, Tennessee, to which plat reference is hereby made for more complete details as to location and description of said lot.

Being the same property conveyed to Derek D. Young and Deirdred Young in instrument 20151202-0122397 of record in the Register's Office for Davidson County, Tennessee.



CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	CNTRL ANGLE
C1	20.00'	26.50'	24.61'	N 70° 21' 52" W	75°55'15"
C2	740.00'	44.40'	44.39'	N 33° 55' 30" W	3°26'16"

N

LIMITED COMMON ELEMENTS UNIT "A"

LIMITED COMMON ELEMENTS UNIT "B"

PRIVATE ELEMENTS UNIT "A"

PRIVATE ELEMENTS UNIT "B"

EXHIBIT "B"
HORIZONTAL PROPERTY REGIME
OF
TOWNHOMES
AT
2818 VAULX

11802014200
SEVENTEENTH COUNCIL DISTRICT
NASHVILLE, DAVIDSON COUNTY, TENNESSEE

40' 0' 40' 80'
SCALE IN FEET

Notes

1. Property shown hereon is Parcel (142.00) as shown on Metro Property Map 118-2.
2. Property is shown as Lot 25 on the Map of the First Subdivision of the W.T. Berry Estate, Section No. 2, as of record in Plat Book 1130, Page 8, Register's Office of Davidson County, Tennessee.
3. Property is zoned R10 and lies within the Urban Zoning Overlay district.

Q.S. PULLIAM, RLS
HOBBS BUILDING – SUITE 300
4205 HILLSBORO PIKE
NASHVILLE, TENNESSEE 37215

DATE: 09/16/14

EXHIBIT C

Units may be responsible for the following Common Expense Liabilities:

a) Annual cost to the Secretary of State for the homeowner's association.

b) Homeowners' Association Liability insurance for the common areas.

c) Annual property taxes for the common areas.

d) Cost payable to Register Agent to bill the above fees and taxes.

EXHIBIT D

BY-LAWS OF TOWNHOMES AT 2818 VAULX HOMEOWNERS ASSOCIATION

ARTICLE I MEMBERS
(Unit Owners)

Section 1. Eligibility. The members of Townhomes at 2818 Vaulx Homeowners Association, a Tennessee not-for-profit corporation (the "Association"), shall consist of the respective Unit Owners and any Sub Unit Owners (the "Owners") of the Property known as 2818 Vaulx Lane in Nashville, Tennessee (the "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit and Sub Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration for Townhomes at 2818 Vaulx, which Declaration is recorded in the Register's Office for Davidson County, Tennessee. The words "member" or "members" as used in these By-Laws means and shall refer to "Unit Owner" or "Sub Unit Owners," as the case may be, as defined in the Declaration). If an Owner is a trust, then the member shall be a beneficiary of such trust, and if an Owner or such a beneficiary is a corporation, partnership or limited liability company, the member may be an officer, partner, manager, member or employee of such Owner or beneficiary.

Section 2. Succession. The membership of each Owner shall terminate when he/she/it ceases to be a Unit Owner or a Sub Unit Owner, and upon the sale, transfer or other disposition of his/her/its ownership interest in the Property, his/her/its membership in the Association shall automatically be transferred to the new Owner succeeding to such ownership interest.

Section 3. Regular Meetings. The first regular annual meeting of Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not less than sixty (60) days after the Termination of Control. Subsequent to the First Meeting, there shall be a regular annual meeting of Owners held each year within ninety (90) days of the anniversary of the First Meeting. All such meetings of Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Owners at least twelve (12) days prior to the date of such meeting.

Section 4. Special Meetings. Special Meetings of the Owners may be called by the President or by a majority of the directors of the Board, or by Owners having at least fifty percent (50%) of the votes entitled to be at such meeting. Special Meetings shall be called by delivering written notice to all Owners not less than twelve (12) days prior to the date of said meeting, stating the date, time and place of the Special Meeting and the matters to be considered.

Section 5. Delivery of Notice of Meetings. Notices of meetings may be delivered either (i) personally, (ii) by mail to an Owner at the address given to the Board by such Owner for such purpose, or to the Owner's Unit, if no address for such purpose has been given to the Board, (iii) by email to an email address given to the Board by such Owner for such purpose, or (iv) by facsimile transmission to a number provided by such Owner to the Board for such purpose. If a Unit has been submitted to one or more additional master deeds, then notice to all Unit or Sub Unit Owners shall be deemed given upon notice to Sub Association(s).

Section 6. Voting. The aggregate number of votes for all Owners of a Unit shall be equal to each Unit's respective percentage of ownership interests in the Common Elements as shown on Exhibit E to the Declaration. If a Unit has not been submitted to an additional declaration or master deed and if the Unit Owner consists of more than one 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 person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. If a Unit has been submitted to an additional declaration or master deed, the voting rights of all of the Owners of the Sub Units comprising such Unit shall be exercised by the President of the Sub Association or such other officer designated by the Board of Directors of the Sub Association.

No Owner of a Unit in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote hereunder until he has cured such default. A Unit Owner shall be deemed to be in default if he has not paid his assessments to the Board, or their agent, within fifteen (15) days after receipt of notice of assessment. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person, by proxy or by the authorized representative of a Sub Association and holding fifty-one percent (51%) of the votes entitled to be cast at such meeting.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administrators," and sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of the Unit Owners, except that the first directors (hereinafter called "members of the First Board") and any vacancies occurring in the First Board shall be appointed by the Developer. The First Board shall serve until the Termination of Control as provided in Section 12.01ofthe Declaration. Subject to the last sentence of this Section, after the Termination of Control, the Board shall consist of three (3) directors selected by the Unit Owners. Every director shall hold office until his successor shall be selected as provided in this Section Until four (4) years after Developer or any Affiliate has closed the sale of all Units or Sub Units owned by Developer or any Affiliate, Developer shall be entitled to appoint one (1) of the directors otherwise to be selected by the Unit Owners. Except for the First Board, the directors shall serve for a term of two (2) years.

Section 2. Qualification. Directors are not required to be Owners of Units or Sub

Section 3. Vacancies. Any vacancy occurring in the Board (except vacancies in the first Board or a vacancy in any other Board position which Developer has the right to appoint which shall be filled by a person appointed by the Developer) shall be filled by the Unit Owners.

Section 4. Meetings. A regular annual meeting of the Board shall be held within seven (7) days following the regular annual meeting of Unit Owners. Special Meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 5. Removal. Any director (except a director appointed by Developer) may be removed, either with or without cause, at any time by a two-thirds vote of all votes present and entitled to vote at a meeting of Unit Owners at which a quorum is present. Directors appointed by Developer may be removed at any time by Developer.

Section 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by the Owners.

Section 7. Quorum. A majority of the directors shall constitute a quorum of the board.
B

Section 8. Powers and Duties. The Board shall have the following powers and duties:

d (a) to elect and remove the officers of the Association as hereinafter provided;

(b) to administer the affairs of the Association as hereinafter provided;

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Owners, upon such terms and for such compensation and with such authority as the Board may approve;

(d) to formulate policies for the administration, management and operation of the
Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;

(g) 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 Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

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

(j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to enter into any lease agreement for lease of any Unit or Sub Unit owned or leased by the Association upon such terms as the Board may approve;

(l) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners as expressed in a resolution duly adopted at any annual or Special Meeting of the Unit Owners;

(m) to exercise all other powers and duties of the Board or Unit Owners as a group referred to in the Horizontal Property Act of the State of Tennessee, and all powers and duties of the Board referred to in the Declaration or these By-Laws.

Section 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners or a Sub Association. Except as expressly authorized by the Act or the Declaration or these By-Laws, the directors and officers may not enter into any contractual agreement, or bind the Association or any Unit Owner, or sue or be sued in any capacity other than in its operating or management capacity.

ARTICLE III
Officers

Section I. Designation. At each regular annual meeting, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; the office of Secretary and Treasurer may be held by one person;

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a Special Meeting of the Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a Special Meeting thereof.

Section 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit Owners.

ARTICLE IV
Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be shall also be taken into account. The annual budget shall provide for a reserve for contingencies for the year in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner and Sub Association, if applicable, not later than thirty (30) days prior to the

beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1 l 12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements. The Board may determine different allocations with respect to a part of such charges whenever it appears to the Board that such an allocation would be unfair. The allocations shall be applied uniformly to all Owners of like situations. The allocation of the Board shall be final and binding upon all parties. The Board shall allocate Limited Common Expenses and other costs as provided in the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements. If a Unit has been submitted to an additional declaration or master deed, the assessments owed by such Unit shall be paid by the Sub Association as required in these By-Laws.

Section 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of recording the deed to a Unit or any additional declaration or master deed, each Unit Owner or applicable Sub Association, shall pay the assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

Section 4. Annual Report. Within forty-five (45) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner or applicable Sub Association a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses and limited common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner or applicable Sub Association, and thereupon a supplemental assessment shall be made to each Unit Owner or applicable Sub Association for the proportionate share of such supplemental budget.

Section 6. Contracts. The Board shall not enter into any contract for

professional management without the right to cancel such contract upon ninety (90) days or less notice without penalty.

Section 7. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the Common Expenses and Limited Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt often (I 0) days written notice to it or the Association and upon payment of a reasonable fee, furnish to any Unit Owner or applicable Sub Association a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such party.

Section 8. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien.

Section 9. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the ownership percentages of the Unit Owners in the Common Elements as from time to time existing.

ARTICLE V
CONTRACTUAL POWERS

No contract or other transaction between this corporation and one or more of its Directors or between this corporation and any corporation, firm or association in which one or more of the Directors of this corporation are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the

corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI
AMENDMENTS

These By-Laws may be amended or modified from time to time as provided in the Declaration and by action or approval of Unit Owners holding two-thirds (2/3) of the total ownership of the Common Elements. If a Unit has been submitted to an additional declaration or master deed, then the Board of Directors of the Sub Association shall have the authority to approve amendments to these By-Laws on behalf of all owners of such Unit. Such amendments shall be recorded in the Register's Office for Davidson County, Tennessee.

ARTICLE VII
INDEMNIFICATION

Section I. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Declaration or By-Laws of the Association, and the Board and Developer, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members or Developer, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members or Developer, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member or Developer may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Developer; provided, however, that such indemnity shall not be operative with respect to:

a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Developer, or

(b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Developer.

Section 2. Success on Merits. To the extent that the Developer or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful ou the merits or

otherwise in defense of any action, suit or proceeding referred to in Article VII, Section I ,or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Developer, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Developer, shall be limited to such proportion of the total liability hereunder as such Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Developer or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, members of such committees, Developer or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners' and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Developer or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE VIII
MORTGAGES

Section 1. Notice to Board. A Unit Owner or Sub Unit Owner who mortgages his Unit shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the deed of trust or mortgage with the Board; the Board shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgage of a Unit or Sub Unit, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days. but not more often than once a month.

ARTICLE IX
DEFINITION OF TERMS

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Declaration Establishing Townhomes at 2818 Vaulx, which Declaration is recorded in the Register's Office for Davidson County, Tennessee.

The term "member" as used in these By-Laws, means "Unit Owner" and "Sub Unit Owner" as defined in the Declaration.

ARTICLE X
CONFLICTS

These By-Laws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated as it may be amended from time to time, and to allow the By-Laws to control in specific situations where such law allows. In case any of the By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

CERTIFICATION

I hereby certify that the foregoing By-Laws were duly executed and adopted by the Incorporator of TOWNHOMES AT 2818 VAULX HOMEOWNERS ASSOCIATION, INC. on this the 27th day of August, 2014.

Derek Young

Deirdred Young

EXHIBIT
E

STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Townhomes at 2818 Vaulx Homeowners Association
2818 VAULX LN
NASHVILLE, TN 37204-2644

September 2, 2014

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	**769515**	Formation Locale:	TENNESSEE
Filing Type:	Corporation Non-Profit - Domestic	Date Formed:	09/02/2014
Filing Date:	09/02/2014 11:54 AM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2015
Duration Term:	Perpetual	Image # :	7377-1294
Public/Mutual Benefit:	Mutual		
Business County:	DAVIDSON COUNTY		

Document Receipt

Receipt # : 1628344	Filing Fee:	$100.00
Payment-Cash - Townhomes at 2818 Vaulx Homeowners Association, NASHVILLE, TN		$100.00

Registered Agent Address:
TOWNHOMES AT 2818 VAULX HOMEOWNERS ASSOCIATION
2818 VAULX LN
NASHVILLE, TN 37204-2644

Principal Address:
2818 VAULX LN
NASHVILLE, TN 37204-2644

Congratulations on the successful filing of your **Charter** for **Townhomes at 2818 Vaulx Homeowners Association** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Visit the TN Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Processed By: Cynthia Dunn

CHARTER
NONPROFIT CORPORATION (ss-4418)

FILED

Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $100

For Office Use Only

Control # 000769515
SUBMISSION PENDING

Amount Due: $100.00
Please file before 09/25/2014

The undersigned, acting as incorporator(s) of a nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopt the following Articles of Incorporation.

1. The name of the corporation is: Townhomes at 2818 Vaulx Homeowners Association

2. Name Consent: (Written Consent for Use of Indistinguishable Name)
☐ This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of:

4. The name and complete address of its initial registered agent and office located in the State of Tennessee is:
Townhomes at 2818 Vaulx Homeowners Association
2818 VAULX LN
NASHVILLE, TN 37204-2644
DAVIDSON COUNTY

5. Fiscal Year Close Month: December **Period of Duration:** Perpetual

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:
(none) (Not to exceed 90 days)

7. The corporation is not for profit.

8. Please complete all of the following sentences by checking one of the two boxes in each sentence:
This corporation is a ☐ public benefit corporation / ☑ mutual benefit corporation.
This corporation is a ☐ religious corporation / ☑ not a religious corporation.
This corporation will ☐ have members / ☑ not have members.

9. The complete address of its principal executive office is:
2818 VAULX LN
NASHVILLE, TN 37204-2644
DAVIDSON COUNTY

(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)

7377.1294, 09/02/2014, 11:54:58, Received by Tennessee Secretary of State Tre Hargett

CHARTER
NONPROFIT CORPORATION (ss-4418)

Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $100

For Office Use Only

Control # 000769515
SUBMISSION PENDING

Amount Due: $100.00
Please file before 09/25/2014

The name of the corporation is: Townhomes at 2818 Vaulx Homeowners Association

10. The complete mailing address of the entity (if different from the principal office) is:
2818 VAULX LN
NASHVILLE, TN 37204-2644

11. List the name and complete address of each incorporator:

Title	Name	Business Address	City, State, Zip
	Derek Young	2818 VAULX LN	NASHVILLE, TN 37204-2644
	DEIRDRED YOUNG	2818 VAULX LN	NASHVILLE, TN 37204-2644

12. School Organization: (required if the additional designation of "School Organization - Exempt" is entered in section 3.)

☐ I certify that pursuant to T.C.A. §49-2-611, this nonprofit corporation is exempt from the $100 filing fee required by T.C.A. §48-51-303(a)(1).

☐ This nonprofit corporation is a "school support organization" as defined in T.C.A. §49-2-603(4)(A).

☐ This nonprofit corporation is an educational institution as defined in T.C.A. §48-101-502(b).

13. Insert here the provisions regarding the distribution of assets upon dissolution:
In the event of dissolution of the corporation, all assets will be used to improve the units under control of the corporation in equally.

14. Other Provisions:

(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)

Aug 26, 2014 4:42PM
Signature Date

Derek Young
Incorporator's Signature

Derek Young
Incorporator's Name (printed or typed)

SS-4418 (Rev. 1/13)

RDA 1678

7377.1295, 09/02/2014, 11:54:59, Received by Tennessee Secretary of State Tre Hargett

EXHIBIT F

RE: Attorney Opinion Related to the Townhouse Planned Unit Development Commonly Known As TOWNHOMES AT 2818 VAULX

To Whom It May Concern:

It is my opinion that all legal documents required by the Horizontal Property Act as codified at Tennessee Code Annotated § 66-27-101 through 123 for the creation of a Planned Unit Development have been prepared in connection with the above-referenced development and substantially comply with said provisions of the Act. As such, a Townhouse Planned Unit Development, a horizontal property regime with private elements has been created under the Act.

Sincerely,

Andre P. Johnson, Esq.

State of Tennessee

Davidson County

Before me, the undersigned, a Notary Public, within and for the State and County aforesaid, personally appeared Andre P. Johnson, with whom I am personally acquainted or proved to me based on satisfactory evidence, and acknowledged to me that he was the person described in the foregoing instrument and that the statements contained therein were true to the best of his knowledge, information and belief.

Sworn to and subscribed before me this 27th day of August, 2014.

Notary Public

STEPHANIE ALLEN STATE OF TENNESSEE NOTARY PUBLIC DAVIDSON COUNTY My Commission Expires 05-08-2017

My Commission expires: 5/8/17

Certificate of Authenticity

I, Jennifer C. Cole do hereby make oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered for registration herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

Jennifer C. Cole
Signature

State of TENNESSEE
County of DAVIDSON

Personally appeared before me, Maxine J. Rucker, a notary public for this county and state, Jennifer C. Cole who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.

Maxine J. Rucker
Notary's Signature

My Commission Expires: MAR 0 8 2016

Notary's Seal (If on paper)

MAXINE J. RUCKER
NOTARY PUBLIC AT LARGE
DAVIDSON COUNTY, TENNESSEE