Karen Y Johnson Davidson County
Batch# 141860 DEEDMAST
09/17/2018 01:20:30 PM 88 pgs
Fees: $442.00 Taxes: $0.00
20180917-0092013

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

CAROTHERS FARMS STACKED FLATS,

A CONDOMINIUM DEVELOPMENT

Date: September 14, 2018

This instrument prepared by:

Ortale Kelley Law Firm (PHP)
330 Commerce Street, Suite 110
Nashville, Tennessee 37201
Phone: (615) 256-9999

TABLE OF CONTENTS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CAROTHERS FARMS STACKED FLATS, A CONDOMINIUM DEVELOPMENT

Page

ARTICLE I DEFINITIONS 2
Section 1.01 Definitions 2

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION 7
Section 2.01 Description of Improvements and Identification of Units 7
Section 2.02 Amendment of Condominium Plan 8
Section 2.03 Parking Spaces and Detached Parking Garages 8
Section 2.04 Balconies, Patios, or Terraces 8
Section 2.05 Easements and Restrictions 9
Section 2.06 Ownership of Common Elements 10
Section 2.07 Rights in or to Limited Common Elements 11

ARTICLE III ORGANIZATION AND MANAGEMENT 11
Section 3.01 Management of the Condominium Property 11
Section 3.02 Members 11
Section 3.03 Bylaws 12

ARTICLE IV ASSESSMENTS 12
Section 4.01 Liability, Lien and Enforcement 12
Section 4.02 Assessments. 12
Section 4.03 Annual Budget 13
Section 4.04 Omission of Assessment 13
Section 4.05 Detailed Records 13
Section 4.06 Payment of Common Expenses and Limited Common Expenses by Unit Owners 14
Section 4.07 Portion of Assessment Paid to Master Association 13
Section 4.08 Default in Payment of Assessments 14
Section 4.09 Power of Sale to Enforce Assessment Lien 13
Section 4.10 Required Reserve Funds and Working Capital Fund 17
Section 4.11 Election of Remedies 18

ARTICLE V MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY 18
Section 5.01 The Association's Obligation to Repair 18
Section 5.02 Each Owner's Obligation to Repair 19
Section 5.03 Alterations, Additions and Improvements by the Association 21
Section 5.04 Utilities 22

ARTICLE VI RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS 23
Section 6.01 Rules and Regulations of the Association 23
Section 6.02 Restrictions on Use 23
Section 6.03 Right of Access. 33
Section 6.04 Limitation of Liability 33
Section 6.05 Abatement of Violations. 33
Section 6.06 Failure of the Association to Insist on Strict Performance; No Waiver 34
Section 6.07 Use by Declarant 34

ARTICLE VII RIGHTS OF MORTGAGEES 35
Section 7.01 Notification of Mortgagees Required 35
Section 7.02 Right of Inspection 35
Section 7.03 Priority of Mortgagees 35
Section 7.04 Request for Protection by Mortgagees 36

ARTICLE VIII CASUALTY LOSS AND INSURANCE 36
Section 8.01 Responsibility of Owners; Separate Insurance Coverage. 36
Section 8.02 Insurance to be Maintained by the Association. 37
Section 8.03 Governing Provisions 38
Section 8.04 Premiums and Deductibles 39
Section 8.05 Insurance Trustee. 39
Section 8.06 Loss to Common Elements Only 40
Section 8.07 Loss to Common Elements, Limited Common Elements and/or Units 41
Section 8.08 Estimates of Repair; Plans and Specifications; Payment of Assessments 42

ARTICLE IX CONDEMNATION 43
Section 9.01 Condemnation Considered a Casualty Loss. 43
Section 9.02 Partial Condemnation 43
Section 9.03 Association Appointed As Attorney-In-Fact for Unit Owners 45

ARTICLE X TERMINATION 45
Section 10.01 Destruction of the Condominium Property 45
Section 10.02 Termination by Consent 47
Section 10.03 The Association Appointed as Attorney-In-Fact for Unit Owners 47

ARTICLE XI AMENDMENT 47
Section 11.01 Amendments by Declarant. 47
Section 11.02 Amendments by Unit Owners. 48
Section 11.03 Effectiveness of Amendments 49

ARTICLE XII CONTROL OF THE ASSOCIATION 49

Section 12.01 Election of Board of Directors **49**
Section 12.02 Notice of Meeting **49**
Section 12.03 Status of Unsold Units **49**
Section 12.04 Additional Rights of Declarant Concerning Construction. **50**
Section 12.05 Additional Rights of Declarant Regarding Annexation of Additional Property **46**
Section 12.06 Professional Management and Other Contracts **51**

ARTICLE XIII MISCELLANEOUS 51
Section 13.01 Rights and Powers of Successors and Assignees **51**
Section 13.02 Headings **51**
Section 13.03 Gender/Number **51**
Section 13.04 Exhibits **52**
Section 13.05 Invalidity and Severability **52**
Section 13.06 Interpretation **52**
Section 13.07 Conflicts **50**

EXHIBITS

Exhibit "A"	Legal Description of Property
Exhibit "B"	Bylaws of the Association
Exhibit "C"	Charter of Association
Exhibit "D"	Plan of the Condominium
Exhibit "E"	Allocated Interests and Votes
Exhibit "F"	Declarant Rights Regarding Construction

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CAROTHERS FARMS STACKED FLATS, A CONDOMINIUM DEVELOPMENT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made as of this 14th day of September, 2018, by **REGENT HOMES, LLC**, a Tennessee limited liability company (the "Declarant"), pursuant to the provisions of the Tennessee Condominium Act of 2008, Tenn. Code Ann. §§ 66-27-201 et seq. (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land:

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property located in Davidson County, Tennessee, more particularly described on Exhibit "A" attached hereto on which is located one (1) building containing four (4) residential Units and certain other improvements in accordance with the Plot Plan, prepared by H & H Land Surveying, Inc., a copy of which is included in Exhibit "D" attached to this Declaration (the "Property" or "Condominium Property");

WHEREAS, it is the desire and intent of the Declarant, by recording this Declaration, to establish a condominium to be known as **CAROTHERS FARMS STACKED FLATS, A CONDOMINIUM DEVELOPMENT** (the "Condominium") under the provisions of the Act, as defined herein, and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the condominium units contained therein and the owners thereof; and

WHEREAS, the Condominium Property is subject to that certain Declaration of Charter, Easements, Convenants and Restrictions for Carothers Crossing (the "Master Subdivision") executed by Wood Ridge Development, Inc. ("Original Master Declarant"), and recorded at Instrument Number 20070627-0076582, Register's Office for Davidson County, Tennessee, as amended (the "Master Declaration"); as amended pursuant to the First Amendment to the Master Declaration of record in Instrument Number 20080515-0049892, said Register's Office (the "First Amendment to the Master Declaration"); and

WHEREAS, the Condominium Property is subject to that certain Master Deed for Carothers Crossing executed by Original Master Declarant, and recorded at Instrument Number 20070627-0076581, Register's Office for Davidson County, Tennessee, as amended (the "Master Deed"); as amended pursuant to the First Amendment to the Master Declaration of record in Instrument Number 20080515-004993, said Register's Office (the "First Amendment to the Master Deed"); and as further amended pursuant to the Second Amendment to the Master Declaration of record in Instrument Number 20180125-0008094, said Register's Office (the "Second Amendment to the Master Deed")

WHEREAS, the Declarant received an assignment of the rights granted to the Original Master Declarant pursuant to the Assignment and Assumption of Declarant Rights of record in Instrument Number 20181002-0100690, filed October 2, 2017 in the Register's Office; and

WHEREAS, Condominium Property will be established as a Special Use Parcel pursuant to Article 1 of the Master Declaration; and

WHEREAS, Notwithstanding any provisions to the contrary herein, this Declaration is at all times subject to and subordinate to the Master Declaration.

NOW, THEREFORE, Declarant, upon recording hereof, does submit that certain real property situated in Davidson County, Tennessee, more particularly described on Exhibit "A" attached to this Declaration, together with the improvements thereon, and owned by the Declarant in fee simple absolute to the provisions of the Act to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of said 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 said property and the division thereof into condominium 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 said property or any part thereof, and shall be for the benefit of each Owner of any portion of said 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 Tennessee Condominium Act of 2008, as codified under Tenn. Code Ann. §§ 66-27-201 et seq., as the same may be amended from time to time.

(b) "Association" shall mean Carothers Farms Stacked Flats Condominium 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 Condominium Property.

(c) "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected pursuant to the Bylaws of the Association.

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

(e) "Charter" shall mean and refer to the Charter of the Association as filed with the Secretary of State of the State of Tennessee. A copy of the Charter of the Association is attached hereto as Exhibit "C"

(f) "Common Elements" shall mean and include the following:

(i) The Land;

(ii) The foundations and footings, roofs, load bearing walls, perimeter walls, structural slabs, columns, girders, beams and supports;

(iii) Any and all balconies, patios, terraces, courtyards, corridors, hallways, lobbies, elevators, elevator lobbies, parking areas, sidewalks, loading docks, mechanical equipment, entrance areas, stairs and stairwells, mail room and/or central mail boxes, and all fixtures located therein, some of which may be designated as Limited Common Elements;

(iv) Any and all dumpster(s), trash compactor(s), trash rooms, and the like;

(v) The compartments or installations of central services such as central air conditioning, ventilation, heating, power, light, electricity, fire protection, security, cold and hot water, plumbing, reservoirs, water tanks and pumps, sewer lines, and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use in the Units;

(vi) All personal property held and maintained for the joint use and enjoyment of all the Owners, all assignable leases of personal property, and all assignable service contracts pertaining to the maintenance of the Common Elements

(vii) The premises and facilities, if any, used for the maintenance or repair of the Property;

(viii) Greens, lawns, fencing, landscaping, roadways, and central mail boxes;

(ix) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property;

(x) All other elements (other than the Units) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property;

(g) "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 Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof. If, at any time pursuant to this Declaration, the parking spaces are designated as Limited Common Elements and assigned to specific Units, parking area maintenance shall still remain a Common Expense.

(h) "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.

(i) "Condominium Documents" shall mean the Declaration and all Exhibits hereto, the Bylaws, the Charter of the Association, as the same shall be amended from time to time and the Rules and Regulations of the Association.

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

(k) "Declarant" shall mean Regent Homes, LLC, a Tennessee limited liability company, its successors and assigns, other than an Owner, who shall receive by assignment from the said Declarant all, or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee and recorded in the Register's Office for Davidson County, Tennessee.

(l) "Land" shall mean the parcels or tracts of real estate described in Exhibit "A" to this Declaration, submitted to the provisions of the Act, and such other parcels or tracts of real estate as may be subsequently submitted to the provisions of the Act by supplement or amendment of this Declaration.

(m) "Limited Common Elements" shall mean and include any area designated as Limited Common Elements on the Plan and any amendment to the Plan and any areas defined in the Act as Limited Common Areas. The Limited Common Elements shall include among any other property so designated, any balconies, patios, terraces or stoops immediately accessible from the Unit, any designated parking spaces assigned to the Unit, and the chutes, flues, wires, conduit, bearing walls, bearing columns, or any other fixture serving or located within only that Unit. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Unit to which it was originally assigned as a Limited Common Element.

(n) "Limited Common Expenses" shall mean the expenses arising from the maintenance or repair of the Limited Common Elements for which the Unit Owners to which the Limited Common Elements attach shall be liable to the Association in the percentage amount as set forth in Exhibit "E" attached hereto. The expenses related to the maintenance of the balconies, patios, terraces or stoops may be assessed as a Limited Common Expense against the Unit Owner whose Unit the balcony, patio, terrace or stoop serves. Limited Common Expenses shall include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(o) "Master Association" shall mean Carothers Crossing Neighborhood Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.

(p) ""Master Declarant" shall mean McGowan Family Limited Partnership, a Tennessee limited partnership, or any entity deemed an affiliate or the assignee to which it specifically assigns its rights as Master Declarant.

(q) "Master Deed" and "Master Declaration" shall mean and refer to that certain Master Deed for Carothers Crossing executed by Original Master Declarant, and recorded at Instrument Number 20070627-0076581, Register's Office for Davidson County, Tennessee, as amended ("Master Deed"), as well as the Declaration of Charter, Easements, Convenants and Restrictions for Carothers Crossing Original Master Declarant, and recorded at Instrument Number 20070627-0076582, Register's Office for Davidson County, Tennessee, as amended (the "Master Declaration"), as may be amended from time to time. (Master Deed and Master Declaration collectively referred to herein as the "Master Declaration").

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

(s) "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 Condominium Property as hereinafter provided.

(t) "Occupant" shall mean a person or persons in possession of a Unit, regardless of whether that person is the Unit Owner.

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

(v) Person shall mean an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

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

(x) "Property" or "Condominium Property" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Declaration, as amended from time to time.

(y) "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 Condominium Property, provided they are not in conflict with the Act or the Condominium Documents.

(z) "Unit or "Condominium Unit" shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Elements and the Limited Common Elements, if any, assigned to each Unit as herein provided. In the Acts the Unit is called an "apartment." Each Unit is identified in a diagrammatic floor plan of the floor on which the Unit is situated as shown on the Plan 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 perimetrical boundaries as follows:

(1) The upper boundary shall be the plane of the upper surface of the material which constitutes the ceiling;

(2) The lower boundary shall be the plane of the upper surface of the subflooring material which serves as the Unit's floor. Any floor covering such as carpeting, vinyl, hardwood or ceramic tile is part of the Unit.

(ii) *Perimetrical Boundaries*: The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows and exterior doors, and the interior surfaces of the studs or raw walls of the perimeter wall of the Unit. All sheetrock, wall boards, including paint, wallpaper and light coverings, extended to their planer intersections with each other and with the upper and lower boundaries are part of the Unit.

Each Unit shall include all non-structural interior partition walls located within the boundaries of the Unit except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, cabinets, and water and sewer pipes located within the boundaries of the Unit and serving only the Unit; and the mechanical systems and installations providing electrical power, telephone, cable, water, sewer, heating and air conditioning service to the Unit, including the individual compressor even though such equipment may be located outside the boundaries of the Unit, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of such Unit; and provided further that no load bearing wall providing structural support and located within the boundaries of the Unit shall be deemed part of the Unit.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 **Description of Improvements and Identification of Units**. The Condominium Property shall consist of multiple buildings each containing multiple units. The iniial Condominium Proprety shall consist of one (1) building containing four (4) residential Units. A plat of the Land and improvements thereon and a graphic description of the improvements in which the Units are located, identifying each Unit by a number and/or letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Plan attached hereto as Exhibit "D."

Section 2.02 **Amendment of Condominium Plan.** Declarant reserves the right to change the interior design and arrangement of any Unit, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Declarant owns the Units so altered and in accordance with Section 12.05 herein. Changes in the boundaries between the Units, as hereinbefore provided, shall be reflected by an amendment to the Plan, and if necessary, an amendment to this Declaration. An amendment to the Plan or the Declaration reflecting an alteration of the boundaries of the Units owned by Declarant need be signed and acknowledged only by the Declarant and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change in the boundaries of the Units (other than the common walls separating the Units owned by the Declarant) which shall result in a change in the undivided interest in Common Elements or Limited Common Elements or a change in the share of Common Expenses or Limited Common Expenses with respect to Owners of Units other than Declarant at the time of such change may not be made without an amendment of this Declaration approved by the Owners and Mortgagees affected thereby in the manner elsewhere required herein.

Section 2.03 **Parking Spaces.** The parking areas and spaces shall be used in accordance with Section 6.02(e) of this Declaration as well as the Rules and Regulations of the Association. Notwithstanding the foregoing, Declarant reserves the right for itself and the Association, after such time that Declarant relinquishes control of the Association as provided in Section 12.01, to sell to the Unit Owners the right to use one or more assigned parking spaces to such Owners' Units as Limited Common Elements pursuant to a uniform plan adopted by the Declarant or the Association, as applicable. If the parking spaces are assigned as set forth above, then this Declaration shall be amended as required by the Act to reflect the assignment of such parking spaces as Limited Common Elements. In addition to the parking spaces located on the Condominium Property, the Association, and its servants, agents, employees, and guests, as well as the Owners and Occupants, and their family members, guests, and invitees shall be granted access and parking easements for the purpose of vehicular and pedestrian ingress and egress as well as parking over and across a portion of certain adjacent properties as described in a separately recorded easement agreement(s) between the Association and such property owners granting the easements.

Section 2.04 **Balconies, Patios, or Terraces.** Each Unit Owner shall be entitled to an exclusive easement for the use of any exterior balcony, patio, or terrace directly accessible from his or her Unit and assigned herein as a Limited Common Element, but such right shall not entitle an Owner to construct anything thereon or to change any structural part thereof. The balcony, patio, terrace or stoop shall be deemed to be a Limited Common Element appurtenant to the Unit from which it is directly accessible, and costs and expenses related to the balconies, patios, or terraces shall be assessed against the Unit Owner to whose Unit the balcony, patio, or terrace attaches as a Limited Common Element. The use of the balconies, patios, or terraces shall be subject to the Rules and Regulations of the Association.

Section 2.05 Easements and Restrictions; Master Declaration. 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 Condominium Documents governing the use of said Units, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. Said Unit, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property, including the Master Declaration , as amended and supplemented from time to time. Additional easements established hereunder include the following:

(a) Utility Easements. Utility easements 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 and cable television) in order to adequately serve the Condominium 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 Declarant 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 written approval of the Association shall have been first 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, halls, elevators, stairways, 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 Condominium Documents.

(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 Condominium Documents and the Rules and Regulations.

(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 Plan 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 of the Limited Common Elements shall have an easement for the repair, maintenance and upkeep of the Limited Common Elements and for ingress and egress to and from the Limited Common Elements for so long as the Limited Common Elements exist. The aforesaid easement shall be for the benefit of each Unit Owner to which the Limited Common Element is appurtenant.

(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 to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Declarant and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

Section 2.06 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 along with the Units. The extent or amount of such ownership interests in the Common Elements relating to each Unit is set forth on Exhibit "E". However, any such percentages shown on said Exhibit "E" shall be subject to alteration, modification, and/or dilution upon the annexation of additional property to the Condominium pursuant to Section 12.05 hereunder, and Declarant, until the expiration of Declarant's right to appoint all of the Board members under Section 12.01 herein,

shall make any such alteration or modification to the percentage ownership of the Common Elements to reflect such annexation of additional property by way of supplement or amendment to this Declaration without the consent of any of the other Owners.

Section 2.07 Rights in or to Limited Common Elements. The Limited Common Elements appurtenant to the Unit shall be as described by the Act, as shown on the Plan, and as may be assigned as set forth herein. 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 shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Declarant 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 his Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units to which the Limited Common Elements are attached.

ARTICLE III

ORGANIZATION AND MANAGEMENT

Section 3.01 Management of the Condominium Property. Operation and administration of the Condominium 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 Bylaws, 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 Condominium Property, and the delivery 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 Bylaws and the Rules and Regulations, as the same may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the Bylaws. Each Unit Owner is entitled to the number of votes for each Unit owned by him as set forth in Exhibit "E" attached hereto.

Section 3.03 Bylaws. The Bylaws 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 Condominium 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, levy, and collect annual and special 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 Unit 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 Condominium 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 his 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 said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.

(b) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. 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) The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements or Limited Common Elements based on the usage of any component of the Common Elements or Limited Common Elements. Such assessments shall not be included in the assessment for Common Expenses, but shall be payable in such manner and at such times as may be determined by the Board of Directors of the Association.

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 a proposed 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 Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act, Section 7.3(c) of the Master Declaration, and this Declaration. Said 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 said budget shall be made available to each Unit Owner. The budget shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of a majority of the total votes of the Association; provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at this meeting. In the event the proposed budget is rejected as provided above, the budget for the last year shall continue in effect until such time as a new budget is ratified.

Should the Board of Directors at any time determine in the sole discretion of said 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 Condominium 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 chronological order of the receipts and expenditures affecting the Common Elements, specifying 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 at the office of the property manager for the Association, or if there is no property manager, at the location designated by the Board in the county where the Condominium is located.

Section 4.06 Payment of Common Expenses and Limited Common Expenses by Unit Owners. 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 therefor. 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 (within the time period prescribed by the Act) 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 and the other information required by the Act. 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 Assessments and Fees Paid to Master Association. A specified amount of the annual assessment paid by each Unit to the Association shall be paid by the Association to the Master Association to cover the General Assessments levied by the Master Association with respect to the Condominium Property pursuant to Section 10.3 of the Master Declaration. The amount of General Assessments to be paid by the Association to the Master Association shall be included on the annual budget. The Units shall also be subject to Special Assessments levied pursuant to Section 10.4 of the Master Declaration, as well as a Transfer Fee levied pursuant to Section 10.8 of the Master Declaration, and said Special Assessments and Transfer Fee shall be paid directly to the Master Association or the Carothers Crossing Neighborhood Association, Inc., a Tennessee not-for-profit corporation, as applicable.

Section 4.08 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 maximum legal rate on judgments or 18%, whichever is greater, 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. Said 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. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. The lien granted to the Association may be foreclosed or otherwise executed upon in the manner prescribed by the laws of the State of Tennessee, including without limitation, the filing of an action for original attachment and levy or under the law of real estate mortgages or by way of nonjudicial foreclosure in accordance with the provisions of Tenn. Code Ann. § 66-27-415 as further set forth in Section 4.08 below, but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lienholders 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 maximum legal rate on judgments or 18%, whichever is greater, on any such advance made for such purpose. 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) The lien herein granted to the Association shall be effective from and after the time of recording in the Register's Office for Davidson County, Tennessee, the Declaration of Carothers Farms Stacked Flats, a condominium development and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

Section 4.09 Power of Sale to Enforcement Assessment Lien.

(a) For the purpose of better and more effectually enforcing the Association's lien such that court proceedings for the enforcement of said lien are rendered unnecessary in the event of nonpayment of the amount secured thereby, and for the consideration of

One Dollar ($1.00) paid in cash, receipt of which is acknowledged, the Owners, their respective heirs, successors, administrators, and assigns (hereinafter sometimes referred to, collectively, as "Trustors" and individually as "Trustor") hereby transfer and convey unto Patrick H. Poole, Trustee, of Williamson County, Tennessee, his successors and assigns, their respective Units with the appurtenances, estates, titles and interests thereto belonging, upon the uses and trusts set forth in this Section 4.08.

(b) Each Trustor agrees (i) to pay the lien amount attributable to its Unit 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 its Unit and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to comply with all of the terms and conditions of the Condominium Documents; and (iv) 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 the Documents. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of those things, and the amounts so paid shall bear interest at the highest rate allowed under applicable law in effect from time to time from the date of payment and shall become a part of the lien amount secured hereby.

(c) If a Trustor shall pay the lien amount when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the lien amount with respect to any Unit is not paid promptly when due, this trust conveyance shall remain in full force and effect, and the Trustee, or his successor in trust, is hereby to sell said Unit, in the same manner as the foreclosure of a deed of trust with a power of sale under Title 35, Chapter 5, Part 1 of the Tennessee Code Annotated, at the front door of the courthouse of Davidson County to the highest bidder for cash, at public outcry, free from the equity of redemption, the statutory right of redemption, homestead, dower and all exemptions of every kind, all of which are hereby expressly waived; and the Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Trustee may postpone the sale by announcement at the scheduled time and location. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of amount secured by said lien, enter and take possession of the Unit, 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 shall be applied by the Trustee as follows:

> **(i)** First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing the lien herein provided, including reasonable attorneys' 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;

(ii) Second, to the payment of all taxes which are due but unpaid with respect to such Unit;

(iii) Third, to the payment of any unpaid lien amount with respect to such Unit; and

(iv) Fourth, the residue, if any, will be paid to the Owner of such Unit, its order, representatives or assigns;

(d) In the case of the death, absence, inability, or refusal to act of the 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 Davidosn County, Tennessee, and the title and rights herein conveyed to the above named Trustee shall be vested in said successor.

Section 4.10 Required Reserve Funds; Working Capital Fund; and Transfer Fees. Assessments levied by the Board of Directors of the Association shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements and Limited Common Elements that must be replaced or repaired on a periodic basis, and shall be payable in regular installments rather than by special assessments. Special assessments may be levied by the Board, however, in the event that there is insufficient money in the reserve fund for the maintenance, repair or replacement of any portion of the Common Elements or Limited Common Elements.

The amount deposited in the reserve fund shall be based on a reserve study prepared initially by Declarant in coordination with the Architect, Engineers, Contractor and Managing Agent, and later by the Association. The reserve study shall be updated every five years by the Association.

A working capital fund shall be established by the Association upon formation. Each Owner shall pay at the closing of the purchase of said Owner's Unit a one-time assessment equal to an amount to be determined by the Declarant and/or Board of Directors, which in no event shall be greater than an amount equal to up to one (1) year's General Assessments that are being levied by the Association at the time of closing of the purchase of the Unit. Said contribution shall be used by the Association as working capital to pay for start up costs, operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws of the Association as the Board of Directors sees fit. The Declarant, however, is prohibited from using any portion of the working capital fund to defray any of the Declarant's expenses, reserve contributions, or construction costs while it is in control of the Association.

In addition to the contributions made to the above working capital fund for the Association, each Owner, other than the Declaration, shall pay at the closing of the purchase of said Owner's Unit a one-time reasonable transfer fee to the management company or Association, as

applicable, to cover certain administrative costs related to establishing the new Owner's account with the Association.

Section 4.11 Election of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by attachment, levy or foreclosure of any sums remaining owing to it. Nor shall proceeding by attachment, levy or 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 attachment, levy or foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

ARTICLE V

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

Section 5.01 The Association's Obligation to Repair. Except for any Common Elements which are to be maintained by the Master Association pursuant to the Master Declaration, or any amendment or supplement thereto, or any other recorded document or instrument, 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:

(a) The Common Elements, which by definition excludes the surfaces of all interior walls, floors, and ceilings of a Unit;

(b) Incidental damage caused to a Unit by any work done by the Association;

(c) Portions of Common or Limited Common Elements contained in the Units contributing to the support of the building, including outside walls and load bearing columns, excluding, however, interior wall, ceiling and floor surfaces; and

(d) Any parking areas, including any exterior parking spaces specifically assigned to the Units, which are Limited Common Elements.

The Association shall be responsible for the exterior maintenance, repair and replacement of the exterior doors and windows of the Unit, including the door frames, the window frames and related structures, all of which are part of the Unit, the cost of which may be assessed against the Unit Owner as a special assessment. The Association acting through the Board of Directors also shall be responsible for the maintenance, repair and replacement of the Limited Common

Elements, the cost of which shall be charged to all Unit Owners to which said Limited Common Elements being maintained repaired or replaced attach as a Limited Common Expense.

The Association shall inspect the Condominium Property at least annually for repair and maintenance requirements, and shall promptly undertake the repair and maintenance thereof.

This Section 5.01 shall not relieve a Unit Owner of liability for damage to the Common Elements, Limited Common Elements, a Unit of another person, adjacent property or any other property caused by the Unit Owner or Occupant, his family members, guests, invitees, lessees or licensees as a consequence of an accident or the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Unit Owner, his family members, guests, invitees, lessees or licensees, shall be a special assessment against the Unit Owner.

Section 5.02 Each Owner's Obligation to Repair.

(a) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each Owner shall, at such Owner's expense, maintain his or her Unit in good tenantable condition and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in his Unit:

(i) The fixtures and equipment in his Unit, including the refrigerator, stove and all other appliances within the Unit; drains, sinks, plumbing and plumbing fixtures and connections within the Unit and serving only the Unit; electrical panels, wiring, outlets and electric fixtures within the Unit; interior doors, interior surfaces of the window frames, screening and glass; and interior surface of all exterior doors; all wall coverings including paint, wallpaper and light coverings; and all floor coverings, including carpeting, hardwood, vinyl and ceramic tile within a Unit.

(ii) The plumbing, heating, air conditioning and electrical systems serving only that Unit, whether located within or without the boundary of that Unit, including the fuse boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is within another Unit or requires access to another Unit, the repair, maintenance or replacement thereof shall be performed by the Association, and the cost thereof shall constitute an assessment against the Unit Owner responsible therefor.

(b) Each Unit Owner agrees as follows:

(i) To perform all maintenance, repairs and replacements which are his obligations under subparagraph (a) of this Section 5.02;

(ii) To pay all utilities as herein provided and all taxes levied against his Unit;

(iii) Not to make, or cause to be made, repairs to any plumbing, heating, ventilation or air conditioning systems located outside his Unit but required to be maintained by him under subparagraph 5.02(a)(ii), except by licensed plumbers, electricians or heating and air conditioning professionals authorized to do such work by the Association or its delegate;

(iv) Not to make any addition or alteration to the Unit or to the Common Elements or Limited Common Elements or to do any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner without the prior written consent of the Association and all Unit Owners affected thereby;

(v) Not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, excluding any alteration or additions made pursuant to the procedure described in subparagraph (iv) above and including, but not limited to, altering in any way exterior doors, affixing outshutters to windows or painting any part of the exterior part of the Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association, and the Unit Owner shall be liable for all damages to another Unit or to the Common Elements or Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise; and

(vi) To promptly report to the Association any defects or needed repairs for which the Association is responsible.

(c) If the Board of Directors determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair, or replacement of items of which he or she is responsible under this Section 5.02, then, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Directors. Unless

the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that: (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, then the Association may provide any such maintenance, repair, or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Unit, and shall be collected as provided herein for the collection of assessments.

(d) The Association shall be obligated to answer any request by a Unit Owner for any required approval of a proposed addition, alteration or improvement (by painting or otherwise) within forty-five (45) days after such request, but its failure to do so within the stipulated time shall not constitute a consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Association, without, however, it incurring any liability on the part of the Board of Directors or any of them or the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this Section 5.02 shall in no way make the Association liable for any alterations, additions, or improvements by any Unit Owner. Rather, such review is for purposes of aesthetics and control only. The Board of Directors shall have the right to appoint a committee to make recommendations to the Board regarding any request for review; however, the Board is not obligated to appoint a committee and is not obligated to follow the recommendation of the Committee. The provisions of this section shall not apply to Units owned by the Declarant until a deed for such Unit has been delivered to a purchaser other than Declarant.

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 (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements which is in accordance with the Declaration and which does not require expenditures of more than $10,000, over and above any funds used from the reserve fund for that purpose) 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 sixty-seven percent (67%) of the total votes of the members of the Association present, in person or by proxy, 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, benefiting therefrom, 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 Board of Directors and ratified by not less than seventy-five percent (75%) of the total votes of the Unit Owners exclusively, or substantially exclusively, benefiting therefrom. 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 that Unit, including electricity, cable television, and telephone service, used or consumed in his Unit. The utilities serving the Common or Limited Common Elements only shall be separately metered and paid by the Association as a Common or Limited Common Expense. The Association shall have authority, however, with regard to any utility, to use a common meter, pay the cost of such utilities used or consumed in the Units, and have the costs thereof apportioned among the Units based upon the Common or Limited Common Expense liability, use of the utility, or any other formula the Association may deem appropriate.

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 Condominium; provided that such Rules and Regulations are not contrary to or inconsistent with the Act and the Condominium Documents. A copy of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time they become effective. All present and future Unit Owners, tenants, and Occupants of the Units and any person who uses any part of the Condominium Property in any manner, are subject to, and shall comply with the provisions of the Condominium Documents and the Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any person shall constitute his agreement to be subject to and bound by the provisions of the Condominium 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 or the provisions of the other Condominium Documents by a member, his family members, guests, invitees, lessees or renters, including the suspension of voting rights, the payment of penalties, fines, and late fees, and the ability to institute legal proceedings for the collection thereof. All expenses of such actions or proceedings against a defaulting Unit 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, upon all of his additions and improvements thereto and a security interest under the Tennessee Uniform Commercial Code upon all of his personal property in his Unit or located elsewhere on the Condominium Property.

Section 6.02 Restrictions on Use. The use of the Condominium Property is subject to the following restrictions:

(a) Residential Use Only. Each of the Units shall be occupied only by (i) a family or individuals, as a residence, or (ii) the guests of Unit Owners, as lodging, and for no other purpose. Units may be leased in accordance with subsection (n) below.

(b) Subdivision of Units. No Unit may be divided or subdivided into a smaller Unit, nor any portion thereof sold or otherwise transferred.

(c) Combining of Units. Two or more adjoining Units may be used as a single Unit subject to the use restrictions of this Section 6.02. The Common Elements located

between and separating two or more adjacent Units used together may be altered or removed to afford ingress and egress to and from such Units to enhance the use of such Units, as a single Unit. The Unit Owner's rights to use this portion of the Common Elements shall be pursuant to a license agreement with the Association subject to the following conditions:

(i) The expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alterations;

(ii) In the event such Units shall cease to be used as a single Unit, the Unit Owner or Owners shall pay the full expense of restoring such Common Elements to their condition prior to such alterations; and

(iii) The Unit Owner must comply with the requirements of Section 5.02 of this Declaration for the construction or removal of the Common Elements separating such Unit.

(d) Use of Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units. Specifically, no Person, or representative thereof, shall engage in any commercial activity on the Common Elements without the express written consent of the Association.

(e) Parking. All parking spaces, specifically designated or otherwise, with respect to the Condominium are Common Elements and shall be maintained by the Association and subject to regulation by the Association's Board of Directors; provided, however, that any parking spaces that are assigned to particular Units pursuant to Section 2.03 are Limited Common Elements. Unless and until such time that parking spaces are specifically assigned to the Units as Limited Common Elements, all such parking spaces shall be for the general use of the Association, and its servants, agents, employees, and guests, as well as the Owners and Occupants, and their family members, guests, and invitees and shall be used in accordance with the provisions of this Declaration as well as the Rules and Regulations of the Association.

No vehicle that does not have a current license tag or is inoperable may be parked on the Condominium Property. No vehicle may be parked on the Condominium Property for a period of thirty (30) consecutive days or more without being driven during said period, unless prior written permission has been obtained from the Board. Boats, trailers, jet-skis and trailers for same, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped persons, mini-vans or sport utility vehicles used as passenger vehicles and receiving a "cars' or "passenger vehicle" classification by the Tennessee Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium Property, except in areas, if any, that may be designated by the Board as parking areas for particular

types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, however, no such vehicle shall remain on the Common Elements overnight or for any purpose unless prior written consent of the Board is first obtained. Notwithstanding any provision to the contrary above, all emergency response and local, state, and federal law enforcement vehicles may be parked on the Condominium Property so long as they either owned by a Unit Owner, Occupant or they are parked on the Condominium Property in furtherance of emergency response or law enforcement purposes.

If any vehicle is parked on any portion of the Condominium Property in violation of this Paragraph or in violation of the Association's rules and regulations, a Board member or other agent of the Association may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of the person or entity that will do the towing or booting and the name and telephone number of a person to contact regarding the alleged violation. If twenty-four (24) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the Board or other agent of the Association may have the vehicle towed or booted in accordance with the notice, without further notice to the Unit Owner or user of the vehicle. If a vehicle is parked in a fire lane or a space designated for handicapped parking, is blocking another vehicle or access to another parking space, is obstructing the flow of traffic, is parked in a parking space which has been assigned as exclusively serving another Unit, or otherwise creates a hazardous condition or is an obstruction to the safety or health of other persons on the Condominium Property, no notice shall be required and the Board or agent of the Association may have the vehicle towed immediately. If a vehicle is towed or booted in accordance with this subparagraph or if a vehicle is seized or towed by any other Person that is not an employee or agent of the Association, then neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage as a result of the seizure or towing activity. Also, the Association, and its officers or agents, shall not be liable for any vehicle that is stolen or otherwise unlawfully removed from the Condominium Property by a third party. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions under the rules and regulations or remedies at law or in equity, rather than exercise its authority to tow or boot.

(f) Pets. A Unit Owner or other Occupant of a Unit shall keep no more than two (2) dogs or cats (for a combined total of two (2)) per Unit and a reasonable number of other generally recognized household pets, as determined in the Board's sole discretion, weighing less than two (2) pounds each (including by way of illustration, but not limitation, fish, gerbils and small birds). Notwithstanding the above, no Unit Owner or other Occupant of a Unit shall keep or bring onto the Condominium Property, at any time, any

animal, as determined in the sole discretion of the Board, that presents an inherent danger to the health and safety of other Unit Owners and Occupants, and their guests, including, but not limited to, venomous snakes and spiders. Notwithstanding the foregoing, pets must be kept on a leash and be under the physical control of a responsible person at all times while on the Common Elements. No device or structure may be temporarily or permanently placed upon or affixed to the Common Elements or Limited Common Elements for purposes of restraining or housing a pet, including, but not limited to, chains or doghouses. Feces and/or other bodily excrements left upon the Common Elements by pets must be immediately removed by the owner of the pet or the person responsible for the pet.

The Board may require that any animal that, in the Board's opinion, endangers or potentially may endanger the health of any Unit Owner or Occupant of a Unit or creates or potentially may create a nuisance or unreasonable disturbance, be permanently removed from the Condominium Property upon seven (7) days written notice. If the owner or person responsible for the pet fails to do so, the Board may remove the pet. Any pet that in the Board's sole discretion presents an immediate danger to the health, life-safety or property of any community member may be removed by the Board without prior notice to the pet's owner. Any Unit Owner or Occupant who keeps or maintains any pet upon the Condominium Property shall be deemed to have agreed to indemnify and hold Declarant, the Association, and their directors, officers, employees and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within, or removing it from, the Condominium Property.

(g) Grilling. A Unit Owner or Occupant of a Unit shall not use outdoor grills on any portion of the Condominium Property or store any such grills on a Unit's patio, terrace, or balcony or on any other portion of the Common Elements or Limited Common Elements.

(h) Signs. Except for signs used by Declarant for the development and sale of Units, no signage shall be erected, placed, or permitted to remain on the Condominium Property without the prior written consent of the Board or its designee. "Signage" for purposes of this subparagraph shall include, but not be limited to, all signs, flags, banners, stickers, advertising posters, flyers, political placards or billboards of any kind. The Board also shall have the authority to adopt regulations permitting temporary signs or placards on the front door or inside the front window of a Unit announcing births, birthdays, advertising the unit "for sale", or other events for limited periods of time. The Board shall have the right to erect and place reasonable and appropriate signs on the Condominium Property on behalf of the Association.

(i) Personal Objects on Common and Limited Common Elements. No objects, including by way of illustration, but not limitation, potted plants, grills, umbrellas, bicycles, laundry garments, towels, awnings, canopies, tents, furniture, yard art, play equipment and all other personal objects, may be placed upon or stored on the Common Elements or any

outdoor Limited Common Elements by a Unit Owner or an Occupant of a Unit. Notwithstanding the foregoing, patio tables, chairs, or other outdoor patio furniture, excluding umbrellas, may be placed on a Unit Owner's patio, terrace, or balcony. Any damages resulting from objects falling from a balcony, terrace, or walkway of a building for any reason whatsoever shall be borne solely by such Unit Owner or Occupant of a Unit that placed said objects on the balcony, terrace, or walkway regardless of whether the damage was the result of an accident, negligence, recklessness, intentional act, or an "Act of God" (i.e, wind, storm, etc.), and such Unit Owner or Occupant of a Unit shall indemnify and hold harmless Declarant and the Association from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses and any and all sums paid from settlement of claims, attorneys' fees, consultant and expert fees, resulting from any such damage caused by a Unit Owner or Occupant of a Unit.

(j) Screen Doors. No screen doors shall be constructed upon or affixed to any Unit by a Unit Owner or Occupant of a Unit, without the prior written consent of the Association.

(k) Antennas and Satellite Dishes. Except as provided below, no satellite dish, antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Condominium Property, including the Units, Common Elements, or Limited Common Elements; provided, however, the Association shall have the right to erect, construct and maintain such devices. The following shall apply to all Unit Owners with respect to satellite dishes and antennas:

(i) No transmission antenna, of any kind, may be erected or installed anywhere on the Condominium Property without prior written approval of the Board of Directors, which shall not be unreasonably withheld or delayed;

(ii) No direct broadcast satellite (DBS) antenna or multi-channel multi-point distribution service (MMDS) antenna larger than one (1) meter in diameter shall be placed, allowed or maintained upon the Condominium Property, including the Units, Common Elements, and the Limited Common Elements;

(iii) DBS and MMDS satellite dishes or antennas one (1) meter or less in diameter and television broadcast service antennas may only be installed in accordance with Federal Communication Commission (FCC) rules and the rules and regulations of the Association, and only if and to the extent such rules mandate that such dishes or antennas be allowed, both as may be amended from time to time. The Board of Directors may adopt rules and regulations designating and restricting the specific location and color of such satellite dishes and antennas.

(iv) To the extent that any of the foregoing provisions of this Declaration or provisions of the rules and regulations adopted by the Board with respect to satellite dishes and antennas is not permitted under the FCC rules and regulations,

the remaining portion of this subsection (k) shall survive independently to the extent permissible under the FCC rules and regulations.

In the event of a transfer of the Unit that includes a satellite dish or antenna, the Grantee shall assume all responsibility for the satellite dish or antenna and shall comply with the Documents, including, but not limited to, those requirements relating to maintenance and removal of the satellite dish or antenna.

(l) Trash and Garbage. All Unit Owners and Occupants shall keep their Units, and any Limited Common Elements assigned thereto, in a clean and sanitary condition, and all rubbish, trash and garbage shall be regularly removed from a Unit and such Limited Common Elements and shall not be allowed to accumulate therein. No rubbish, trash, garbage, or other property that a Unit Owner wishes to dispose of or no longer use shall be placed on the Common Elements or Limited Common Elements outside of the Unit, temporarily or otherwise, and shall be moved to the Condominium Property trash facilities for collection, or otherwise removed from the Condominium Property by a Unit Owner or Occupant. No trash cans, dumpsters, or other trash receptacles, other than such trash facilities provided by the Association, shall be located on the Common Elements or Limited Common Elements outside of a Unit, at any time, without prior approval of the Board.

(m) Nuisance. No use or practice shall be permitted on the Condominium Property which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the Condominium Property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit, or of the Common Elements, which will increase the rate of insurance upon the Condominium Property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium Property or any part thereof. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification, or repair of the Condominium Property shall be the responsibility of the person or entity responsible for the maintenance and repair of the property concerned.

(n) Lease and Transfer of a Unit; Notice to Association.

(i) Leases. In order to preserve the character of the development as predominantly owner-occupied, the leasing of Units shall be governed by the restrictions imposed by this subsection. "Leasing," for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner who pays rent or provides any other form of consideration to said Owner for occupancy of the Unit.

(1) General. Owners desiring to lease their Units may do so only if they have applied for and received from the Board of Directors either a "Leasing Permit" or a "Hardship Leasing Permit." Such a permit, upon its issuance, will allow an Owner to lease his or her Unit provided that such Leasing is in strict accordance with the terms of the permit and this subsection. The Board of Directors shall have the authority to: (i) establish conditions as to the duration and use of such permits and (ii) promulgate and adopt additional rules and regulations regarding the leasing of Units within the development that are consistent with this subsection. All Leasing Permits and Hardship Leasing Permits shall be valid only as to a specific Owner and Unit and shall not be transferable between either Units or Owners, but shall be transferable to successors in title to the same Unit.

(2) Leasing Permits. An Owner's request for a Leasing Permit shall be approved if current, outstanding Leasing Permits have not been issued for more than twenty-five percent (25%) of the total number of Units in the development. A Leasing Permit shall be automatically revoked upon the happening of any of the following events: (1) the failure of an Owner to lease his or her Unit within one hundred eighty (180) days of the Leasing Permit having been issued; (2) the failure of an Owner to have his or her Unit leased for any consecutive one hundred eighty (180) day period thereafter; or (3) the occurrence of the date referenced in a written notification by the Unit Owner to the Association that the Unit Owner will, as of said date, no longer need the Leasing Permit. If current Leasing Permits have been issued for more than twenty-five percent (25%) of the total number of Units, no additional Leasing Permits shall be issued (except for Hardship Leasing Permits) until the number of outstanding current Leasing Permits falls below twenty-five percent (25%) of the total number of Units in the development. Unit Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list for a Leasing Permit and shall be issued the same if they so desire when the number of current outstanding Leasing Permits issued falls to twenty-five percent (25%) or less of the total number of Units in the development. The issuance of a Hardship Leasing Permit to an Owner shall not cause the Unit Owner to be removed from the waiting list for a Leasing Permit.

(3) Hardship Leasing Permits. If the failure to lease will result in a hardship, the Unit Owner may seek to lease on a hardship basis by applying to the Board of Directors for a Hardship Leasing Permit. The Board of Directors shall have the authority to issue or deny requests for Hardship Leasing Permits in its discretion after considering the following factors: (1) the nature, degree, and likely duration of the hardship, (2) the

harm, if any, which will result to the development if the permit is approved, (3) the number of Hardship Leasing Permits which have been issued to other Unit Owners, (4) the Unit Owner's ability to cure the hardship, and (5) whether previous Hardship Leasing Permits have been issued to the Unit Owner. "Hardship" as described herein shall include, but not be limited to the following situations: (1) an Owner must relocate his or her residence outside a fifty (50) mile radius of the Condominium Property, within six (6) months from the date that the Unit was placed on the market, sell the Unit except at a price below the current appraised market value after having made reasonable efforts to do so; (2) where the Owner dies and the Unit is being administered by his or her estate; or (3) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit. Hardship Leasing Permits shall be valid for a term not to exceed one (1) year. Unit Owners may apply for additional Hardship Leasing Permits. Hardship Leasing Permits shall be automatically revoked if during the term of the permit, the Unit Owner is approved for and receives a Leasing Permit. Notwithstanding the foregoing, in no event shall the aggregate number of Leasing Approvals and Hardship Leasing Approvals at any time exceed fifty percent (50%) of the total number of Units in the development.

(4) Leasing Provisions. Leasing which is authorized, pursuant to permit, hereunder shall be governed by the following provisions:

(A) Notice. At least seven (7) days prior to entering into the lease of a Unit, the Owner shall provide the Board with a copy of the proposed lease agreement. The Owner must use an Association approved lease form as it may be amended from time to time. In the event a lease is disapproved, the Board shall notify the Owner of the requisite action to be taken in order to bring the lease in compliance with the Declaration and any Rules and Regulations adopted pursuant hereto.

(B) General. Units may be leased only in their entirety; no fraction or portion may be leased without prior written Board approval. All leases shall be in writing using the form approved by the Board. There shall be no subleasing of Units or assignment of leases without prior written Board approval. All leases must be for an initial term of not less than six (6) months, except with written Board approval, which shall not be unreasonably withheld in cases of undue hardship, provided, however, that in no event shall the lease term be less than thirty (30) days. Within ten (10) days after executing a lease agreement for the lease of a Unit, the Owner shall

provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit. The Owner must provide the lessee copies of the Declaration, Bylaws, and the Rules and Regulations and the lessee must acknowledge and agree that he/she will be bound by such documents.

(C) Liability for Assessments, Use of Common Elements, and Compliance with Condominium Documents. Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(1) Compliance with Declaration, Bylaws, and Rules and Regulations. The lessee shall comply with all provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure such compliance. The Owner shall cause all Occupants of his or her Unit to comply with the Declaration, Bylaws, and the Rules and Regulations adopted pursuant thereto, and the Owner shall be responsible for all violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any such violation. If the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or a rule or regulation for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with said Association documents. If the fine is not paid by the Owner or lessee within the time period set by the Board, then any unpaid fines shall constitute a lien against the Unit, which shall be enforceable in the same manner as set forth in this Declaration with respect to delinquent assessments. Any violation of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto, by the lessee, any Occupant, or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Tennessee law.

(2) Liability for Assessments. When an Owner who is leasing his or her Unit fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

(5) Applicability of this Subsection. Notwithstanding the above, this subsection shall not apply to any leasing transaction entered into by the Association or any Mortgagee who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage. Such parties shall be permitted to lease a Unit without first obtaining a permit in accordance with this subsection, and such Units shall not be considered as being leased in determining the maximum number of Units that they may be leased in accordance with this subsection. Notwithstanding the foregoing, the Association or any such Mortgagee shall not, at any time, enter into a lease with respect to a Unit for a term that is less than thirty (30) days.

(ii) Notice of Transfer of Unit. Whenever an Owner proposes to sell, give, devise, or otherwise transfer his/her/its ownership interest in a Unit, such Owner shall give the Association written notice within thirty (30) days (before or after closing) of the transfer, which notice shall briefly describe the transfer and shall state the names and address of the transferee.

(m) Master Declaration Use Restrictions. In addition to the restrictions set forth herein, the Condominium Property shall be subject to all use restrictions set forth in the Master Declaration.

Section 6.03 Right of Access. Each Unit Owner grants a right of access to his Unit to the Association, and any other person authorized by the Association for the purpose of making inspections and for the purpose of correcting any condition originating in his Unit and threatening other Units, Common Elements or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within his Unit, if any, or to correct any condition which violates the provisions of any Mortgage covering another Unit, or to enforce any provision of the Condominium Documents, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. Each Unit Owner further grants a right of access to his Unit to the Declarant or his agent, or other authorized representative who is not Declarant's agent, for the purpose of making all repairs required by any warranty delivered to the Unit Owner at the closing of his Unit. To the extent that damages inflicted on the Common Elements, Limited Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if it caused the same, shall be liable for the prompt repair thereof.

Section 6.04 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 Condominium 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, however, this provision does not relieve the Association from maintenance responsibility or for damage to the Units or Limited Common Elements arising from or related to water intrusion from the Common Elements on account of maintenance or lack thereof. The Association shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. The Association does not warrant security or control of access to the Condominium. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, Limited Common Elements or to any Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental or judicial authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

Section 6.05 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

Condominium Documents, shall give the Declarant, 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 Unit 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, upon all of his additions and improvements thereto and a security interest under the Tennessee Uniform Commercial Code upon all of his personal property in his Unit or located elsewhere on the Condominium Property. 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.

Section 6.06 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 signed by the Board of Directors of the Association.

Section 6.07 Use by Declarant. Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors of the Association nor their use of the Condominium Property or application of this Declaration shall interfere with the completion of the contemplated improvements and sales of the Units in the Condominium. Subject to the rights of the Mortgagees hereunder, the Declarant may make such use of the unsold Units, 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 Condominium Property and the Units therein, and the display of signs thereon and therein. These Special Declarant Rights exist so long as Declarant holds any Unit in the Condominium for sale in the ordinary course of business. The Declarant expressly reserves the right to lease any Unit which it may own in the Condominium Property on such terms as it may deem proper and desirable and may transfer Units subject to such lease; provided, however, that Declarant shall not lease a Unit within the Condominium at any time for a term that is less than thirty (30) days.

ARTICLE VII

RIGHTS OF MORTGAGEES

Section 7.01 Notification of Mortgagees Required. 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 covered by the Mortgage in the payment of assessments or in any other provision of the Condominium Documents; (b) any loss to or taking of the Common Elements or Limited Common Elements if such loss or taking exceeds $10,000; (c) damage to a Unit covered by the Mortgage if the amount of such damage exceeds $1,000; (d) any condemnation of all or a portion of the Condominium 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 Condominium.

Section 7.02 Right of Inspection. Mortgagees shall have the right to examine the Condominium Documents, the books and records of the Association or the Condominium Property and to receive annual reports, other financial data, and, upon request, an annual audited 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, including, but not limited to, the lien created for assessments under Section 4.07 hereof and the right to foreclose or otherwise execute upon 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 Mortgage upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, 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.

(b) No provision of this Declaration, the Charter, the Bylaws or the Rules and Regulations shall be construed to grant to any Unit Owner, or to any other party any priority over any rights of the Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or 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 as a single parcel, and not on the Condominium 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 with "return receipt" requested, addressed to the Association, and actually mailed to its address stated herein, identifying the Unit upon which it holds a Mortgage or identifying any Units owned by it, together with sufficient pertinent facts to identify 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. Should the Association send notice of any action requiring the affirmative vote of the Mortgagee, and the Mortgagee shall not respond within sixty (60) days from notice of such right, the Mortgagee shall be deemed to have given its implied consent to such action.

ARTICLE VIII

CASUALTY LOSS AND INSURANCE

Section 8.01 Responsibility of Owners; Separate Insurance Coverage.

(a) The Owner of each Unit may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects, and other property belonging to such Owner, and shall, at his or her expense, obtain insurance coverage against liability for injury to the person or property of another arising from any condition in the Owner's Unit or upon the Common Elements or Limited Common Elements in an amount no less than $500,000 per occurrence. Risk of loss of or damage to any furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored in any Unit, or in or upon Common Elements or Limited Common Elements, shall be borne by the Owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Elements or Limited Common Elements and held for the joint use and benefit of all Owners of Units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereinafter provided. Each Owner shall be required to notify the Association of all improvements made by the Owner to his Unit, the value of which is in excess of $1,000. All insurance obtained by the Owner of each 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 Declarant, and their respective servants, agents, employees and guests.

(b) Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance. In the event casualty insurance maintained by an Owner causes a decrease in the amount of the insurance coverage maintained by the Association for the benefit of all Owners on a casualty loss to the Condominium Property by reason of proration or otherwise, the Owner so maintaining such insurance shall be deemed to have assigned to the Association the proceeds collected on such policy for loss or damage to the Condominium Property and such proceeds shall be paid directly to the Association by the insurer. Any such insurance proceeds shall be applied and distributed by the Association in accordance with this Article VIII.

Section 8.02 Insurance to be Maintained by the Association.

(a) Hazard Insurance. The Association 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 other condominium projects similar in construction, design and use, insuring the Condominium Property against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements, and if the Condominium 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 Condominium 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 one hundred (100%) of the then current replacement cost of the improvements which constitute the Condominium Property, including the Common Elements, Limited Common Elements and the Unit as purchased by the Unit Owner, excluding (i) land, foundations, excavations and other items usually excluded from such insurance coverage; and (ii) the replacement of any fixtures, cabinets, appliances, flooring, or other improvements installed or supplied by the Owners, or any Occupants, or personal property of the Owners any Occupants, or their family members, guests, and invitees located within said Units or upon the Lots. 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 individual Owners (without naming them) in the proportionate shares equal to their respective percentage ownership of the Common Elements. Periodically, prior to the renewal of any such policy or policies of insurance, the Association should obtain an

opinion or an appraisal from a qualified appraiser for the purpose of determining the full replacement cost of the Common Elements, the Limited Common Elements and the Units for the amount of insurance to be obtained pursuant hereto. 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, 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 a comprehensive policy or policies of public liability and property damage insurance in such amount (but not less than $1,000,000) and in such form as shall be required by the Association to protect said Association and the Owners of all Units which 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 a policy or policies of workmen's compensation insurance 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 plus the reserve funds of the Association.

(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 as they shall apply to condominium loans; and (ii) be written with a company licensed to do business in the State of Tennessee and 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. To the extent that the provisions of this Declaration with respect to the maintenance of insurance shall conflict with the hazard and

casualty insurance requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, then the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association shall control and such requirements shall be complied with by the Association.

(b) Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property 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 every 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, the Board of Directors, the Declarant 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;

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

(iv) No act or omission by any 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 as a Common Expense; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements or Limited Common Elements by an Owner shall be assessed against that Owner. Any deductible incurred by reason of a loss or claim under any insurance policy purchased under this Article VIII shall be paid by the Association, unless such loss or claim was caused by any Unit Owner, lessee or guest or invitee thereof or resulted from the use, misuse, occupancy, negligence or abandonment of a Unit or any portion thereof. In such event the Unit Owner from whose Unit the cause originated, will be responsible for the deductible under the Association's insurance policy.

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 in accordance with the provisions of this Declaration. In the event the lowest of two bids from reputable contractors for making all repairs required by any such loss shall exceed $20,000, the Association upon written demand of the Mortgagee of any 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. Said 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 said Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of 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 Unit, the name of the Mortgagee who may hold a Mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any 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 Condominium Property. The rights of the Mortgagee of any 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 Condominium Property; provided, however, that if the Association or the Insurance Trustee fails to perform all the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time required by law, and the Mortgagee or Mortgagees are required to avail themselves of their rights under the standard mortgage clause to collect the proceeds of the policy or policies of insurance, any amount so collected through the efforts of said Mortgagee or Mortgagees shall be applied as directed by said Mortgagee or Mortgagees. 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 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 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 monies to be so paid, or deposited by the Association with the Insurance Trustee, may be paid by the Association out of its reserve for replacement fund and if the amount in such reserve for replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall 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 Common Elements, Limited Common Elements and/or Units. In the event of loss of or damage to Common Elements, Limited Common Elements and/or any Unit by reason of fire or other casualty, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or Insurance Trustee, as the case may be, to cover such loss or damage, shall be first applied to the repair, replacement or reconstruction of the Common Elements, then to the repair, replacement or reconstruction of the Limited Common Elements and any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any Unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the Common Elements, the Limited Common Elements and the Units sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the Insurance Trustee to the Owners of all Units, and to their Mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided for the distribution of insurance proceeds under Section 8.06 above. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee, as the case may be, 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 sufficient, then the Board of Directors of the Association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction among the Common Elements, the Limited Common Elements and the Units sustaining any loss or damage. If the proceeds of said fire or casualty insurance, if any, are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements and Limited Common Elements, but are not sufficient to repair, replace or reconstruct any loss of or damage to the Units sustaining damage, then the Association shall levy and collect an assessment from the respective Owners of the Units

sustaining any loss or damage, and the assessment so collected from said Owners shall be deposited with the Insurance Trustee, so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements, and Units. In said latter event, the assessment to be levied and collected from the Owners of the Units shall be apportioned among such Owners in such manner that the assessment levied against each Owner of a Unit shall bear the same proportion to the total assessment levied against all of said Owners of Units sustaining loss or damage as the cost of repair, replacement or reconstruction of each Owner's Unit bears to the cost applicable to all of said Units sustaining loss or damage. If the fire or casualty insurance proceeds, if any, payable to the Association or the Insurance Trustee are not an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements and Limited Common Elements, it being recognized that such insurance proceeds are to be first applied to the payment for repair, replacement or reconstruction of said Common Elements and Limited Common Elements before being applied to the repair, replacement or reconstruction of any Unit sustaining loss or damage, then the cost to repair, replace, or reconstruct said Common Elements and Limited Common Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from the Owners of all Units in the same manner as would be levied and collected had the loss or damage sustained been solely to the Common Elements and Limited Common Elements and the fire or casualty insurance proceeds had been insufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of each Unit sustaining loss or damage shall then be levied and collected by assessment against the Owners of the Units sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between Owners of any Units sustaining loss or damage.

Section 8.08 Estimates of Repair; Plans and Specifications; Payment of Assessments. In the event of loss or damage to Condominium Property, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. The estimate of repair shall be based upon the plans and specifications of the original buildings, or such other plans and specifications as may be approved by the Board of Directors of the Association, by all of the Owners of the damaged Units, and by not less than seventy-five percent (75%) of the Owners of all Units including the Owners of damaged Units. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing the Unit Owners in any proceeding, negotiation, settlement, or agreement arising from any loss or damage to the Condominium Property. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the Association may deem to be in the best interest of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional money required to completely pay for such repair, replacement or reconstruction of said loss or damage whether to be paid by all of the Owners of Units or only by the Owners of Units sustaining loss or damage, or both, as herein provided, shall be paid to the Association or deposited with the Insurance Trustee, if any, not later

than thirty (30) days from the date on which the Association or the Insurance Trustee, as the case may be, shall receive the monies payable from the policies of fire and casualty insurance.

ARTICLE IX

CONDEMNATION

Section 9.01 Condemnation Considered a Casualty Loss. The taking of a portion of a Unit, the Common Elements or the Limited Common Elements by eminent domain shall be deemed to be a casualty loss, and except as otherwise provided in Section 9.02 below, the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be applied and distributed by the Association in accordance with the provisions of Article VIII. Even though the awards may be payable to the Owners, the Owners shall deposit the awards with the Association or Insurance Trustee, as the case may be; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a special assessment shall be made against a defaulting Owner in the amount of his award, or the amount of such award shall be set off against the sums hereinafter made payable to such Owner. 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. In the event that the Condominium Property is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

(a) If the taking reduces the size of a Unit and the remaining portion of that Unit can be made tenantable, the award for the taking for a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property:

(i) The Unit shall be made tenantable and if the cost of such work exceeds the amount of the award, the additional funds shall be assessed against the Owner of the Unit.

(ii) The balance of the award, if any, shall be distributed to the Owner of the Unit and the Mortgagee of the Unit, as their respective interests may appear.

(iii) If there is a balance of the award distributed to the Owner and the Mortgagee, the share of the Common Elements or Limited Common Elements, if any, appurtenant to the Unit shall be equitably reduced. This shall

be done by reducing such share by the proportion which the balance of the award so distributed bears to the market value of the Unit immediately prior to the taking, and then recomputing the shares of all Owners in the Common Elements and the Owners of all Limited Common Elements as percentages of the total of their shares as reduced by the taking.

(b) If the taking destroys or so reduces the size of a Unit so that it may not be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property:

(i) The market value of such Unit immediately prior to the taking, shall be paid to the Owner of the Unit and to each Mortgagee of the Unit, as their respective interests may appear.

(ii) The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners, in the manner approved by the Board of Directors of the Association; provided, however, that if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner required for further improvement of the Common Elements under Section 5.03 above.

(iii) The shares in the Common Elements and Limited Common Elements appurtenant to the Units which continue as a part of the Condominium Property shall be equitably adjusted to distribute the ownership to the Common Elements among the reduced number of Owners. This shall be done by recomputing the shares of such continuing Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment.

(iv) If the amount of the award for taking is not sufficient to pay the market value of the condemned Unit to the Owner and to restore the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessments against all of the Owners who will continue as Owners of the Units after the changes in the Condominium Property affected by the taking. Such assessment shall be made in proportion to the share of such Owners in the Common Elements after the changes affected by the taking.

(c) If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner and the Mortgagee and the Association within thirty (30) days after notice by any such party that agreement cannot be reached, such value shall be

determined by three independent qualified appraisers with one appraiser to be selected by the Association, one appraiser to be selected by the Owner and Mortgagee, and the third appraiser to be selected by the two appraisers so appointed, and the fair market value of the Unit shall be deemed to be the average of the two appraisals of the fair market value of the Unit made by said appraisers having the least difference in amount. The cost of such appraisal shall be assessed against all Owners in the shares of the Owners in the Common Elements as they existed prior to the changes affected by the taking.

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

Section 9.03 Association Appointed As Attorney-In-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the condemnation or taking by eminent domain of the Condominium Property or any portion thereof.

ARTICLE X

TERMINATION

Section 10.01 Destruction of the Condominium Property.

(a) Notwithstanding anything to the contrary contained in this Declaration, if the Board of Directors shall determine that either of the following conditions exist;

(i) Two-thirds (2/3) or more of the Units in the Condominium Property shall have been destroyed or substantially damaged by fire or other casualty (including condemnation); or

(ii) The Condominium Property has been in existence in excess of forty (40) years and substantially all of the Units in the structure have substantially deteriorated and have been rendered substantially obsolete;

then the Board of Directors may call a meeting of the members of the Association to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate the Declaration and remove the Condominium Property from the provisions of Tenn. Code Ann. § 66-27-318, as may be amended. If the termination of the Declaration and the removal of the Condominium Property from the provisions of the Act is approved by the affirmative vote of at least eighty percent (80%)

of the Owners of all Units (based upon one vote for each Unit) and by at least eighty percent (80%) of all Mortgagees (based upon one vote for each Mortgage owned) after notice given as provided in Article VII hereof, the Declaration and plan of condominium ownership established herein shall be subject to termination as provided in the Act, and said Owners and Mortgagees shall enter into a termination agreement in accordance with Tenn. Code Ann. § 66-27-318, as may be amended, which shall be recorded in the Register's Office for Davidson County. If less than eighty percent (80%) of the Owners of all Units and/or less than eighty percent (80%) of the Mortgagees vote in favor of terminating the Condominium Property as herein required, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with the provisions of Sections 8.06, 8.07 and 8.08 above.

(b) In the event that a termination agreement is entered into providing for termination of this Declaration and the plan of condominium ownership as provided in subsection (a) above, all of the Owners of Units shall be and become tenants in common as to ownership of the Land and any then remaining improvements thereon. The undivided interest in the Land and remaining improvements, except for Limited Common Elements, held by the Owner of each Unit shall be the same as the undivided interest in the Common Elements which were formerly appurtenant to such Unit, and the lien of any Mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the Land and then remaining improvements as above provided. The Owners of the Limited Common Elements shall have an undivided interest in said Limited Common Elements which is the same as the undivided interest in the Limited Common Elements formerly appurtenant to the Units owned by such Owners, and the lien of any Mortgage or other encumbrance upon such Units shall attach to the undivided interest in the Limited Common Elements. Upon termination of this Declaration and the plan of condominium ownership established herein, the Owners of all Units still inhabitable shall, within sixty (60) days from the date of grant of the petition, deliver possession of their respective Units to the Association, or, if the former Units are for sale, may make arrangements for the purchaser thereof from the Association at a fair market value. Upon such delivery of possession, the Owners of inhabitable Units and their respective Mortgagees, as their interests may appear, shall become entitled to participate proportionately together with all Owners of uninhabitable Units in the distribution of proceeds in the possession of the Association or the Insurance Trustee. Upon such termination of this Declaration and the plan of condominium ownership established herein, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the Owners of the Units and their Mortgagees as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with his then undivided interest in the Land and remaining improvements as herein provided. The Land and any remaining improvements thereon shall be subject to all easements of record, except the easements created in the Condominium Documents. The assets of the Association upon termination

of the plan of condominium ownership created by this Declaration shall then be distributed to the Owner of each Unit and his Mortgagee, as their respective interests may appear, in the same manner as is above provided for the distribution of any final insurance indemnity.

Section 10.02 Termination by Consent. Except in the event of this Declaration and plan of condominium ownership established herein being terminated as provided above, this Declaration and said plan of condominium ownership may only be otherwise terminated by the consent of ninety percent (90%) of the Owners of all Units (based upon one vote for each Unit) and all Mortgagees (based upon one vote for each Mortgage owned) after notice has been given as provided in Article VII hereof, in which event the termination of the Condominium Property shall be by such plans as may be then unanimously adopted by said Owners and parties holding any Mortgages, liens, or other encumbrances. Such election to terminate this Declaration and the plan of condominium ownership established herein shall be evidenced by a termination agreement 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 10.03 The Association Appointed as Attorney-In-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each 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 condominium ownership established herein.

ARTICLE XI

AMENDMENT

Section 11.01 Amendments by Declarant. Without limiting the rights of the Declarant to: (i) unilaterally alter the plans as described in Section 2.02 above, (ii) annex additional real estate to the Condominium Property as described in Section 12.05 below, or (iii) exercise any development rights or special Declarant rights reserved herein, 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 Declarant from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

(a) The Declarant reserves the right to unilaterally amend the Bylaws of the Association until such time as Declarant relinquishes control of the Association as provided in Section 12.01 below.

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

(c) The Declarant reserves the right to amend at any time 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 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 the value of the Condominium Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, attributable to each Unit Owner.

(d) The Declarant reserves the right for itself as well as the Association, after such time that Declarant relinquishes control of the Association as provided in Section 12.01, to unilaterally amend at any time this Declaration to correct scriveners' errors, to modify the percentage ownership of Common Elements with respect to the Units as shown on Exhibit "E" as provided under Section 2.06, and to make assignments and reassignments of Limited Common Elements, including, without limitation, any parking spaces and/or garages to be assigned to specific Units.

Section 11.02 Amendments by Unit Owners. At such time as there is a Unit Owner other than the Declarant, then, in addition to the amendments permitted under 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 Bylaws; provided that the Association provides prior written notice of such meeting to the Mortgagees as provided in Section 7.01 above. The proposal to amend the Declaration must be approved by the affirmative 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.

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

(i) change a Unit, including the ownership in Common Elements (except as otherwise provided in Section 2.02 herein), responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Unit 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 Declarant or change the provisions of this Declaration with respect to the Declarant's rights hereunder without Declarant's prior written approval.

Section 11.03 Effectiveness of Amendments. A copy of each amendment so adopted shall be certified by: (a) the Declarant if the amendment is adopted under Section 11.01 or (b) the President or a Vice President and Secretary or Assistant Secretary of the Association if the amendment is adopted under Section 11.01(d) or 11.02, and such amendment 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. Declarant, its successors or assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Declarant shall fill the vacancies, until no later than the earlier of either: (a) one hundred twenty (120) days after seventy-five percent (75%) of the Units in all phases of the Condominium have been conveyed to purchasers other than the Declarant; or (b) five (5) years after the first Unit is conveyed to a purchaser other than the Declarant, or, if more than one hundred (100) units have been created in the Condominium, then seven (7) years after the first conveyance; provided that the Declarant may, at its option, terminate its control of the Association at an earlier date. The Declarant shall be entitled to elect at least one member of the Board of Directors of the Association as long as the Declarant holds for sale in the ordinary course of business at least one Unit within the Condominium.

Section 12.02 Notice of Meeting. Within forty-five (45) days of the date of termination of control of the Association by the Declarant, 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 Bylaws.

Section 12.03 Status of Unsold Units.

(a) Declarant shall be deemed to be the Owner of each Unit which has not been conveyed to a person other than the Declarant. Unless otherwise provided in the Condominium Documents, the Declarant 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 under the Condominium Documents.

(b) As set forth under Section 2.03 above, Declarant shall have the right to designate and assign any and all unassigned parking spaces and/or garages as Limited Common Elements to specific Units in accordance with a uniform plan adopted by the Declarant until Declarant no longer owns any Unit in the Condominium. Such assignments may be accomplished by recording an amendment to this Declaration, signed only by the Declarant and requiring no approval by the Association.

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

(d) Notwithstanding the provisions of Sections 4.02 and 12.03 (a) above, no assessments shall be imposed by the Association against the Declarant as the Owner of unsold Units until ninety (90) days after the conveyance of the first Unit. During such period, Declarant shall be responsible for the Common Expenses and Limited Common Expenses of the Condominium Property, except that the Declarant shall be entitled to use and apply to the payment of such Common Expenses and Limited Common Expenses any and all assessments made against the Unit Owners other than Declarant and collected by the Association for Common Expenses and Limited Common Expenses. The Declarant shall be solely responsible for the maintenance and repair of the unsold Units.

Section 12.04 Additional Rights of Declarant Concerning Construction. Declarant hereby reserves all rights for itself relating to any perceived design defect, construction-related defect or other construction related issue, or relating to improve the operational efficiency and structural integrity of any improvement located on the Condominium Property as are set forth in Exhibit "F" attached hereto.

Section 12.05 Additional Rights of Declarant Regarding Annexation of Additional Property.

(a) As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until the expiration of Declarant's right to appoint all of the Board members under Section 12.01, subject to the provisions of this Declaration and the jurisdiction of the Association, any other real property not described on Exhibit "A" attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the Register's Office for Davidson County, Tennessee, a supplement or amendment to the Declaration annexing such property. Such supplement or amendment to the Declaration shall not require the consent of the Members. Any such annexation shall be effective upon the filing for record of such supplement or amendment unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

(b) This section shall not be amended without the prior written consent of Declarant during the time that Declarant has the right to appoint all of the Board members under Section 12.01.

Section 12.06 Professional Management and Other Contracts. The Association may, but shall not be required to, hire a professional management agent or agents, at a reasonable compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. Except for agreements entered into with the Declarant prior to the passage of control of the Association from the Declarant pursuant to Section 12.01, any agreement for professional management of the Association shall not have a term greater than three (3) years. Moreover, any management contract, employment contract or lease of recreational or parking facilities or any agreement between the Association and an affiliate of the Declarant entered into by the Association prior to the passage of control of the Association from the Declarant pursuant to Section 12.01 above 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

MISCELLANEOUS

Section 13.01 Rights and Powers of Successors and Assignees. The rights and powers reserved to or exercisable by the Declarant under the Condominium Documents or the Act may be exercised by any successor or assignee of the Declarant (i) who acquires title from the Declarant by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Declarant specifically assigns such rights and powers by way of a recorded instrument in the Register's Office for Davidson County.

Section 13.02 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 13.03 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 13.04 Exhibits. Exhibits "A," "B," "C," "D," "E," and "F" attached to this Declaration are an integral part of this Declaration.

Section 13.05 Invalidity and Severability. It is the intention of the Declarant 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 13.06 Interpretation. 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 condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

Section 13.07 Conflicts. To the extent that any provision of this Declaration conflicts with the provisions of the Act, the Master Declaration, the Bylaws, or the Charter, all as amended and supplemented from time to time, the provisions of the Act, the Master Declaration, this Declaration, the Bylaws, and the Charter in that order, shall control.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Declarant has hereunto set its signature and seal on the day and year first above written.

REGENT HOMES, LLC,
a Tennessee limited liability company

By:_____
David C. McGowan, Jr.

STATE OF TENNESSEE)
Davidson COUNTY)

Before me, the undersigned, a Notary Public in and for State and County aforesaid, personally appeared David C. McGowan, Jr., with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Chief Manager of Regent Homes, LLC, a Tennessee limited liability company, the within named bargainor, and that he, as Chief Manager of the limited liability company, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Company by himself as Chief Manager.

Given under my hand and official seal of office this 11th day of September, 2018.

_____
Notary Public

[NOTARIAL SEAL]

My Commission Expires: 5-02-2022

JOHN BARCROFT
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires 05-02-2022

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Section 1:

Land in Davidson County, Tennessee, being Lot No. 137, as shown on the map entitled Carothers Crossing, Phase 3, Section 1, of record in Instrument No. 20170523-0051054, Register's Office for Davidson County, Tennessee, to which plan reference is hereby made for a more complete and accurate legal description.

Being a portion of the same property conveyed to Regent Homes, LLC, a Tennessee limited liability company by Deed from WM SUB CC, LLC, a Tennessee limited liability company, of record in Instrument No. 20180525-0050414, Register's Office for Davidson County, Tennessee, dated May 25, 2018 and recorded on May 25, 2018.

EXHIBIT B

BYLAWS

[SEE ATTACHED]

BYLAWS
OF
CAROTHERS FARMS STACKED FLATS CONDOMINIUM ASSOCIATION, INC.

Members
(Owners)

Section 1. **Eligibility.** The Members of Carothers Farms Stacked Flats Condominium Association, Inc., a Tennessee not-for-profit corporation (the "Association"), shall consist of the respective Owners of the Property known as Carothers Farms Stacked Flats, a condominium development (the "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Owners (these and other terms are used in these Bylaws as they are defined in the Declaration of Covenants, Conditions, and Restrictions for Carothers Farms Stacked Flats, a condominium development (the "Declaration"), which Declaration is recorded in the office of the Register of Deeds of Davidson County, Tennessee. The words "Member" or "Members" as used in these Bylaws means and shall refer to "Owner" or "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 or partnership, the Member may be an officer, partner or employee of such Owner or beneficiary.

Section 2. **Succession.** The Membership of each Owner shall terminate when he ceases to be an Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his 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 thirty (30) days and not more than sixty (60) days after notice that the Declarant intends to relinquish control of the Association. Subsequent to the First Meeting, there shall be a regular annual meeting of Owners held each year in the month of October or November. 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 thirty (30) but not more than sixty (60) 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 ten percent (10%) of the votes entitled to be at such meeting. Said Special Meetings shall be called by delivering written notice, including electronic mail, to all Owners not less than twelve (12) days prior to the date of said meeting, stating the date, time and place of said Special Meeting and the matters to be considered.

Section 5. **Delivery of Notice of Meetings.** Notices of meetings may be delivered to an Owner at the address given to the Board by said Owner for such purpose, or to the Owner's Unit, if no address for such purpose has been given to the Board either personally or by mail. In addition, such notice may be delivered by facsimile, electronic mail, or by other similar means of written communication if such information is available for the Owner.

Section 6. **Voting; Master Association; Representative Member.** The aggregate number of votes for all Members of the Association shall be as shown in Exhibit E to the Declaration. Each Owner's respective percentage of ownership interests in the Common Elements shall also be shown on Exhibit E. If any Owner consists of more than one person, the voting rights of such Owner shall not be divided but shall be exercised as if the Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Owner. The Declarant may exercise the voting rights with respect to Units owned by it.

No Owner who is 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. An 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. An Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

With regard to all voting matters under the Master Declaration or on behalf of the Master Association, the Members, pursuant to Article 6 of the Master Declaration, shall elect, by majority vote, a Representative Member for the District, who shall be an individual Person and a Member of the Association, to represent the Association and vote on all such matters. The Representative Member shall be the only Member on behalf of the Association to attend meetings of the members or directors, as permitted, of the Master Association and cast a vote on Master Declaration issues and/or matters of the Master Association.

Section 7. **Quorum.** A quorum of Owners for any meeting shall be constituted by Owners represented in person or by proxy and holding forty percent (40%) 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) to seven (7) Members, the number of which shall be determined by the Board (hereinafter referred to as "directors"). Directors shall be deemed to be elected at the regular annual meeting of Association Members by the vote of Owners, except that the first directors (hereinafter called "Members of the First Board") shall be appointed by the Declarant to serve during the period of Declarant Control. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every director, except the First Board, shall hold office for the term of two (2) years and until his successor shall be elected and qualified. The Board may choose to stagger the terms of the directors such that there are some directors being

elected each year, by any method the Board deems appropriate. The Board may change the number of directors (in the discretion of the then existing Board) from time to time.

Section 2. **Qualification.** Except for Members of the First Board, each director shall be an Owner or the spouse of an Owner. If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director, and his place on the Board shall be deemed vacant.

Section 3. **Vacancies.** Any vacancy occurring in the Board shall be filled by majority vote of the remaining Members thereof, except that a vacant position on the Board which was last filled by a Member of the First Board may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director which he succeeds. In the event of the death disability, or resignation of a director, a vacancy may be declared by the Board and it may appoint a successor to serve the remainder of the term of such director.

Section 4. **Meetings.** A regular annual meeting of the Board shall be held within seven (7) days following the regular annual meeting of 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, by mail, telegram, or by electronic mail with delivery receipt acknowledgment. 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 may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Elements.

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.

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

(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 other portions of the Condominium as set forth in the Declaration and to make payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;

(g) to borrow funds to pay for Common Expense expenditures and to assign as security for said loan rights to future income through assessments from the Owners;

(h) 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);

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

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

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

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

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

(n) to exercise all other powers and duties of the board of managers or Owners as a group referred to in the Horizontal Property Act of the State of Tennessee, and all powers and duties of a board of managers or a board of directors referred to in the Declaration or these Bylaws.

Section 9. **Non-Delegation.** Nothing in this Article or elsewhere in these Bylaws 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 Owners. Except as expressly authorized by the Act or the Declaration or these Bylaws, the Directors and Officers may not enter into any contractual agreement, or bind the Association or any Owner, or sue or be sued in any other than in its operating or management capacity.

ARTICLE III

Officers

Section 1. **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 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 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; and

(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 said Board. Any director 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 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 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 also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, 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 Owner, 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 Owner shall pay, as his respective monthly assessment for the Common Expenses, one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. Such proportionate share for each 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. 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 Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each 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 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.

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 Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit, each Owner shall pay his 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 Owner 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 Owner, and thereupon a supplemental assessment shall be made to each Owner for his proportionate share of such supplemental budget.

Section 6. **Expenditures.** Except for expenditures and contracts specifically authorized by the Declaration and Bylaws, or by the annual Budget, or by a Supplemental Budget, the Board shall not approve any single expenditure in excess of Twenty-Five Thousand Dollars ($25,000.00) unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter into any contract for more than three (3) years without a ninety (90) day cancellation clause without the prior approval of two-thirds (2/3) of the total votes of the Association.

Section 7. **Lien.** It shall be the duty of every Owner to pay his proportionate share of the Common Expenses and Limited Common Expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Owner shall fail or refuse to make any such payment of the Common Expenses or Limited Common Expenses when due, the amount thereof, together with the interest thereon at the rate of 18% per annum, or such greater percentage as may then be permitted under the laws of the State of Tennessee, after said Common Expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Owner in the Property; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Owner, except for the amount of the proportionate share of Common Expenses and Limited Common Expenses which are due and payable from and after the date on which such mortgage owner or holder either accepts a conveyance of any interest therein (other than as security), or files suit to foreclose its mortgage or deed of trust.

The Association or its successors and assigns, or the Board or its agents, shall have the right to enforce the lien as provided in Article IV of the Declaration or to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court. Furthermore, if any Owner shall fail or refuse to pay when due his proportionate share of the Common Expenses or Limited Common Expenses and such Owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit or halt or inhibit the use of drives, walks and utility services by such defaulting Owner or Occupant. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. **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 of ten (10) days' written notice to it or the Association, and upon payment of a reasonable fee, furnish to any Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 9. **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 Ownership. When less than all the Owners are responsible for the existence of any such lien, the 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 10. **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 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 Owners in the percentages of the Owners as from time to time existing.

ARTICLE V

Contractual Powers

No contract or other transaction between this Association 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.

All contracts shall be terminable by the Board upon ninety (90) days' notice, at the election of the Board and without penalty to the Association.

ARTICLE VI

Amendments

These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the total ownership of the Common Elements. Such amendments shall be recorded in the Office of the Register of Deeds of Davidson County, Tennessee.

ARTICLE VII

Indemnification

Section 1. **General.** The Association shall indemnify and hold harmless each of its directors and officers, each Member of any committee appointed pursuant to the Bylaws of the Association, and the Board and Declarant, 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 Declarant, on behalf of the Owners, or arising out of their status as directors, Board, officers, committee Members or Declarant, 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 Declarant may be involved by virtue of such persons being or having been such director, officer, Board, committee Member, or Declarant; 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 Declarant, 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 Declarant.

Section 2. **Success on Merits.** To the extent that the Declarant or a Member of the Board of Directors or an officer of the Association or a Member of any committee appointed pursuant to the Bylaws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in 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 Owner arising out of any contract made by or other acts of the directors, Board, officers, Members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, Board, officers, Members of such committees, or Declarant, shall be limited to such proportion of the total liability hereunder as said Owner's percentage of interest in the Common Elements bears to the

total percentage interest of all the Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of committees, Declarant or by the Managing Agent on behalf of the Owners shall provide that the directors, Board, officers, Members of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each 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 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 Declarant 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 I successors and assigns of such person or entity.

ARTICLE VIII

Mortgages

Section 1. **Notice to Board.** An 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 note and 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 Mortgagee of a 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 an Owner of a default in paying Common or Limited Common Expenses 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 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.

Section 5. **Interest of Valid First Mortgagee.** The interest of a valid first Mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first Mortgagee has incorporated the terms of these Bylaws, the Declaration and the contract in its Deed of Trust, then said first Mortgagee may, at its option, declare a default in its Deed of Trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the Deed of Trust notwithstanding any enforcement instituted by the Board.

ARTICLE IX

Definition of Terms

The terms used in these Bylaws shall have the same definition as set forth in the Declaration for Carothers Farms Stacked Flats, a condominium development, to the extent they are defined therein, which Declaration is recorded in the office of the Register of Deeds of Davidson County, Tennessee.

ARTICLE X

Conflicts

These Bylaws are set forth to comply with the requirements of the Act, as it may be amended from time to time, and to allow the Bylaws to control in specific situations where such law allows. To the extent that any provision of these Bylaws conflicts with the provisions of the Act, the Master Declaration, the Declaration, or the Charter, all as amended and supplemented from time to time, the provisions of the Act, the Master Declaration, the Declaration, the Bylaws, and the Charter in that order, shall control.

[CERTIFICATION PAGE TO FOLLOW]

CERTIFICATION

The foregoing By-Laws are hereby adopted as the By-Laws of CAROTHERS FARMS STACKED FLATS CONDOMINIUM ASSOCIATION, INC., a Tennessee not-for-profit corporation, by the undersigned as of this the 11 day of SEPT, 2018.

John Burns, Secretary

EXHIBIT C

CHARTER OF ASSOCIATION

[SEE ATTACHED]



Tre Hargett
Secretary of State

Karen Y Johnson Davidson County
Batch# 140613 **CHARTER**
09/13/2018 02:54:32 PM 5 pgs
Fees: $7.00 Taxes: $0.00
[redacted]
20180913-0091045

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Carothers Farms Stacked Flats Condominium Association, Inc.
6901 LENOX VILLAGE DR UNIT 107
NASHVILLE, TN 37211-7199

September 12, 2018

Filing Acknowledgment

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

SOS Control # :	**000984816**	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	09/12/2018
Filing Date:	09/12/2018 4:01 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2019
Duration Term:	Perpetual	Image # :	B0592-1490
Public/Mutual Benefit:	Mutual		
Business County:	DAVIDSON COUNTY		

Document Receipt

Receipt # : 004285511	Filing Fee:	$100.00
Payment-Check/MO - ORTALE KELLEY, NASHVILLE, TN		$100.00

Registered Agent Address:
REGENT HOMES, LLC
7287 CAROTHERS RD
NOLENSVILLE, TN 37135-9300

Principal Address:
6901 LENOX VILLAGE DR UNIT 107
NASHVILLE, TN 37211-7199

Congratulations on the successful filing of your **Charter** for **Carothers Farms Stacked Flats Condominium Association, Inc.** 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. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

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: Cassandra Bowman

B0592-1490 09/12/2018 4:01 PM Received by Tennessee Secretary of State Tre Hargett

CHARTER

FILED

OF

CAROTHERS FARMS STACKED FLATS CONDOMINIUM ASSOCIATION, INC.,

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation:

1. The name of the corporation is Carothers Farms Stacked Flats Condominium Association, Inc.
2. The name of the initial registered agent of the corporation is Regent Homes, LLC.
3. The address of the initial registered office of the corporation shall be 7287 Carothers Road, Nolensville, TN 37135.
4. The address of the principal office of the corporation in the State of Tennessee shall be 6901 Lenox Village Drive, Suite 107, Nashville, TN 37211.
5. The name and address of the incorporator is Patrick H. Poole, Esq., Ortale Kelley Law Firm, P.O. Box 198985, 330 Commerce St. Suite 110, Nashville, Tennessee 37201.
6. The corporation is a mutual benefit corporation.
7. The corporation is not for profit.
8. This corporation is organized for the purpose of providing for the ownership, operation, maintenance, preservation, development, and control of all property known as Carothers Farms Stacked Flats as established by a Declaration of Covenants, Conditions and Restrictions and Bylaws for the benefit and use of the owners and residents of the Lots indicated thereon and in pursuit thereof to:

B0592-1491 09/12/2018 4:01 PM Received by Tennessee Secretary of State Tre Hargett

a. Acquire, by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in accordance with the law and in connection with the purposes of this corporation;

b. Fix, levy, collect and enforce payment by any lawful means of all charges and assessments levied or assessed against members of the corporation and to pay all expenses incident to the conduct of the business of the corporation including all licenses, taxes, or other charges levied against the property of the corporation;

c. Borrow money and mortgage, pledge, or deed in trust any or all of its real or personal property as security for money borrowed for debts incurred;

d. Contract or otherwise provide for necessary or desired maintenance, or improvement, repair, restoration or alteration of its real and personal property, and to purchase, if necessary, equipment, and employ personnel to achieve these purposes;

e. Represent and promote the welfare of the owners and residents of the Lots located within CAROTHERS FARMS STACKED FLATS and to have and exercise any and all rights, powers, and privileges which a corporation not for profit organized under the Tennessee General Corporation Act may now or hereafter have or exercise; and

f. Generally engage in any other lawful endeavor or activity in furtherance of the foregoing, so long as such endeavor or activity does not prevent the corporation from being, or maintaining its status as, a homeowners

association as defined by Section 528(c)(1) of the Internal Revenue Code of 1986 or corresponding section of any future income tax code.

9. This corporation is to have members. Every person or entity who is a record owner of a fee interest in any Lot located within CAROTHERS FARMS STACKED FLATS shall be a member of the corporation. Nothing herein is intended to include persons or entities holding any interest intended merely as security for the performance of an obligation. Ownership of a Lot shall be the sole qualification for members, and a membership shall not be transferable other than as it is appurtenant to ownership of a Lot. When more than one (1) person holds an interest in a Lot, only one (1) certificate of membership shall issue and the rights and privileges accruing to such membership shall be assigned among the owners as they may agree.

10. To the extent allowed by the laws of the State of Tennessee, no present or future directors of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director shall be further eliminated to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

11. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director and officer to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

B0592-1492 09/12/2018 4:01 PM Received by Tennessee Secretary of State Tre Hargett

B0592-1493 09/12/2018 4:01 PM Received by Tennessee Secretary of State Tre Hargett

12. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, members or other private individuals or persons, except that the corporation shall be authorized and empowered to (a) pay reasonable compensation for goods and services rendered, (b) rebate excess membership dues, fees or assessments, and (c) make payments in furtherance of the purposes set forth herein.

13. Upon dissolution, after all creditors of the corporation have been paid any excess membership dues, fees or assessments have been rebated, its assets shall be distributed to the then current Lot owners.

14. This Charter may be amended upon the approval of at least two-thirds (2/3) vote of eligible Lot owners, however, this Charter may be amended unilaterally: (1) by the incorporator up to the date the first Lot is conveyed to an owner other than Declarant or builders holding title solely for purposes of development and sale; or (2) by the Board of Directors at any time as permitted under Tenn. Code Ann. §§ 48-51-101 *et seq.*

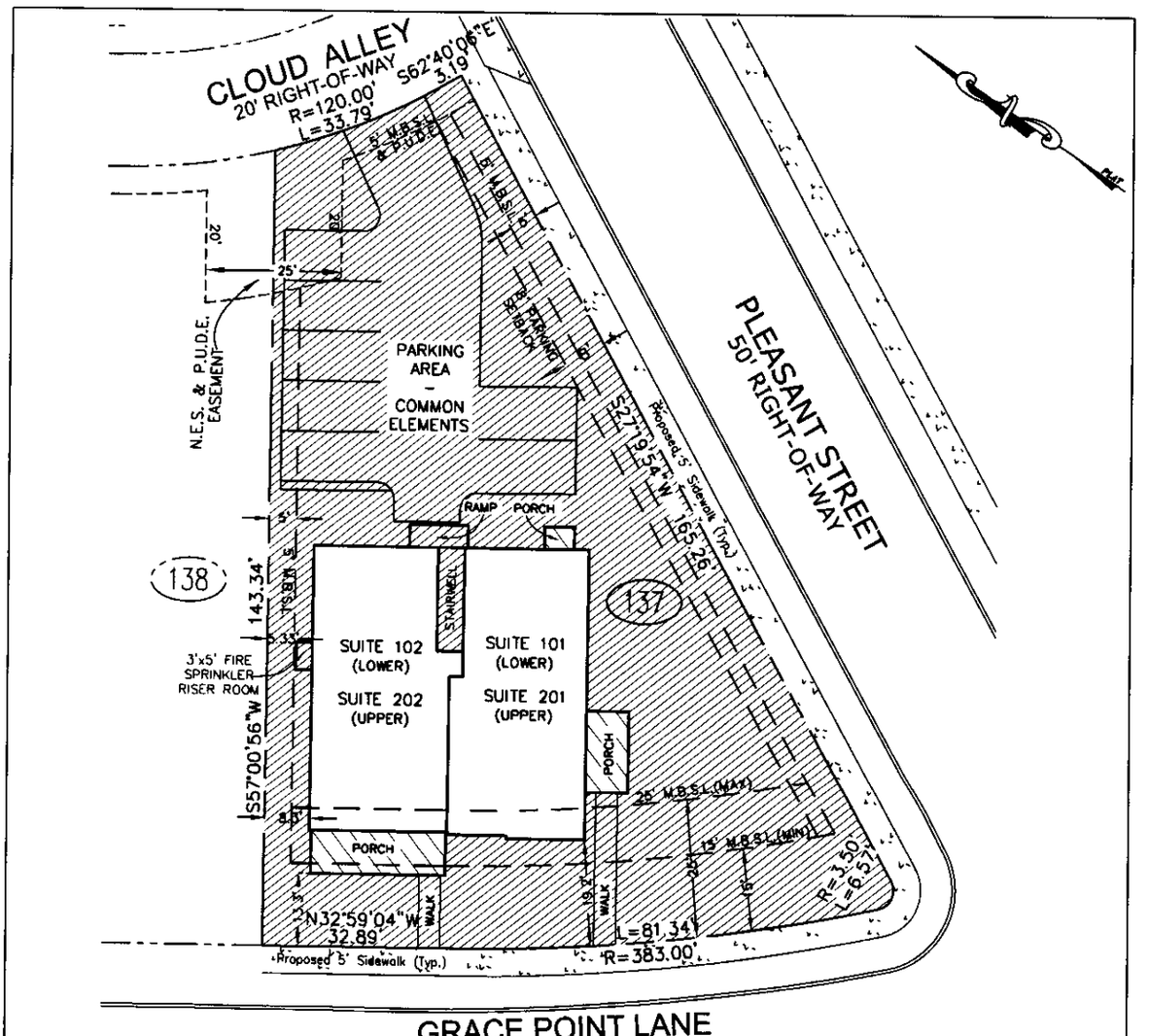
DATED this 11th day of September, 2018.

Patrick H. Poole, Incorporator
Ortale Kelley Law Firm
330 Commerce St. Suite 110
Nashville, Tennessee 37201
Phone: (615) 256-9999
Fax: (615) 726-1494

EXHIBIT D

SITE PLAN/PLAT EXHIBITS

[SEE ATTACHED]



GRACE POINT LANE
54' RIGHT-OF-WAY

LEGEND

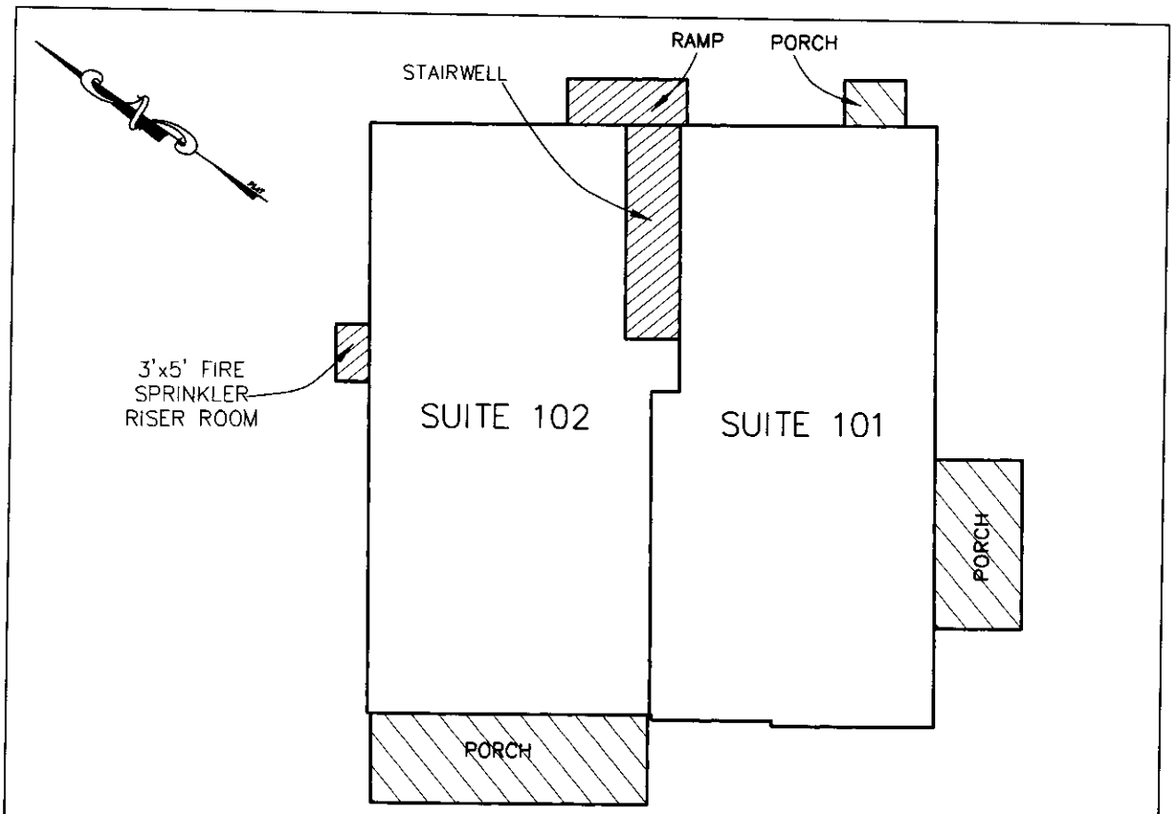
= LIMITED COMMON ELEMENTS

= COMMON ELEMENTS

OWNER: REGENT HOMES, LLC
ADDRESS: 1902 GRACE POINT LANE
CITY: NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE
LOT #137 SUBD. CAROTHERS CROSSING PH.3 SEC. 1
RECORD: PL-20170523-0051054 - (R.O.D.C., TN)
SCALE: 1"=20' DATE: SEPTEMBER 5, 2018
PARCEL ID: 188100C13700CO PLAN: 58.67'X63.38' RE
AREA: 11,839 Sq.Ft.± Or 0.27 Ac.±

SETBACKS
FRONT: 15' MIN/25' MAX
SIDE: 5'/or 10' TOTAL
REAR: 5'

DWN. BY: MAF CKD. BY: MVH DATE: 09/05/2018 SCALE 1"=20' JOB NO. 2017-0371 SHEET 1 OF 3	CAROTHERS FARMS STACKED FLATS A CONDOMINIUM DEVELOPMENT SITE PLAN EXHIBIT LOT 137 - CAROTHERS CROSSING, PHASE 3, SECTION 1 1902 GRACE POINT LANE NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE	H & H LAND SURVEYING, INC. 612 A FITZHUGH BLVD. SMYRNA, TENNESSEE 37167 PHONE: (615) 831-0756



FIRST FLOOR

LEGEND

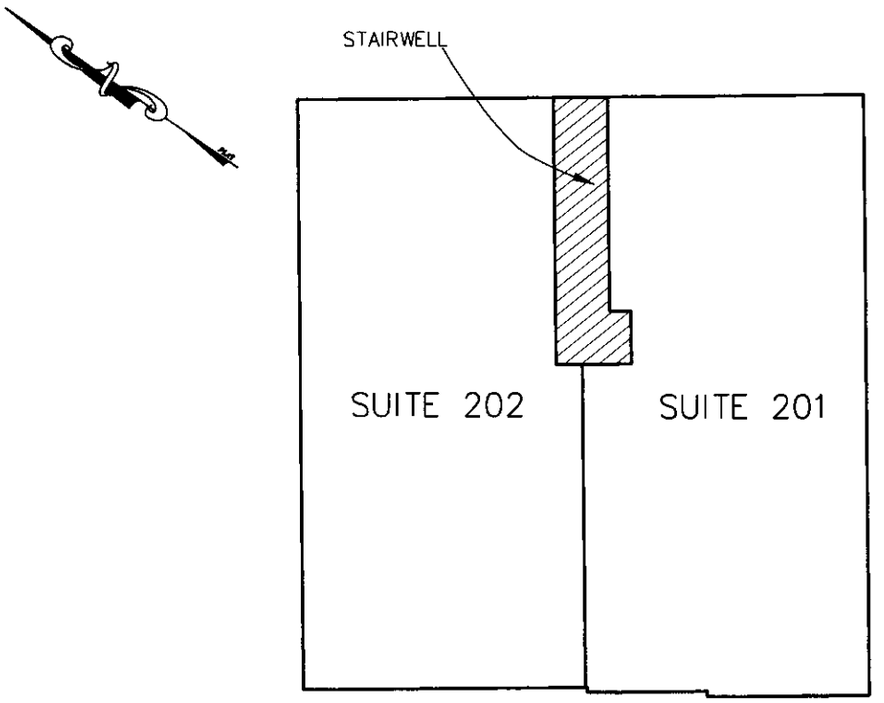
= LIMITED COMMON ELEMENTS

= COMMON ELEMENTS

OWNER: REGENT HOMES, LLC
ADDRESS: 1902 GRACE POINT LANE
CITY: NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE
LOT #137 SUBD. CAROTHERS CROSSING PH.3 SEC. 1
RECORD: PL-20170523-0051054 - (R.O.D.C.,TN)
SCALE: 1"=10' DATE: SEPTEMBER 5, 2018
PARCEL ID: 188100C13700CO PLAN: 58.67'X63.38' RE
AREA: 11,839 Sq.Ft.± Or 0.27 Ac.±

SETBACKS
FRONT: 15' MIN/25' MAX
SIDE: 5'/or 10' TOTAL
REAR: 5'

DWN. BY: MAF CKD. BY: MVH DATE: 09/05/2018 SCALE 1"=10' JOB NO. 2017-0371 SHEET 2 OF 3	CAROTHERS FARMS STACKED FLATS A CONDOMINIUM DEVELOPMENT SITE PLAN EXHIBIT LOT 137 - CAROTHERS CROSSING, PHASE 3, SECTION 1 1902 GRACE POINT LANE NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE	H & H LAND SURVEYING, INC. 612 A FITZHUGH BLVD. SMYRNA, TENNESSEE 37167 PHONE: (615) 831-0756



SECOND FLOOR

LEGEND

= LIMITED COMMON ELEMENTS

= COMMON ELEMENTS

OWNER: REGENT HOMES, LLC
ADDRESS: 1902 GRACE POINT LANE
CITY: NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE
LOT #137 SUBD. CAROTHERS CROSSING PH: 3 SEC: 1
RECORD: PL-20170523-0051054 - (R.O.D.C., TN)
SCALE: 1"=10' DATE: SEPTEMBER 5, 2018
PARCEL ID: 188100C13700CO PLAN: 58.67'X63.38' RE
AREA: 11,839 Sq.Ft.± Or 0.27 Ac.±

SETBACKS
FRONT: 15' MIN/25' MAX
SIDE: 5'/or 10' TOTAL
REAR: 5'

DWN. BY: MAF CKD. BY: MVH DATE: 09/05/2018 SCALE 1"=10' JOB NO. 2017-0371 SHEET 3 OF 3	CAROTHERS FARMS STACKED FLATS A CONDOMINIUM DEVELOPMENT SITE PLAN EXHIBIT LOT 137 - CAROTHERS CROSSING, PHASE 3, SECTION 1 1902 GRACE POINT LANE NOLENSVILLE, DAVIDSON COUNTY, TENNESSEE	H & H LAND SURVEYING, INC. 612 A FITZHUGH BLVD. SMYRNA, TENNESSEE 37167 PHONE: (615) 831-0756

EXHIBIT E

ALLOCATION OF INTERESTS AND VOTES

Unit Number		Unit % of Common Element		Number of Votes
1		25.00%		1
2		25.00%		1
3		25.00%		1
4		25.00%		1

NOTE: AS SET FORTH IN SECTION 2.06 OF THE DECLARATION, THE PERCENTAGES LISTED HEREON WITH RESPECT TO THE UNITS ARE SUBJECT TO CHANGE UPON THE ANNEXATION OF ADDITIONAL PROPERTY TO THE CONDOMINIUM.

EXHIBIT F

DECLARANT RIGHTS REGARDING CONSTRUCTION

Notwithstanding any other terms to the contrary within the above Declaration, the following terms and conditions are hereby incorporated into the terms of the Declaration by this reference and shall control over any other inconsistent terms set forth therein. Unless otherwise defined below, all capitalized terms shall have the meaning ascribed to them in the Declaration and the Act.

ARTICLE I

Easement to Inspect and Right to Correct.

A. Easement.

Declarant reserves for itself and such other persons as it may designate, perpetual, non-exclusive easements throughout the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Property, including Units, the Common Elements and the Limited Common Elements. Pursuant to this Section and any express warranty provided by either party, Declarant shall have the unilateral right, at any time, to redesign, correct, modify or improve any part of the Property, including Units, the Common Elements and the Limited Common Elements, to the extent reasonably necessary to correct any design defect, construction-related defect or other construction-related problem, to improve the operational efficiency and structural integrity of any improvement located on the Property, and to otherwise provide a superior or enhanced Unit or Common Element within the Property.

B. Right of Entry.

In addition to the above easement, Declarant reserves a right of entry into any Unit or Limited Common Elements upon reasonable notice to the Unit Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Declarant notifies the Unit Owner (or Occupant) and agrees with the Unit Owner regarding a reasonable time to enter the Unit to perform such activities. Unit Owner agrees to cooperate in a reasonable manner with Declarant in their exercise of the rights provided to it by this Section. Entry onto the Common Elements and into any improvements and structures thereon may be made by Declarant at any time with advance notice to the Association; provided, however, in an emergency, such notice shall not be required and Declarant shall be permitted to enter upon any portion of the Property without advance notice or consent.

C. Notice Requirement.

Upon notice, observation, or suspicion of a design defect, construction-related defect or other construction-related problem with any improvement located on the Property, including the Common Elements, the Limited Common Elements and any Unit, the Association immediately shall notify Declarant of such issue in writing and, in the case of a condition posing an imminent threat of damage to person or property, telephonically. Upon such notice, Declarant shall have the right to come onto the Property to observe the defect or problem and unilaterally to undertake any corrective measures that it deems appropriate without the additional consent or participation of the Association or the Unit Owner(s). The rights of notice, inspection and correction granted to Declarant pursuant to this Section shall be provided by the Association and any affected Unit Owner prior to the Association and any affected Unit Owner consulting with, hiring or retaining, in any capacity whatsoever, any third party to examine, correct, repair or improve any design defect, construction-related defect or other construction-related problem with the Property, any Common Element, Limited Common Element or Unit. Failure by the Association or any Unit Owner to provide Declarant with the above described notice, inspection and cure rights granted to it by this Section, automatically shall constitute an absolute and unconditional waiver of any legal claim or other claim or remedy whatsoever, including any warranty claims and any right to file a claim in arbitration, that the Association or the Unit Owner(s) otherwise may have regarding such defect or problem absent such waiver.

D. Damage.

Any damage to the Property, a Unit, the Limited Common Elements or the Common Elements resulting from the exercise of the easement and right of entry described in the above subsections of this Section promptly shall be repaired by, and at the expense of, the party exercising this easement; provided, however, the obligation to repair shall be limited to restoring the affected area to the same approximate condition and state of repair which existed prior to the undertaking of the work permitted by this easement and after taking into account the nature of any corrective work or improvement so performed by Declarant pursuant to this Section.

E. No Implied Warranty and Enforcement.

THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DECLARANT TO THE ASSOCIATION OR ANY OWNER, AND DECLARANT EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY TENNESSEE LAW. Declarant may seek enforcement of the rights afforded to each of them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction

in the State of Tennessee and notwithstanding to the contrary any arbitration provision set forth in this Declaration or any other instrument whatsoever.

ARTICLE II.

Arbitration and Actions Against the Declarant.

A. Prerequisites to Actions Against Declarant.

Prior to filing a civil action or arbitration claim of any nature whatsoever against Declarant, and prior to consulting with, retaining or hiring in any capacity whatsoever, any third party consultant, advisor, property inspector, architect, engineer, contractor or repairmen to correct the problem or to examine, investigate, or advise the Association or any Unit Owner with respect to any suspected or reasonably inferable design defect, construction-related defect or other construction-related problem with the Property, Common Elements, the Limited Common Elements and any Unit, the Association and Unit Owner shall first notify Declarant of the alleged or suspected problem and shall first provide Declarant with a reasonable opportunity to inspect and repair the problem pursuant to the terms of Section I. above. For the purposes of this Section, a minimum of sixty (60) days from first notice to Declarant shall be deemed a reasonable opportunity for Declarant to inspect and repair any alleged or suspected problem; provided, however, in certain circumstances, this period of time may be longer depending on the complexity of the condition and the length of time reasonably necessary to obtain parts and services from third parties as such additional time shall be communicated to the Association and Unit Owner by Declarant.

After the above right to inspect and correct period elapses, the Association may bring an action against Declarant to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements only. Such action may be maintained by the Association only after doing the following, including, but not limited to, the following:

i. The Association obtains the written approval of each Unit Owner whose interest in the Common Elements or Limited Common Elements will be the subject of the action;

ii. The Association obtains the affirmative vote of the Unit Owners to which at least a majority of the votes of the members of the Association are allocated;

iii. The full Board of Directors and the Declarant have met in person and conferred in a good faith attempt to resolve the Association's Claim or the Declarant has definitively declined or ignored the requests to meet with the Board of Directors.

At least three (3) business days in advance of any vote to commence an action by the Association to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements, the attorney representing the Association shall provide to each Unit Owner a written statement that includes, in reasonable detail:

after submission of the matter to mediation, or within such additional time as determined by the mediator, the mediator shall issue to all parties a written notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the parties are at an impasse and the date that such mediation was terminated.

Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to Respondent, and Respondent shall make a final written settlement offer ("Settlement Offer") to Claimant. If Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If Respondent fails to make a Settlement Offer, they shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

D. Final and Binding Arbitration.

If the parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, then the Claimant shall have fifteen (15) additional days thereafter (i.e., thirty (30) days from the date of Termination of Mediation) to submit the Claim to arbitration before the American Arbitration Association pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association.

If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, then the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability whatsoever to Claimant arising out of such Claim.

This Section 2. is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Tennessee. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it to the fullest extent permitted under the laws of the State of Tennessee.

E. Allocation of Costs of Resolving Claims.

Each party (regardless of the outcome of the arbitration proceeding) shall bear its own costs, including attorneys' fees, arbitration filing fees and arbitration case service fees. The parties shall share equally in all arbitrator compensation and expenses and compensation of the mediator and mediation service. Under no circumstances whatsoever shall one party be entitled to receive reimbursement from the other party for the above described costs, expenses and fees, including but not limited to attorneys' fees.

F. Enforcement of Resolution.

After resolution of any Claim, if any party fails to abide by the terms of any settlement agreement or Award, then any other party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above. In such event, the party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

1. The defects and damages or injuries to the affected Common Elements or Limited Common Elements;

2. The cause of the defects, if the cause is known;

3. The nature and the extent that is known of the damage or injury resulting from the defects;

4. The location of each defect within the affected Common Elements or Limited Common Elements, if known;

5. A reasonable estimate of the cost of the action or mediation, including reasonable attorneys' fees and costs, expert fees, and the costs of testing; and

6. All disclosures that the Unit Owner is required to make upon the sale of the Unit.

The Association or an attorney for the Association shall not employ a person to perform destructive tests to determine any damage or injury to a Unit, Common Element, or Limited Common Element caused by a construction defect unless:

I. The person is licensed as a contractor pursuant to law;

II. The Association has obtained the prior written approval of each Unit Owner whose Unit or interest in the Common Element or Limited Common Element will be affected by such testing;

III. The person performing the tests has provided a written schedule for repairs;

IV. The person performing the tests is required to repair all damage resulting from such tests in accordance with state laws and local ordinances relating thereto;

V. The Association or the person so employed obtains all permits required to conduct such tests and to repair any damage resulting from such tests; and

VI. Reasonable prior notice and opportunity to observe the tests are given to Declarant and any other party against whom an action may be brought as a result of the tests.

The Association may commence an action only upon a vote or written agreement of the Unit Owners to which at least a majority of the votes of the members of the Association are allocated. In such a case, and at least twenty-one (21) calendar days before the meeting, the Association shall provide written notice to the Unit Owner of each Unit of the meeting at which the commencement of an action is to be considered or action is to be taken.

The Association may, without giving notice to the Unit Owners, employ a contractor and such other persons as are necessary to make such immediate repairs to a Unit or Common Element as are required to protect the health, safety, and welfare of the Unit Owners and Occupants.

Similarly, prior to any Unit Owner(s) bringing any Claim against the Declarant, the affected Unit Owner(s) shall first notify the Association of their intent to do so, shall meet with the Association's Board of Directors to discuss the nature and merit of their Claim and whether such Claim concerns the Common Elements, and shall provide the Association with at least sixty (60) days (if requested by the Board) to obtain the consent of the Unit Owners for the Association to join-in such Claim against the Declarant with respect to any affected Common Elements only.

B. Notice.

After first complying with the terms and conditions set forth above in subsection A, if the Association and/or a Unit Owner(s) (singularly or collectively as the context requires, the "Claimant") desires to pursue a legal claim of any nature whatsoever against the Declarant (singularly or collectively as the context requires, the "Respondent"), then the Claimant shall, no later than ninety (90) days before initiating an action against Respondent, provide service of written notice of claim on Respondent (the "Notice of Claim"). The Notice of Claim shall state that the Claimant asserts a construction defect claim. The Notice of Claim shall describe the claim or claims in detail sufficient to explain the nature of the alleged construction defects and the results of the defects. In addition, the claimant shall provide to the Declarant any evidence that depicts the nature and cause of the construction defect, including expert reports, photographs, and videotapes, if that evidence otherwise would be discoverable under evidentiary rules.

For purposes of clarification of the above terms and conditions, a Unit Owner may file a Claim against Respondent for problems or deficiencies with his or her Unit only; a Unit Owner may not file a Claim against Respondent for problems or deficiencies with the Common Elements as all Unit Owners covenant and agree that all such Claim rights are exclusively those of the Association. The Association only may file Claims against Respondent for problems or deficiencies with the Common Elements or for problems and deficiencies affecting more than 10% of all Units in the Property and, in such case, all Unit Owners covenant and agree that the Association shall serve in a representative capacity on behalf of all such affected Unit Owners should the Association elect to do so.

C. Negotiation and Mediation.

If the parties do not resolve the Claim amongst themselves in accordance with the notice and opportunity to cure provisions set forth above ("Termination of Negotiations"), then Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of an independent, mutually acceptable agency providing dispute resolution services in the Metropolitan Nashville, Tennessee area.

If Claimant does not submit the Claim to mediation within such time period, or does not appear for the mediation, Claimant shall be deemed to have absolutely, unconditionally and forever waived the Claim, and Declarant shall be released and discharged from any and all liability whatsoever to Claimant on account of such Claim.

Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties. If the parties do not settle the Claim within thirty (30) days