DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR FIRST NORTH TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR FIRST NORTH TOWNHOMES (the "Declaration") is made this 9 day of September, 2015 by Urban South Group, LLC, a Tennessee limited liability company, hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner and developer of certain real property located in Davidson County, Tennessee, more particularly described on Exhibit "A", attached hereto and incorporated herein by reference (the "Development Property"), which is to be developed as a townhome development known as the First North Townhomes; and

WHEREAS, Declarant desires to develop the First North Townhomes, including the infrastructure thereof and the common areas appurtenant thereto; and

NOW, THEREFORE, the Declarant hereby declares that the Development Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to herein as the "Covenants, Conditions and Restrictions" or as the "Restrictions") hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding upon all parties having any right, title, or interest in the described property or any part thereof, their heirs, successors or assigns, and shall inure to the benefit of each owner thereof.

ARTICLE ONE
DEFINITIONS

As used herein:

Section 1.01. "Area of Common Responsibility" shall mean and refer to the areas that are the maintenance responsibilities of the Association. This shall include the Common Areas and the building roofs, together with those areas, if any, the maintenance and administration of which, by the terms of this Declaration or by contract, become the responsibility of the Association.

Section 1.02. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of First North Townhomes Homeowners Association, as filed with the Secretary of State of the State of Tennessee.

Section 1.03 "Association" shall mean and refer to First North Townhomes Homeowners Association., a Tennessee non-profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Tennessee corporate law and shall be responsible for managing the affairs of the Association.

Section 1.04 "Base Assessment" shall mean and refer to assessments levied against all Units subject to these Restrictions in order to fund Common Expenses.

Section 1.05 "By-Laws" shall mean and refer to the By-Laws of First North Townhomes Homeowners Association, as they may be amended from time to time.

Section 1.06. "Class "B" Control Period" shall mean and refer to that period of time during which Class B membership exists.

Section 1.07. "Common Area(s)" shall mean those areas specifically designated herein. The Common Area to be owned by the Association shall consist of the parking lot, retaining walls, fencing, garbage receptacle area, parking lot, the lawn or landscaped areas around the units, and generally all areas on the recorded Plat not consisting of the Units.

Section 1.08. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of the Unit Owners, including reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 1.09. "Community-Wide Standard" shall mean the standard of conduct, maintenance, appearance, style, construction or other activity generally prevailing throughout the Property. Such standard may be more specifically determined by the Board of

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Directors or the Architectural Review Committee.

Section 1.10. "Declarant" or "Developer" shall mean and refer to Urban South Group, LLC, a Tennessee limited liability company, its successors or assigns if such successors or assigns should acquire more than one undeveloped Unit from the Declarant for the purpose of development.

Section 1.11. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 1.12. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 1.13. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 1.14. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 1.15. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation, unless and until such person has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 1.16. "Person" shall mean a natural person, a corporation, a partnership, Limited Liability Company, trustee, or other legal entity.

Section 1.17. "Property" shall mean and refer to that certain real property described in Exhibit A of this Declaration.

Section 1.18. "Special Assessment" shall mean and refer to assessments levied in accordance with Article Six of this Declaration.

Section 1.19. "Supplemental Declaration" shall mean an amendment to this Declaration which imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Section 1.20. "Unit" shall mean a portion of the Property intended for use and occupancy as a residence for a single family.

ARTICLE TWO
RIGHTS AND OBLIGATIONS OF THE OWNERS

Section 2.01. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Section 2.02. Membership. Every Owner, as defined in Article One, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No Class "A" Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. The rights and privileges of membership may be exercised by a Member or the Member's partner, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2.03. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) **Class A.** Class "A" Members shall all be all Owners who are not Class "B" members. Each Class "A" Member shall be entitled to one (1) vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

(b) **Class B.** The Class "B" Member shall be the Declarant, Urban South Group, LLC and any successor or assign of the Declarant designated as such by an instrument recorded in the Register's Office for Davidson County, Tennessee.

The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and pursuant to the By-Laws, are specified elsewhere in this Declaration and the By-Laws. During the term of its Class "B" membership, the Class "B" Member shall be entitled to four (4) votes for each Unit owned. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership, upon the later of:

1) When eighty-five (85%) percent of all Units within the Property hereof have been improved and sold to purchasers who intend to reside thereon; or
2) When, at its sole discretion, the Class "B" Member so determines.

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

ARTICLE THREE
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 3.01. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standards.

Section 3.02. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances, in which event the offending party shall pay all costs and expenses of such enforcement, including without limitation reasonable attorney fees. The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances or permit Davidson County, Tennessee to enforce ordinances on the Property for the benefit of the Association and its Members.

Section 3.03. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE FOUR
MAINTENANCE

Section 4.01. Association's Responsibility. The Association shall maintain, keep in good repair and replace as needed the Areas of Common Responsibility. The Association shall provide for the maintenance, care, repair, and replacement of the following portions of the Residential Units:

- The exterior landscaping, walkways, and patios located about each Unit.
- The following exterior items of each Unit: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to roof (to include the repair and replacement of all non-structural components of the roof of each Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall not include glass surfaces.

The balance of the Units and the improvements located thereon shall be maintained by the Owner of the particular Unit involved.

In the event that an Owner fails to maintain his/her Unit and the improvements thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore and maintain the Unit and the exterior portion of the Unit. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

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

- The Association may maintain property, which it does not own, including, without limitation, property dedicated to the public,

if the Association determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

- The Association shall maintain and keep in good repair all exterior portions of each Unit, including roofs and exterior siding materials, but specifically excluding windows and doors and their casings, and any similar improvement not constituting a part of the structure itself.
- The Association shall provide lawn maintenance and lawn cultivation for each Unit.
- The Association shall maintain the public sidewalks located on the Property to the extent that they are not maintained by the Metropolitan Government of Nashville and Davidson County, Tennessee.
- All costs associated with the above-referenced maintenance, repair and replacement set forth in this Section shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

Section 4.02. Trash Collection. Declarant has made arrangements for regular collection of trash and recyclables from all Units. All costs and expenses incurred by the Association for these services will be deemed Common Expenses and will be billed to each Owner as part of the Base Assessment.

Section 4.03. Owner's Responsibility. With regard to each Unit, all maintenance, repair and reconstruction of any and all other items related to each Unit, including but not limited to all interior items within each Unit, shall be the sole responsibility of the Owner. Notwithstanding the foregoing, no Owner shall be permitted to make any change, alteration, or modification to any Unit which would adversely affect the structural integrity of any Unit. Each Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Each Unit Owner shall maintain his Unit in good order and repair, in a manner and with such frequency as is consistent with the Community-Wide Standard. The windows and doors of the Units shall not be maintained or repaired by the Association, but shall be the sole responsibility of the Owner. Notwithstanding the foregoing, if, due to the act or neglect of an Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Unit or to a Unit or Units owned by others, or maintenance, repairs or replacements are required which would otherwise be an Association expense, then such Owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance. All maintenance and repair obligations performed by an Owner shall be in a manner consistent with the Community-Wide Standard and all applicable covenants. If any Owner fails to properly perform his or her maintenance responsibly, the Association may perform such maintenance and assess all costs incurred by the Association against the Unit and the Owner thereof. In that instance, Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry except, however, when entry is required due to an emergency situation.

ARTICLE FIVE
INSURANCE AND CASUALTY LOSSES

Section 5.01. Association's Insurance Responsibility. The Association shall obtain insurance for the Units against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Units, and against such other hazards and for such amounts as the Association may deem advisable, provided that no such insurance shall be obtained covering furniture, furnishings, appliances, fixtures or other personal property supplied or installed by Unit owners or included within the boundaries of the Units. Insurable replacement cost shall be deemed the cost of restoring the Unit structure(s), or any part thereof, to substantially the same condition in which they existed prior to damage or destruction. Such insurance shall comply with all applicable insurance laws and shall at a minimum be in an amount at least equal to that which is commonly required by prudent institutional investors in the area. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as the trustee for the Owners, and for the holders of mortgages on the Units, if any, and shall include a standard mortgagee clause or equivalent endorsement The policy of insurance shall provide that it may not be canceled, substantially modified or not renewed without at least thirty (30) days' written notice to the Association. The policy of insurance shall be a "blanket" or "master" type of policy and should also contain a special townhome type endorsement including a waiver of subrogation rights by the insurer against the Unit Owners. The premiums for such insurance shall be an expense of the Association. The Association, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements in the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum, an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

Section 5.02. Additional Association Insurance. In addition to the other insurance required by this Section, the Association shall obtain, as a common expense, the following additional insurance coverages:

(1) Directors' and officers' liability coverage for the Board of Directors;

(2) Fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's

funds. The amount of fidelity coverage shall be determined in the Directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(3) Flood insurance, if required.

(4) Public liability insurance, covering the Common Area, the Association and the Owners as a group to a single Owner for all damage or injury caused by the negligence of the Association or any of its contractors, employees or agents. The public liability policy shall have at least a One Million Dollar ($1,000,000.00) single person limit as respects bodily injury and property damage, a Three Million Dollar ($3,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar ($500,000.00) minimum property damage limit.

Section 5.03. Association's Insurance Premiums. Premiums for all insurance obtained by the Association shall be Common Expenses of the Association and shall be included in the Base Assessment. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

Section 5.04 Ownership of Association's Policies and Policy Provisions. All insurance coverage obtained by the Association shall be for the Benefit of the Association and the Owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the benefit of the Association and Owners and their mortgagees as their interests may appear. Such insurance shall be governed by the provisions hereinafter set forth:

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

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

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

(d) The Association shall be required to make every reasonable effort 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's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

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

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

  (iv) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

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

Section 5.05. Owner's Insurance Responsibility. Each Owner shall maintain insurance covering furniture, furnishings, appliances, fixtures or other personal property supplied or installed by Unit owners or included within the boundaries of the Unit. Such insurance shall be obtained at the said Owner's sole cost and expense. Any additional insurance desired by any Owner shall be obtained at such Owner's sole cost and expense.

Section 5.06. Damage and Destruction. Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

Any damage or destruction to the Common Area or the Units shall be repaired or reconstructed at the discretion of the Board. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then, in that event, the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

Section 5.07. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area or the Units shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5.08. Repair and Reconstruction. If the damage or destruction to the Common Area or the Units is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. The Owner of any damaged Unit shall be obligated to proceed with all due diligence and commence reconstruction within forty-five (45) days after damage occurs and to complete reconstruction within six (6) months after the damage occurs for any major structural damage and within sixty (60) days for any minor non-structural damage, unless prevented by causes beyond their reasonable control, except that disputes concerning insurance coverage shall not be deemed an adequate cause for delay.

ARTICLE SIX
ASSESSMENTS

Section 6.01. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth herein. There shall be two (2) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; and (b) Special Assessments as described herein. Base Assessments shall be levied equally on all Units. Special Assessments shall be levied as provided herein.

Section 6.02. Creation of the Lien and Personal Obligation for Assessments. Each Class "A" Member, by acceptance of a deed to the Unit or Units owned by such Class "A" Member, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Base Assessments, and (2) Special Assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The Base and Special Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such person's successors in title unless expressly assumed by them, but shall, nevertheless, continue to be a charge against the property until paid. The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6.03. Certificates of Assessments. The Association, or its agent, shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing setting forth whether such assessment has been paid as to any particular Unit. Such

certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association, or its agent, may require the advance payment of a processing fee for the issuance of such certificate.

Section 6.04. Payment of Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Base Assessment for delinquencies, including Owners delinquent in the payment of fines imposed. Unless the Board otherwise provides, the Base Assessment shall be paid in monthly installments.

Section 6.05. No Waiver, Exemption, or Abatement. No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of his or her Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 6.06. The Declarant. All such Units owned by the Declarant, its successors and assigns, and intended for resale are expressly exempt from assessment. Any costs and expenses incurred by the Declarant in funding any shortfalls in assessments or their collection are obligations of the Association and shall be repaid by the Association to the Declarant from future surpluses of the Association. The funding of shortfalls in assessments by the Declarant may be made in the form of a cash subsidy or by "in-kind" contributions of services or materials, or a combination of these.

Section 6.07. Computation of Base Assessment. It shall be the duty of the Board to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Unit subject to assessment shall be computed by dividing the budgeted Common Expenses by the total number of Units subject to assessment. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be made available at or prior to the annual meeting of the Association. Notwithstanding the foregoing, however, in the event the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 6.08. Special Assessments. In addition to the base assessments authorized herein, the Board of the Association may levy a Special Assessment or Special Assessments from time to time; provided, such assessment shall have the written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines. The Board may also levy a Special Assessment against any Member, without the necessity of a vote of the Members, to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and any applicable governmental ordinances, which Special Assessment may be levied upon the vote of the Board.

Section 6.09. Capital Budget and Contribution. The Board of Directors may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 6.07 of this Article. The capital reserve fund is to be established out of Base Assessments for Common Expenses.

Section 6.10. Date of Commencement of Annual Assessments. The assessments provided for herein shall commence as to all Units upon conveyance of the first Unit to a person other than a builder or developer holding title solely for purposes of development and/or resale. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide.

Section 6.11. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit

pursuant to judicial foreclosure or foreclosure pursuant to power of sale of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to acquisition of title to such Unit by such transferee. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 6.12. Exempt Property. Notwithstanding anything to the contrary herein, all Common Area shall be exempt from payment of Base Assessments and Special Assessments.

Section 6.13. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate permitted by law on the date the assessment became due. The Association may, after ten (10) days advance notice and opportunity to cure, bring an action at law against the Owner personally obligated to pay the same and/or may foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot.

For the purpose of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of assessments, and for the consideration of one dollar ($1.00) paid in cash, receipt of which is acknowledged, the Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto William E. Miller, his successors and assigns, their respective Units and all improvements thereon and all appurtenances thereto upon the use and trusts set forth in this paragraph.

If the Trustor shall pay the Assessments when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Lot and all improvements thereon and all appurtenances thereto. If the Assessments with respect to any Lot and all improvements thereon and all appurtenances thereto are not paid promptly when due, this trust conveyance shall remain in full force and effect and the said Trustee, or his successor in trust, is hereby authorized and empowered upon giving twenty (20) days' notice by three publications in any newspaper, daily or weekly, of general circulation, published in Davidson County, Tennessee, to sell said Lot and all improvements thereon and all appurtenances thereto at the front door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the right of redemption, the statutory right of redemption, homestead, dower and all other exemptions of every kind, which are hereby expressly waived and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association is authorized and empowered to bid at any sale hereunder. The Association may, at any time after default in the payment of any Assessment, enter and take possession of said property and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing the Trustee to sell said Lot and all improvements thereon and all appurtenances thereto, 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 the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

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

(b) Second, to the payment of all taxes which may be unpaid with respect to such Lot and all improvements thereon and all appurtenances thereto;

(c) Third, to the payment of all unpaid Assessments with respect to such Lot and all improvements thereon and all appurtenances thereto;

(d) Fourth, the residue, if any, will be paid to the Owner of such Lot and all improvements thereon and all appurtenances thereto, his order, representative or assigns.

In the case of death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trust may be required or for any other reason, the 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 SEVEN
ARCHITECTURAL STANDARDS

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committee established in this Article. This Article may not be amended without the Declarant's written consent during the Class "B" Control Period. No construction shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the appropriate committee has been obtained.

Section 7.01. Architectural Review Committee. The Architectural Review Committee ("ARC") shall consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Declarant; provided that after all Units within the Property are sold and no longer owned by the Declarant, the members of the ARC shall be appointed by the Board of Directors. The ARC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto. The following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ARC for review as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation; and no permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired.

Section 7.02. No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 7.03. Variance. The ARC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in this Declaration, or (c) prohibit the Committee(s) from denying a variance in other circumstances. For purposes of this Section the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

ARTICLE EIGHT
USE RESTRICTIONS

The Property shall be used only for residential purposes. The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Property, in addition to those contained herein. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class "A" Membership and with the consent of the Class "B" Member, so long as such membership shall exist.

Section 8.01. Signs or Billboards. Signs, signals, and other such means of advertisement are not permitted, provided, however, that the following shall be permitted:

(a) Open houses: One open house sign may only be posted in front of the unit being shown and only on the day of the open house. All open house signs are to be removed immediately after the open house.
(b) One "for sale" or "for rent" sign shall be permitted to be placed in the front yard of any Unit which is being offered for sale or rent.
(c) One sign stating that a Unit is alarmed, which is provided by the commercial alarm vendor, may be placed in front of that Unit in the Common Area, at a location to be approved by the Association.

The Board of Directors shall have the right to erect signs as it, in its discretion, deems appropriate. Notwithstanding the foregoing, the Declarant and any other person or entity engaged in the construction and sale of residences within the Property shall have the right, during the construction and sales period, to construct and maintain such facilities as may be reasonably necessary or convenient for such construction and sale, including, but not limited to, signs, offices and model units.

Section 8.02. Vehicles and Parking Spaces. Parking is for the Owners and their guests only. Parking spaces at the First North Townhomes will be allocated by the Association to specific Units based upon the number of vehicles each unit has, not to exceed two spaces per unit. All vehicles are to be parked in spaces marked for parking spaces only. Each Unit is limited to the use of no more than

three parking spaces at any time, with one space being used by a guest. No vehicle of any kind shall be parked in any yard, street or alleyways. The following are not permitted to be parked or stored on the Property:

- Recreational vehicles- including but not limited to trailers, motor homes, campers RVs and boats.
- Commercial or other oversized vehicles.
- Inoperable, junked or unlicensed vehicles: this includes vehicles with flat tires.
- Vehicles shall be operated in a safe and prudent manner at all times.
- No vehicle maintenance work shall be permitted on any Unit Lot.

All vehicles parked at the First North Townhomes must be used on a regular basis (at least weekly) or are subject to removal from the Property at the vehicles owner's expense, unless an exception is granted by the Association. The Association reserves the right to tow vehicles in violation, at the Owner's expense, seven (7) days after the vehicle is tagged by the Association, if the vehicle is not brought into compliance with this Declaration or Rules and Regulations established by the Association.

Section 8.03. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit.

Section 8.04. Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit or on Unit property. However, any pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Association. If the Owner fails to honor such request, the pet may be removed by the Association and transmitted to the appropriate agency for keeping or disposal. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets and any dog allowed outside a Unit, shall at all times be confined on a leash held by and under the physical control of a responsible person. No dog runs are allowed. All pets shall be under the control of their Owner at all times. No pet shall be permitted to stray from its Owner's Lot unless on a leash and accompanied by its Owner at all times. Pets shall not be left unattended on patios, breezeways, balconies, porches, or common areas. Pet owners shall walk their pets away from the buildings, gardens and sidewalks. Pet owners shall clean up after their pets. No food for any animal, including but not limited to pet food, shall be left outside. Bird feeders are permitted on balconies and patios, provided they are not hung from the sides of buildings or overhangs. Bird feeders may be placed on the ground only with prior permission of the Association. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees, and tenants and to the Association for any and all damage to person or property caused by any pets brought to their Unit by any member of his family, guests, or invitees.

Section 8.05. Nuisance. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animal or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Properties. Loud, boisterous or disturbing noise and objectionable behavior by Owners or their guests is prohibited. In consideration of neighbors, Owners and guests are advised to turn down the volume of TVs, stereos, car stereos, etc., during "quiet time", which is between 10:00 p.m. and 6 a.m. on weekdays, and 11:00 p.m. and 8:00 a.m. on weekends. Garage sales, yard sales and other similar sales are prohibited.

Section 8.06. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 8.07. Infections, Plant Diseases, or Insects. No Owner shall permit anything or any condition to exist upon any portion of such Owner's Unit that shall induce, breed, or harbor infections, plant diseases, vermin, or noxious insects.

Section 8.08. Satellite Dishes and Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including

any Unit, without the prior written consent of the Association or its designee.

Section 8.09. Clotheslines, Garbage Cans, Tanks, Etc. No grill may be stored or used on any balcony or patio on the front or sides of the building. Additionally, on ground floors: grills are not permitted within ten (10) feet of patios or other structure constructed of any combustible material, and must be located at least ten (10) feet from any window or door, and a minimum of twenty (20) feet from any air conditioning, heating or ventilating systems. The use of clotheslines and other items to dry laundry outside is prohibited. No laundry or other similar items shall be left outside. Refuse, garbage, discarded items and debris shall not be stored outside.

Section 8.10. Guns and Fireworks. The discharge of firearms or fireworks within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types.

Section 8.11. Tents, Trailers and Temporary Structures. Except as may be permitted during initial construction within the Properties, no tent, utility, shed, shack, trailer, camper, or other boat equipment or structure of a temporary nature shall be placed upon a Unit or any part of the Properties. Declarant or its agents shall have the right to conduct any business necessary for the sale of Residential Units, including showing model units and maintaining a sales and/or construction office on the Common Area or in any Residential Units owned by Declarant. In furtherance thereof, Declarant shall have an easement over all of the Common Area for ingress, egress, and parking for itself, its agents, employees, and prospective buyers of Residential Units for so long as Declarant or any subsidiary or affiliated company owns any interest in the Property.

Section 8.12. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstruction or debris shall be placed in these areas nor shall there be any alteration to these areas with the permission of the Declarant during the Class "B" Control Period and thereafter without the permission of the Association. Perpetual easements across the Properties are established for the purpose of drainage and water flow.

Section 8.13. Air Conditioning Units. No window air conditioning units may be installed in any Unit.

Section 8.12. Lights and Seasonal Decorations. Except for seasonal Christmas decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved in accordance with Article Seven of this Declaration. All Christmas lights or similar lights must be removed by January 10. Holiday wreaths and banners may be hung on doors during holiday seasons; other wreathes and banners may be hung on doors with the prior permission of the Association. However, nothing may be hung from balconies or porch ceilings or overhangs, or on the sides of buildings. Items may be removed if not previously approved, after seven (7) days' notice to the Owner.

Section 8.13. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation, exterior sculpture, fountains, flagpoles, flags, and similar items shall be permitted on the exterior of any portion of the Properties.

Section 8.14. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Architectural Review Committee.

Section 8.15. Occupancy before Completion. No Unit shall be occupied until the construction thereof has been completed and a certificate of occupancy has been issued.

Section 8.15. Reasonable Inspection. During reasonable hours, any member or representative of the Board shall have the right to enter upon and inspect any portion of the Properties and the improvements thereon for the purpose of ascertaining whether or not the provision of this Declaration have been or are being complied with. Such Persons shall not be deemed guilty of trespass by reason of such entry, provided 24 hours prior written notice has been given to the Owner of any Unit entered upon.

Section 8.16. Additional Use Restrictions. The Board of Directors shall be entitled to invoke additional rules and regulations from time to time for the operation, use and maintenance of the Properties, including Common Area, provided such rules and regulations are not inconsistent with this Declaration.

Section 8.17. Leasing of Units.

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

emolument.

Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations.

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

Section 8.18. Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent by sight, sound or smell from outside the Unit; (b) the business activity generally conforms to city zoning requirements for the Properties; (c) the business activity does not involve more than four (4) non-employees accessing the Unit per day; (d) the business activity does not involve door-to-door solicitation of residents of the Properties; and (e) the business activity is reasonably consistent with the residential character of the Properties and does not constitute a substantial nuisance, or a hazardous use, or threaten the safety of other residents of the Properties.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Unit in accordance with Section 8.17 of this Article shall not be considered a trade or business within the meaning of this section.

Section 8.19. Landscaping. No trees of any size shall be planted by any Owner. No permanent or temporary structures such as rock walls or landscaping timbers are to be installed without the prior permission of the Association. Live plants in pots may be placed on terraces and patios. Each Owner shall be responsible for the maintenance of the live plants and shall keep such plants neat and clean and shall promptly remove any dead or decaying plants. Empty pots, garden tools and supplies shall not be stored outside the Unit. The following are not permitted: creeping vines on buildings; and temporary or permanent structures or fixtures, including but not limited to dog houses, play sets or signs, in the Common Areas or on terraces or patios. Any such structures or fixtures are subject to removal without notice by the Association. The Association reserves the right to remove trees, bushes and private plantings from the Common Area, for any reason.

Section 8.20. Doors and Windows. All maintenance of doors and windows of a Unit, including but not limited to painting, shall be the sole responsibility of the Owner. Replacement front entrance doors must be approved by the Association and painted in a color approved by the Association. The door frames must be black or white in color. Replacement windows are to be the style, size and design approved by the Association. Owners are responsible for maintenance of their Units' windows and screens. Damaged or clouded windows are to be replaced. Window coverings, if installed, may be drapes, curtains, shades or blinds. Sheets, towels, blankets, and other similar materials shall not to be used as window coverings. Window treatments visible to the public view must be white, off white or a neutral color.

Section 8.21. Alteration of Units. No building, fence, wall, outside antenna, satellite dish or other structure or improvement shall be commenced, erected or maintained upon a Unit or any Common Area; nor shall any Owner alter or add to the drives, walkways, sidewalks, drainage facilities or other improvements installed by the Developer or the Association within the Common Areas; nor shall any Owner alter or add to the plantings, shrubbery or other landscaping installed by the Developer or the Association within the Common Areas; nor shall any Owner alter or add to his building and appurtenances to his building if such alteration or addition would change the external appearance of the Unit and appurtenances as installed by the Developer on the building without the approval of the Association.

Section 8.22. Trampolines. Trampolines outside of the Units are prohibited.

ARTICLE NINE
MORTGAGEE PROVISIONS

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

Section 9.01. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

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

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 9.02. Special FHLMC Provision. So long as required by the Federal Horne Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

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

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

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

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

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

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

Section 9.03. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 9.04. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 9.05. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect part or all changes.

Section 9.06. Applicability of Article Nine. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Tennessee law for any of the acts set out in this Article.

Section 9.07. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE TEN
RIGHTS OF DECLARANT

Section 10.01. Transferring Rights. Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Davidson County, Tennessee.

Section 10.02. Development Rights. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant, as models and sales offices, respectively.

ARTICLE ELEVEN
GENERAL PROVISIONS

Section 11.01. Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by at least seventy-five percent (75%) of the Class "A" Members, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to amend said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 11.02. Amendment. Until such time as one hundred percent (100%) of all Units have been conveyed to an Owner other than the Declarant or a builder holding title to one or more Units solely for development, construction and resale, the Declarant may unilaterally amend this Declaration. Thereafter, this Declaration may only be amended by the affirmative vote (whether by proxy, upon written consent, in person, or other permitted means) of the Members representing at least seventy-five percent (75%) of the Class "A" Membership. No amendment shall be effective and binding unless such amendment is recorded in the Register's Office for Davidson County, Tennessee.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 11.03. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and directors free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a common expense, maintain adequate

general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 11.04. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees, subject to such rules and regulations as the Board of Directors may adopt.

Section 11.05. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as Declarant owns any portion of the Property, the Association and the designees of each (which may include, without limitation, the Metropolitan Government of Nashville and Davidson County, Tennessee, and any utility), blanket easements upon, across, over, and under all of the Common Area and, to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, phone systems, data systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity. Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units on the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

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

Section 11.06. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 11.07. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 11.08. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of fifty (50%) percent of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it.

Section 11.09. Use of the Word(s) First North Townhomes. No Person shall use the word(s) "First North Townhomes" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term "First North Townhomes" in printed or promotional matter where such term is used solely to specify that particular property is located within the "First North Townhomes" community.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this the 9th day of September, 2015.

URBAN SOUTH GROUP, LLC,
A Tennessee Limited Liability Company

By: Mary Jessica Woodrum

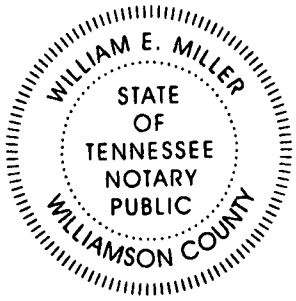
Title: Manager

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

Before me, William E. Miller, a Notary Public of the state and county mentioned, personally appeared Mary Jessica Woodrum, with

whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Manager (or other officer authorized to execute the instrument) of Urban South Group, LLC, the within named bargainor, a Tennessee Limited Liability Company, and that such Manager or officer as such she executed the foregoing instrument for the purpose therein contained, by personally signing the name of the company as herself.

Witness my hand and seal, at office in Brentwood, Tennessee, this 9 day of September 2015.



Notary Public

My Commission Expires: 11/28/16

EXHIBIT "A"

Legal Description

Certain real property situate in Davidson County, Tennessee, and described as follows, to-wit:

BEING 3 adjoining tracts or parcels of property situated on the Northeasterly comer of Evanston Avenue and North First Street (or Dickerson Pike) in Nashville, Davidson County, Tennessee, more particularly described as being Lot Nos. 7, 8 and 9 on the Map of Sharpe and Horn's Second Addition, as of record in Book 161, page 53, Register's Office for said County.

Said Lot Nos. 7, 8 and 9 adjoin and front together 160.00 feet on the East side of North First Street and run back between parallel lines, Lot No. 7 running back along the North margin of Evanston (formerly Childers Avenue) Street, 145.00 feet to an alley.

BEING all of the same property conveyed to Urban South Group, LLC, by a quitclaim deed from Mountain Investors, LLC and CMB Group, LLC, dated September 9, 2015 and filed of record in Instrument 20150909-0091503, Register's Office for Davidson County, Tennessee.

Parcel ID: 08203001000

Address: 1101 Dickerson Pike, Nashville, TN 37207

This space reserved for Register's stamp

Prepared by:

William E. Miller
Attorney at Law
1804 Williamson Court Ste 104
Brentwood TN 37027