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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SKYLINER COMMONS CONDOMINIUMS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SKYLINER COMMONS CONDOMINIUMS (this "**Declaration**") is made and entered into by SKYLINER LP, a Tennessee limited partnership (hereinafter referred to as the "**Declarant**").

RECITALS

WHEREAS, the Declarant is the record owner and holder of a fee simple interest in a parcel of real property located in Davidson County, Tennessee, and more particularly described according to a Quitclaim Deed of record in Instrument No 20191220-0131515, Register's Office for Davidson County, Tennessee, a copy of which is attached hereto and made a part hereto as **Exhibit A** (together with all rights and appurtenances thereto, the "**Real Estate**");

WHEREAS, the Declarant desires to establish for its own benefit and for the benefit of its successors and/or assigns certain rights, easements, and privileges in, over and upon the said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property (as defined herein); and

WHEREAS, the Declarant desires to submit the Real Estate, together with all buildings, structures, improvements, and other permanent fixtures of whatever kind thereon, whether now existing or hereafter erected, constructed or placed thereon or contained therein, and all easements, rights and privileges belonging or in any way pertaining thereto (collectively, the "**Property**"), to the provisions of T.C.A. §66-27-201 through 507 known as the Tennessee Condominium Act of 2008, as the same may be amended from time to time (the "**Act**").

NOW THEREFORE, the Declarant declares as follows:

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

"**Act**" is defined the Recitals.

"**Association**" means the Skyliner Commons Owners Association, a Tennessee unincorporated association.

"**Board**" means the Board of Directors of the Association.

"**Building**" means any building now or hereafter located on the Real Estate and

forming a part of the Property and Condominium.

"**Building 1**" means the Building designated as such on the Plat and all Limited Common Elements exclusively serving Building 1.

"**By-Laws**" means the By-Laws of the Skyliner Commons Owners Association, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be part of the By-Laws.

"**Common Element**" means all of the Property except for the Buildings and the Limited Common Elements exclusively serving such Buildings and, without limiting the generality of the foregoing, shall include those items defined as Common Elements in the Act, including the following:

1. The Real Estate;

2. All easements, public walkways and communication ways;

3. All yards and landscaping, except as otherwise herein provided or stipulated;

4. All compartments or installations for services located outside of the Buildings, such as power, light, gas, cold and hot water, reservoirs, water tanks, and pumps, and the like;

5. All garbage dumpsters and, in general, and all devices or installations existing for common use of the Units;

6. All parking areas, roads, sewers, and all other services of a public nature not inside the walls of the Buildings;

7. All areas shown on the Plat and including all roads, pipes, wires, conduits, ducts, cables, public utility line, retention basin, drainage control structure, and other improvements necessary for the overall integrity of the Property;

8. All other elements of the Units desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium regime established by this Declaration; and

9. All other amenities dedicated for the common use of the Unit Owners.

"**Condominium Documents**" means this Declaration, the Bylaws, the Plat and the Rules and Regulations as they be amended from time to time. Any exhibit, schedule, or certification accompanying a Condominium Document is a part of that Condominium Document.

"**Declarant**" means, initially, Skyliner LP, a Tennessee limited partnership, and subsequently any Person designated in writing by Declarant as a successor and/or assignee of the rights of Declarant set forth herein.

"**Declarant Control Period**" means the period commencing on the date of this Declaration and terminating no later than the earliest of: (i) one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than Declarant; and (ii) five (5) years after conveyance of the first Unit to a Unit Owner other than Declarant.

"**Declaration**" means this Declaration of Covenants, Conditions and Restrictions of Skyliner Commons Condominiums, together with all exhibits, schedules, addenda or other attachments hereto, as amended from time to time.

"**Limited Common Element**" means a portion of the Common Elements designated in this Declaration, on the Plat, or by the Act (including §66-27-302(2) or (4)) of the Act), for the exclusive enjoyment, benefit and use of one or more but fewer than all of the Buildings as an inseparable appurtenance thereto, whether located within a Building or adjacent to or outside the footprint of a Building. The term includes, but shall not be limited to, parking areas, courtyards and patios and decks, HVAC equipment, pipes, ducts, electrical wiring and conduits, utility meters, and such portions of entryways and all associated fixtures and structures therein as lie outside of a Building footprint, but are for the exclusive use of said Building.

"**MDHA**" means Metropolitan Development and Housing Agency.

"**Mortgagee**" means the holder of a first Security Interest in a Unit which has notified the Association, in writing, of its name and address, and that it holds a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Mortgagee be given the notices and other rights described in Section 24.

"**Occupant**" means a person or persons in possession of a Building, regardless of whether said person is a Unit Owner.

"**Person**" means a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

"**Plat**" means the Plat recorded at _____ with the Register's Office for Davidson County, Tennessee, a copy of which is attached hereto as **Exhibit B** and made a part of this Declaration for the purpose of describing the Condominium and the Units. The Plat shall show each Building, expressing its area, location and other data necessary for identification of such Building, and the Limited Common Elements serving the Building.

"**Property**" means all of the land, property and space comprising the Real Estate, the Buildings and all other buildings, improvements and structures, now existing or or hereafter

erected, constructed or contained therein or thereon, including all easements, rights and appurtenances belonging thereto, submitted to the provisions of the Act.

"**Real Estate**" is defined in the Recitals.

"**Rules and Regulations**" means the rules and regulations concerning the use of the Units and the Common Elements and the conduct of persons within the Condominium, as adopted from time to time by the Board in accordance with this Declaration and the By-Laws.

"**Security Instrument**" means any agreement, instrument or other document creating or evidencing a Security Interest.

"**Security Interest**" means an interest in real estate or personal property created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of leases or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

"**Special Declarant Rights**" means the rights reserved to the Declarant during the Declarant Control Period as established by this Declaration (whether specifically titled or not specifically titled as such).

"**Unit**" means each Building, as numbered and as shown on the Plat, plus any Limited Common Elements serving such Building, plus the Unit Owner's proportionate undivided interest in the Common Elements.

"**Unit Boundaries**" means, as shown on the Plat, the boundaries of each Building and the Limited Common Elements serving such Building.

"**Unit Owner**" means any Person who owns a fee simple interest or leasehold interest in a Unit. The term shall not include the holder of a Security Instrument that does not have possession of the Building or the Limited Common Elements serving the Building. For avoidance of doubt, holders of a leasehold interest in residential or commercial units within a Building shall not be considered Unit Owners herein. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Building. Declarant, for the sole purpose of obtaining PILOT tax treatment, will be conveying fee simple title to Building 1 to MDHA and, immediately following such conveyance, Declarant will be leasing Building 1 back from MDHA. Notwithstanding previous language to the contrary, for all purposes pertaining to this Declaration, Declarant will remain the "Unit Owner" of Building 1 after conveyance of its fee simple interest therein and lease back from MDHA. MDHA will delegate all of the rights, duties, obligations and liabilities pertaining to Building 1 to Declarant.

2. **SUBMISSION TO THE ACT**. The Declarant does hereby submit and subject the Property to the provisions of the Act.

3. **UNIT DESCRIPTION**. The legal description of each Unit shall consist of the identifying number of its Building and all Limited Common Elements serving the Building, as shown on the Plat. Every Security Instrument creating a Security Interest in a Unit shall legally describe the Unit by its identifying number as shown on the Plat and every such description by number shall be deemed good and sufficient for all purposes, as provided in the Act. No Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause its Building or the Limited Common Elements serving the Building to be separated or subdivided.

4. **OWNERS ASSOCIATION**.

(a) Formation.

(i) There has been formed an Association having the name the Skyliner Commons Owners Association, a Tennessee unincorporated association, which Association shall be the governing body for all Unit Owners, and shall be operated to provide for the maintenance, repair, replacement, administration, architectural control, and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Declaration as **Exhibit C** and made a part hereof. The Board shall be elected and serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners, in accordance with the provisions of this Declaration and By-Laws. A Unit Owner's membership in the Association shall automatically terminate when the Unit Owner ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest in a Unit to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association.

(ii) Voting Rights. The Association shall have one class of voting membership. Each Unit Owner will have voting rights according to the ratio of (A) the number of residential rental units available in the Unit Owner's Building, to (B) the number of residential rental units available in all of the Buildings. By way of example, if a Unit Owner's Building contains 78 residential rental units and the aggregate number of residential rental units in all of the Buildings is 150, the Unit Owner's voting percentage shall be 52%. All actions of the Association, unless otherwise stated, will be approved by majority vote of the Unit Owners.

(b) Managing Agent.

(i) The Board shall have the authority to engage the services of a qualified property manager (herein referred to as the "**Managing Agent**") to maintain, repair, replace, administer, and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of Section 4(b)(iii) below. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in Section 9.

(ii) Prior to the appointment of the first Board as provided in the By-Laws, the Declarant may engage a Managing Agent for the Property; *provided, however*, that the contract under which the Management Agent is engaged shall have a term of not more than one (1) year.

(iii) Any agreement with a Managing Agent, whether made by the Board or the Declarant or any other Person, shall include a provision allowing termination of the agreement without cause upon thirty (30) days' notice.

(c) Declarant Use of Buildings. While Declarant owns any of the Buildings and until each Building is sold, transferred or conveyed and is occupied by the successor in title, Declarant and its employees may use one (1) or more of such Buildings and may maintain customary signs in connection therewith.

(d) No Personal Liability. To the extent permitted by law, neither the Board nor any officer of the Association, if any, shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever, except for any acts or omissions that constitute gross negligence, willful misconduct or fraud.

5. **UNIT OWNER DISPUTES**. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration or By-Laws may, by mutual agreement of the disputing Unit Owners, be submitted to the Board. In such event, the decision of the Board shall be final and binding on the disputing Unit Owners.

6. **COMMON ELEMENTS**. Each Building is hereby allocated a proportionate undivided interest in the Common Elements according to the ratio of (A) the number of residential rental units available in the Unit Owner's Building, to (B) the number of residential rental units available in all of the Buildings. By way of example, if a Building contains 78 residential rental units and the aggregate number of residential rental units in all of the Buildings is 150, the Building's proportionate undivided interest in the Common Elements shall be 52%. The ownership of a Building shall not be conveyed separate from its proportionate undivided ownership in the Common Elements. The undivided interest in the Common Elements appurtenant to any Building shall be deemed conveyed or encumbered with that Building, even though the legal description in the instrument conveying or encumbering such Building may refer only to the fee title to that Building.

7. **RIGHT TO USE THE COMMON ELEMENTS**. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Building owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to its occupants, agents, servants, tenants, family members, customers, invitees, and licenses. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Building alone or shared with adjoining Buildings. Such rights to use Common Elements and the Limited Common Elements shall be subject to and governed by the provisions of the Act, this Declaration, the By-Laws, and the Rules and Regulations. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of this Declaration and the By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions and regulations as the Board may adopt or prescribe.

8. **PARKING**. Parking spaces or areas on the Property, other than parking spaces or areas designated on the Plat as Limited Common Elements exclusively serving a Building, shall be part of the Common Elements, and may be used by the Unit Owners and their respective Occupants, agents, servants, tenants, customers, invitees, and licensees, subject to the Rules and Regulations. The parking spaces and area shown in Area A and Area B of **Exhibit B** attached hereto are hereby designated as a "Limited Common Element" exclusively serving Building 1.

Declarant may erect as part of the Common Elements, a sign which shall be used to identify Unit Owners. Each Unit Owner shall be allocated an equal portion of said sign. Each Unit Owner shall have installed on said sign by the Association, at the sole expense of the said Unit Owner, a uniform sign stating the Unit Owner's Building number. Said signs to be procured by the Association to insure architectural uniformity of said signs.

9. **COMMON EXPENSES**.

(a) Each Unit Owner shall pay its proportionate share of the expenses of the administration and operation of the Common Elements based on the same proportionate share of its ownership of the Common Elements as computed in accordance with Section 4(a)(ii) above. and of any other expenses incurred in conformance with this Declaration and the By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair of the property and any and all replacements and additions thereto. Except for its responsibilities as a Unit Owner, as provided herein, Declarant shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded; *provided, however*, that in the event Declarant expends any of its own funds for the repair, replacement or maintenance of any of the Common Elements, other than as a Unit Owner, Declarant shall be entitled to a credit for such

sums against any common expenses Declarant might be required to pay by virtue of being a Unit Owner. Each Unit Owner shall be responsible for paying its proportionate share of the common expenses. Assessments for the payment of common expenses shall be payable at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of its proportionate share of the common expenses by waiver or non-use of enjoyment of the Common or Limited Common Elements or by abandonment of its Building. If any Unit Owner shall fail to make such payment of assessments for common expenses when due, the amount thereof together with any reasonable late charge established by the Board, and together with interest at the rate of fifteen percent (15%) per annum, after said assessments become due and payable shall constitute a continuing lien on the Building against which the assessment is made, as provided in the Act. Each Unit Owner shall be personally liable for its portion of each assessment made while it is the owner of a Building and said personal obligation shall pass to its successors and assigns in title as required by the Act.

(b) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the premises contained herein and the sum of One ($1.00) Dollar, the receipt and sufficiency of which are hereby acknowledged, and rendering judicial foreclosure unnecessary, the Unit Owners jointly and severally for themselves, their heirs, personal representatives, executor, administrators, successors and assigns (the "**Trustors**"), shall, by their acceptance of a deed to their Unit, shall be deemed to have transferred and conveyed unto Alan D. Mazer, Trustee, his successors in trust and assigns (the "**Trustee**"), their respective Unit belonging, for the purpose of securing payment of their share of the common expenses and all other assessments thereon, whether common, annual or special, when due.

If the Trustors shall pay their share of Common Expenses and all other assessments when due, whether common, annual or special, then this trust conveyance shall be of no further force or effect. But if said Common Expenses and assessments, or any part thereof, is not paid promptly when due, this trust conveyance shall remain in full force and effect, and Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in Davidson County, Tennessee, to sell the respective Unit at the front door of the Courthouse in Davidson County, Tennessee (or such other location as designated in said notice) to the highest bidder for cash at public outcry, free from the statutory or equitable right of redemption, homestead, dower, distributive share and all other rights or exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid and purchase at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of said indebtedness, enter and take possession of the applicable Unit and shall only account for the net rents actually received by him. It is further agreed that, in the event the Trustee fails, before selling the applicable Unit, to enter and take possession thereof, and the purchaser shall be entitled to immediate possession thereof upon the deliver to such purchaser by the Trustee of a deed therefore.

In case of a sale hereunder, subject to the rights of the Mortgagees, the proceeds will be applied by the Trustee as follows:

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

Second. To the payment of all unpaid taxes with respect to such Unit; and

Third. To the full and complete satisfaction of all amounts secured by such lien.

Fourth. Any balance of proceeds remaining after satisfaction of such charges, shall be paid to Trustors or to their order, or to their representatives or assigns.

The Association may, at any time and from time to time, by instrument in writing, substitute and appoint a successor or successors to the Trustee, which instrument executed, acknowledged and recorded in the Register's Office for Davidson County, Tennessee, shall be conclusive proof of the proper substitution and appointment of such Successor Trustee. Said Successor Trustee shall have all the right, title and estate, powers, duties and privileges of the predecessor Trustee, without the necessity of any conveyance from such predecessor Trustee.

Each Unit Owner shall be personally liable for its portion of each assessment made while it is a Unit Owner, which obligation shall pass to its successors and assigns in title except as otherwise provided herein and unless barred pursuant to the Act.

Each Unit Owner acquiring title to its Unit from the Declarant shall pay a deposit at time of closing, which will be non-refundable, to the Association in order to establish a working capital fund for initial expenses of the Association. Said deposit shall be in an amount established by the Board, equaling two-twelfths (2/12) of the initial yearly assessment for common expenses.

(c) The lien for assessments payable by a Unit Owner shall be subordinate to the lien of any Security Interest held by a Mortgagee in a Unit, except for the amount of the Unit Owner's proportionate share of common expenses which become due and payable, as permitted by law, prior to (pursuant to the provisions of §66-27-415 of the Act), from and after the date possession of the Unit encumbered thereby.

10. **RIGHT TO MORTGAGE**. Each Unit Owner shall have the right, subject to the provisions herein, to mortgage its Unit. No Unit Owner shall have the right or authority to mortgage or grant a Security Interest in the Property or any part thereof, except to the extent of its own Unit.

11. **REAL ESTATE TAXES**. Real estate taxes shall be separately taxed to each Unit Owner for its Unit, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner

shall pay its proportionate share thereof in accordance with its proportionate undivided interest in the Common Elements, and, in said event, such taxes shall be a common expense.

12. **INSURANCE**. The Board shall obtain insurance for the Property, exclusive of the additions within, improvements to and decorating of the Buildings or the Limited Common Elements serving such Buildings, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Property, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Property or any part thereof, exclusive of the additions within, improvements to and decorating of the Buildings or the Limited Common Elements serving such Buildings, to substantially the same condition in which it existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall, subject to the rights of the Mortgagees, be payable to the Board, as trustee for the Unit Owners, or the Mortgagees, as their interests may appear, in proportion to the Unit Owners' proportionate undivided interests in the Common Elements, as set forth in this Declaration. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against the Unit Owners. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance may be separately billed to Unit Owners based upon their proportionate undivided interests in the Common Elements.

In the event of damage to or destruction of any Buildings, or Common Elements as a result of fire or other casualty covered by insurance proceeds (unless more than two-thirds (2/3) of all Buildings require reconstruction), the Board shall, in its sole and absolute discretion, determine and without intervention of any Unit Owner arrange for the prompt repair and restoration of the damaged portions of all Buildings and Common Elements substantially in accordance with the original plans and specifications therefore. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all the Unit Owners whose Units are affected by the casualty, with each such Unit Owner bearing the cost thereof based on its proportionate undivided interests in the Common Elements. If more than two-thirds (2/3) of all Buildings require reconstruction, unless otherwise unanimously agreed upon by the Unit Owners, the insurance indemnity shall be delivered pro-rata to the Unit Owners entitled to it in accordance with the applicable provisions of the By-Laws or in accordance with a decision of three-fourths (3/4) of the Unit Owners if no By-Law provisions are applicable. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering, or any other part of a Building for which the responsibility of maintenance and repair is that of a Unit Owner, or for furniture, furnishings, fixtures, appliances, or equipment installed in the Building by a Unit Owner or occupant unless insurance therefore is specifically provided for in the insurance policy obtained by the Board.

The Board shall also obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance in such

amounts as it deems desirable, insuring each Unit Owner, the Mortgagees, the Association, the officers, employees and agents of the Association, Declarant and the Managing Agent, if any, from liability in connection with the Property. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all of the Unit Owners and the Mortgagees, premiums for such insurance may be separately billed to each Unit Owner with each Unit Owner to bear its proportion share thereof based upon its proportionate undivided interests in the Common Elements. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

Unit Owners shall be required to maintain public liability insurance covering public liability within their respective Buildings. Said public liability insurance policies shall designate the Association as an additional insured.

The Board shall also obtain fidelity coverage covering officers, directors and employees who handle or are responsible for handling Association funds. Such coverage shall be in such amounts as the Board may determine, but in no event less than one hundred fifty percent (150%) of the monthly operating expenses of the Association, and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

The Board shall also obtain such other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that said person is or was a director or officer of the Association, or a member of such a committee. The premiums for such insurance and bonds shall be a common expense.

Each Unit Owner shall be responsible for obtaining its own insurance on the contents of its Building and the Limited Common Elements serving its Building, as well as any additions and improvements thereto, and on those parts of the Building for which the responsibility of maintenance and repair is that of the Unit Owner, and for decorations, furnishings, and personal property therein, and personal property stored elsewhere on the Property, if any. In addition, in the event a Unit Owner desires to insure against its personal liability and loss or damage by fire or other hazards above and beyond the extent that its liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at its option and expense, obtain additional insurance.

13. **MAINTENANCE, REPAIRS AND REPLACEMENTS**. Each Unit Owner, at its own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within its Building. Except to the extent hereinafter set forth, maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association, and the cost thereof shall be part of the common expenses, subject to the By-Laws and the Rules and Regulations. The expenses for the maintenance, repair or

replacement of a Building's water heater, furnace, air conditioner, heating, and air conditioning ducts, and plumbing and electrical wiring and other items serving only such Building, shall be borne by the owner of the Building to which such Limited Common Elements are serving and, at the discretion of the Board, maintenance of, repairs to, and replacements within the other Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby. Further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to, and replacements within the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the property from all mechanic's or materialmen's lien claims that maintain, repair, or replace the electrical wiring, plumbing, or other utilities of a Building; *provided, however*, that if it shall become necessary to gain entry to another Building, it shall be the responsibility of the Association to provide such maintenance, repair or replacement, but the cost of such maintenance, repair, or replacement may be assessed to the Unit Owners benefitted thereby, as hereinabove provided.

If, due to the act or neglect of a Unit Owner or of its Occupants, or their respective family members, invitees, licensees or household pets, damage shall be caused to the Common Elements or to a Building owned by others, or maintenance, repairs or replacements are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance.

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

14. **ALTERATIONS, ADDITIONS AND IMPROVEMENTS**. Except as provided in Section 15 herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within its Building without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Buildings, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

15. **INTERIOR SPACE**. Each Unit Owner, at its own expense, shall furnish and be responsible for all decorating within its Building and Limited Common Elements serving its Building, as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of its Building, and such Unit Owner shall maintain said interior surfaces in good conditions at its sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the Rules and Regulations, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as the Unit Owner may see fit and at its sole expense. The decoration of the Common Elements and any redecorating of Buildings, to the extent such redecorating of Buildings is made necessary by damage to Buildings caused by maintenance, repairs or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows and screens forming part of a perimeter wall of a Building shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Building.

16. **ENCROACHMENTS**. If any portions of the Common Elements shall actually encroach upon any Building, or if any Building shall actually encroach upon any portions of the Common Elements, or if any Building shall actually encroach upon another Building, as the Common Elements and Buildings are shown on the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist.

17. **RESTRICTIONS ON USE**.

(a) Subject to the provisions of the By-Laws and the rights of the Mortgagees, no part of the Property may be used for purposes other than the related common purposes for which the Property was designed and as allowed by zoning laws.

(b) The Common Elements shall be used only by Unit Owners and their respective agents, servants, tenants, family members, customers, invitees, and licensees for access, ingress to, and egress from the respective Buildings and for such other purposes incidental to use of the Buildings. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

18. **ENFORCEMENT**. In the event of any violation of the provisions of the Act, this Declaration, the By-Laws, or the Rules and Regulations by any Unit Owner (either by its own conduct or by the conduct of any Occupant of its Building), the Association, or its successors or assigns, shall have each and all of the rights and remedies which may be provided for in the Act, this Declaration, the By-Laws, or the Rules and Regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner

and/or others for enforcement of any lien and the appointment of a receiver for the Building and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Building and to sell the same as provided hereinafter in this Section 18, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of fifteen percent (15%) per annum or such other uniform lawful rate as the Board shall determine, until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of its respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of common expenses, upon the Building, and its appurtenant interest in the Common Elements of such defaulting Unit Owner and upon all of its additions and improvements thereto and upon all of its personal property in its Building or located elsewhere on the property; *provided, however*, that such lien shall be subordinate to the Security Interest held by a Mortgagee in the Unit, to the extent hereinabove set forth in Section 9(b) hereof. In the event of any such default by a Unit Owner, the Board and the Managing Agent, if so authorized by the Board, shall have the authority to cure the default and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against the defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This Section shall not be amended, changed, modified or rescinded without the prior consent of all Mortgagees.

(a) Remedies. The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration: (a) to enter (either peaceably or forceably without liability to such Unit Owner for such entry) upon the Building, or any portion of the property upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; and (c) to take possession (either peaceably or forceably without liability to such Unit Owner for such entry) of such Unit Owner's interest in the property and to maintain an action for possession of such Building in the manner provided by law.

If any Unit Owner (either by its own conduct or by the conduct of any other Occupant of its Building) shall violate the Act, or any of the covenants or restrictions or provisions of this Declaration, the By-Laws, or the Rules and Regulations, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Unit Owner a notice in writing terminating the rights of said defaulting Unit Owner to continue as a

Unit Owner and to continue to occupy, use, or control its Building, and thereupon an action in equity may be filed by the Board against said defaulting Unit Owner for a decree of mandatory injunction against such defaulting Unit Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Unit Owner's right to occupy, use, or control the Building owned by the Unit Owner on account of said violation, and ordering that all the right, title and interest of said defaulting Unit Owner in the property shall be sold (subject to the rights of any affected Mortgagee) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Unit Owner from reacquiring its interest at such judicial sale. The proceeds of any such judicial sale (subject to the rights of any affected Mortgagee) shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees, and all other expenses of the proceeding and sale, and all such items shall be taxes against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and to immediate possession of the Building sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit sold subject to this Declaration.

19. **AMENDMENTS**. Subject to Section 24, the provisions of this Declaration may be amended by an instrument in writing, setting forth such amendment, signed by the Unit Owners holding not less than sixty-seven percent (67%) of the votes of the Unit Owners; *provided, however*, that all Mortgagees, whether or not their consent is required, have been notified by certified mail of such amendment and been provided an affidavit from the Secretary of the Association certifying to such mailing. However, if the Act, this Declaration or the By-Laws require the consent or agreement of all Unit Owners or all Mortgagees for any action specified in the Act or in this Declaration, then any instrument amending any provision of this Declaration with respect to such action shall be signed by all of the Unit Owners and/or all of the Mortgagees, or both, as required by the Act or this Declaration. Any amendment shall be effective upon the recording of such instrument in the Office of the Register of Davidson County, Tennessee.

20. **RULE AGAINST PERPETUITIES**. If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, when such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the Governor of Tennessee holding office as of the date of this Declaration.

21. **ACCEPTANCE OF RESTRICTIONS**. Each Unit Owner, by its acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By-Laws which are more

than administrative in nature such as, but not limited to, reservations and future rights of Declarant are hereby incorporated into and made a part of this Declaration by reference.

All present and future Unit Owners and Occupants of a Building shall be subject to, and shall comply with, the provisions of the By-Laws, pursuant to §66-27-406 of the Act. The acceptance of a deed of conveyance, devise, or lease to a Unit, or the entering into occupancy of any Building shall constitute an agreement that the provisions of the By-Laws and the Rules and Regulations are assumed, accepted and ratified by such Unit Owner or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Building, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

The terms and conditions of this Declaration, the By-Laws, and the Rules and Regulations may be incorporated by reference in, and become part of, the agreement between any Mortgagee and any present or future Unit Owner who grants a Security Interest in its Unit to a Mortgagee. When so incorporated, any default in the terms and conditions of this Declaration, the By-Laws, or the Rules and Regulations may be considered by the Mortgagee as a default, whereupon said Mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Unit Owner.

22. **CONDEMNATION**. Subject to the rights of any affected Mortgagee, in the event of a taking of part of the Common Elements in condemnation or by eminent domain, the award made for such taking shall be payable to the Association. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board does not approve the repair and commence restoration of such Common Elements within one hundred twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award to the affected Unit Owners based on their proportionate undivided interests in the Common Elements.

23. **RIGHT OF ENJOYMENT**. The Unit Owners' rights of enjoyment in the Common Elements shall be subject to:

(a) The right of the Association, as provided in the By-Laws or the Rules and Regulations, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of the Rules and Regulations;

(b) The right of the Association to charge reasonable fees for the use of any part or parts of the Common Elements;

(c) The right of the Association to diminish in any way or to dedicate or transfer all

or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution or dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless the Unit Owners entitled to cast ninety percent (90%) of the total votes of the Unit Owners have agreed to such dedication, transfer, purpose, or condition;

(d) The right of Declarant, at its sole expense, to expand, or extend existing driveways, parking areas and yard, and to construct, expand, enlarge or relocate sewers, utility lines or service connections, in order to serve the Buildings; and

(e) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the Units.

24. **MORTGAGEE RIGHTS**. The following provisions shall be fully effective and controlling over any terms of this Declaration or the By-Laws which are in conflict.

(a) Percentage of Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Mortgagees is required, it shall mean the approval or consent of Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to Security Interests held by Mortgagees. By way of example, if the voting percentage of a Unit Owner who has granted a Security Interest in its Unit to a Mortgagee is 52%, and the aggregate voting percentage of all Unit Owners who have granted Security Interests in their Units to Mortgagees is 80%, then for purposes of determining whether the requisite consent or approval of the Mortgagees has been given the Mortgagee of such Unit Owner shall have a percentage of 65%.

(b) Priority of Interests. The Security Interest of a Mortgagee in a Unit shall be superior to the interests of any Person, including any interest that the Board, the Association, the Declarant or any Unit Owner may have in the Unit or any portion thereof, regardless of the nature of the interest or the manner in which it was acquired. Any Mortgagee who comes into possession of a Unit, whether by foreclosure or by deed in lieu of foreclosure, shall take the Unit free of any claims or liens for unpaid assessments or charges against the Unit accruing prior to the time the Mortgagee came into possession of the Unit.

(c) Consent Rights.

(i) Condominium Document Changes. Notwithstanding any lower requirement permitted by this Declaration or the Act, no amendment of any material provision of the Condominium Documents by the Association or the Unit Owners described in this Section 24(c) shall be effective without the vote of at least sixty-seven percent (67%) of the Unit Owners and until approved in writing by at least fifty-one

percent (51%) of the Mortgagees. A "material provision" includes, but is not limited to, any provision affecting:

(A) Assessments, assessment liens or subordination of assessment liens;

(B) Voting rights;

(C) Reserves for maintenance, repair and replacement of Common Elements;

(D) Responsibility for maintenance and repairs;

(E) Rights to use Common Elements and Limited Common Elements;

(F) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(G) Insurance or fidelity bonds;

(H) Leasing of Units;

(I) Imposition of restrictions on a Unit Owner's right to sell or transfer a Unit;

(J) Establishment of self management when professional management had been required previously by any Mortgagee;

(K) Restoration or repair of the Condominium after a hazard damage or partial condemnation in a manner other than that specified in the Documents;

(L) Termination of the Condominium after occurrence of substantial destruction or condemnation or for any other reason; and

(M) The benefits of mortgage holders, insurers or guarantors.

(d) Actions. Notwithstanding any lesser requirement permitted by this Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty-one percent (51%) of the Mortgagees:

(i) Convey or encumber the Common Elements or any portion thereof, as to which an eighty percent (80%) Mortgagee approval is required; *provided, however*, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium will not be deemed a transfer within the meaning of this clause);

(ii) The establishment of self management when professional management had been required previously by any Mortgagee;

(iii) The restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(iv) The termination of the Condominium for reasons other than substantial destruction or condemnation, as to which a sixty-seven percent (67%) Mortgagee approval is required;

(v) The alteration of any partition or creation of any aperture between adjoining Units (when Unit Boundaries are not otherwise being affected), in which case only the Unit Owners of Units affected and Mortgagees of those Units need approve the action;

(vi) The merger of the Condominium with any other common interest community;

(vii) The granting of any easements, leases, licenses or concessions through or over the Common Elements, excluding any utility easements serving or to serve the Condominium and leases, licenses or concessions for no more than one year;

(viii) The assignment of the future income of the Association, including its right to receive Common Expense assessments;

(ix) Any action taken not to repair or replace the Property; and

(x) Any change in the period for collection of regularly budgeted common expenses and assessments.

(e) Notice to Mortgagees. The Association will deliver timely written notice to the Mortgagees of the following actions:

(i) If any Unit or portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority;

(ii) Any delinquency in the payment of any common expenses or assessments owed by the Unit Owner of any mortgaged Unit;

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

(iv) Any proposed action that requires the approval or consent of a specified percentage of the Mortgagees;

(v) Any proposed amendment of this Declaration effecting a change in the Unit Boundaries of any Unit or the exclusive easement rights appertaining thereto, the interest in the Common Elements or Limited Common Elements serving any Building or the liability for common expenses appertaining thereto, or any other proposed amendment of a material nature;

(vi) Any proposed termination of the condominium status of the Property; and

(vii) Notices of all meetings of the Association and to designate a representative to attend all such meetings.

(f) Inspection Rights. The Association shall maintain current and complete copies of the Condominium Documents and the Association's books, records, financial statements and general ledgers, all of which shall be made available for inspection by any Mortgagee during normal business hours.

(g) Reserve for Comment Elements. An adequate reserve fund for the repair or replacement of Common Elements will be established and funded by regular assessments; *provided, however*, that the Association may levy special assessments to fund the reserve should extraordinary expenses be incurred.

(h) No Blanket Liens. All taxes, assessments, and charges which may become liens prior to a Security Interest held by a Mortgagee in a Unit under the laws of the State of Tennessee shall relate only to the mortgaged Unit and not to the Property as a whole. Without limiting the foregoing, the Security Interest held by a Mortgagee in a Unit shall be superior to any interest the Board, the Association, Declarant, any Unit Owner or other Person may have in the mortgaged Unit or any portion thereof, regardless of the nature of the interest or the manner in which it was acquired.

(i) Rights of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit shall not apply to a lease, sale or transfer by a Mortgagee, including any transfer by foreclosure or a deed in lieu of foreclosure.

(j) Restoration after Casualty or Condemnation. No Unit Owner, the Association or any other party shall have priority over the rights of a Mortgagee in and to any casualty or condemnation proceeds affecting a mortgaged Unit. In addition:

(i) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications therefor unless the approval or consent of at least fifty-one percent (51%) of the Mortgagees is obtained.

(ii) Any election to terminate the Condominium after substantial destruction or a substantial taking in condemnation of the Property shall require the approval or

consent of at least fifty-one percent (51%) of the Mortgagees.

(iii) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Property is fixed in advance by this Declaration or the Act, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Property may be effected without the approval or consent of at least fifty-one percent (51%) of the Mortgagees.

(k) Declarant's Rights. None of Declarant's Rights may be exercised or voluntarily abandoned or terminated by the Declarant unless all of the Mortgagees approve or consent to the exercise, abandonment or termination.

(l) Enforcement. The provisions of this Section are for the benefit of Mortgagees and their respective successors and assigns, and may be enforced by any of them by any available means, at law or in equity.

(m) Attendance at Meetings; Proxy Voting. A representative of any Mortgagee may attend and address any meeting which a Unit Owner may attend. Any Unit Owner may appoint a Mortgagee holding a Security Interest in its Unit as the Unit Owner's true and lawful attorney and proxy to vote, consent and otherwise act, on behalf a Unit Owner with respect to its ownership of a Unit, at all annual, special, and other meetings of the Association (or by written consent in lieu thereof) and at any other time the Unit Owner is required to vote, consent or act as a Unit Owner, including without limitation, the right to designate, remove, or replace the members of the Board and officers of the Association.

25. **LAND TITLE-HOLDING TRUST**. In the event title to any Unit is conveyed to a land title-holding trust, under the terms of which all powers of management, operation, and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Unit.

26. **FUTURE DEVELOPMENT**. This Declaration is intended to encompass the tract or parcel of land described on **Exhibit A** attached hereto; *provided, however*, that the Declarant may at a future date desire to develop additional phases or Buildings on the Property owned by the Declarant and described on **Exhibit B** attached hereto. Each such phase shall be subject to and incorporated in the terms and obligations of this Declaration; *provided, however*, that each development phase shall be treated for mortgage lending purposes as a separate mortgage

lending entity. Notwithstanding any prior language in this Declaration to the contrary, it is acknowledged that all Property except Building 1 and all Limited Common Elements exclusively serving Building 1 is to be conveyed to Urban Housing Solutions, Inc. for future development. It is, further, acknowledged that, regardless of the number of additional Buildings built on the Property, the number of additional residential units will total no more than 146.

27. **NOTICES**. Notices provided for in the Act, this Declaration or the By-Laws shall be in writing and shall be addressed to the Association or any Unit Owner, as the case may be, at the Skyline Commons Owners Association, c/o Urban Housing Solutions, Inc., Attn: Alan D. Mazer, 822 Woodland Street, Nashville, Tennessee 37206, or at such other address as hereinafter provided. The Association may designate a different address or addresses for notices to it by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgement of the receipt thereof.

28. **INVALIDITY**. If any provision of this Declaration or the By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby, and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

29. **OTHER COMMON ELEMENT PROVISIONS**. Any Common Element created by development pursuant to this Declaration shall be subject to the following:

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

(b) In the event that the organization established to own and maintain Common Elements, or any successor organization, shall at any time after the establishment of the Condominium fail to maintain the Common Elements in reasonable order and condition in accordance with the adopted development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the Condominium and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the Common Elements for a period of one (1) year. When the zoning administrator determines that the

organization is not prepared for maintenance of the Common Elements, such agency shall continue maintenance for yearly periods.

(c) The cost of such maintenance by such agency shall be assessed proportionally against the properties within the Condominium development that have a right of enjoyment of the common open space, and shall become a lien on said properties.

30. **CAPTIONS**. The captions herein are inserted only as a matter of convenience, and in no way define, limit or describe the scope of these provisions or the intent of any provision hereof.

31. **INTERPRETATION**. The use of the masculine gender in this Declaration and in the By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Covenants, Conditions and Restrictions of Skyliner Commons Condominiums on the day and date hereinafter recited.

"DECLARANT"

Skyliner LP,
a Tennessee limited partnership

By: Skyliner Development LLC, a Tennessee limited liability company, its General Partner

By: _____
Name: Rusty P. Lawrence
Title: President

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, of the State and County aforesaid, personally appeared Rusty P. Lawrence, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon its oath, acknowledged himself to be the President of Skyliner Development LLC, a Tennessee limited liability company, which is the General Partner of Skyliner LP, a Tennessee limited partnership, the within named bargainor, and that he as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of Skyliner LP by himself as such President.

Witness my hand and official seal at office at Nashville, Tennessee, this 28 day of April, 2020.

My Commission Expires: 9/7/21

_____
Notary Public

ALAN D. MAZER
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

EXHIBIT A

TRACT 1

Land in Davidson County, Tennessee, being Lot No. 1, as shown on the map entitled Plan of Hardaway Hillhurst Addition, of record in Plat Book 5190, page 694, Register's Office for Davidson County, Tennessee, to which plan reference is hereby made for a more complete and accurate property description.

TRACT 2

Land in Davidson County, Tennessee, being Lot Nos. 2, 3 and 4, as shown on the map entitled Plan of Hardaway Hillhurst Addition, Section 2, of record in Plat Book 6900, page 143, Register's Office for Davidson County, Tennessee, to which plan reference is hereby made for a more complete and accurate property description.

Being the same property conveyed to URBAN HOUSING SOLUTIONS, INC., by deed from CMH HOMES, INC., A TENNESSEE CORPORATION, of record as Instrument No. 20160217-0015085, dated February 10, 2016, said Register's Office. URBAN HOUSING SOLUTIONS, INC. further conveyed said property to SKYLINER DEVELOPMENT LLC, by Quitclaim Deed of record as Instrument No. 20190603-0052426, dated May 31, 2019, said Register's Office.

Further being the same property conveyed to SKYLINER LP, A TENNESSEE LIMITED PARTNERSHIP, by deed of record as Instrument No 20191220-0131515, said Register's Office.

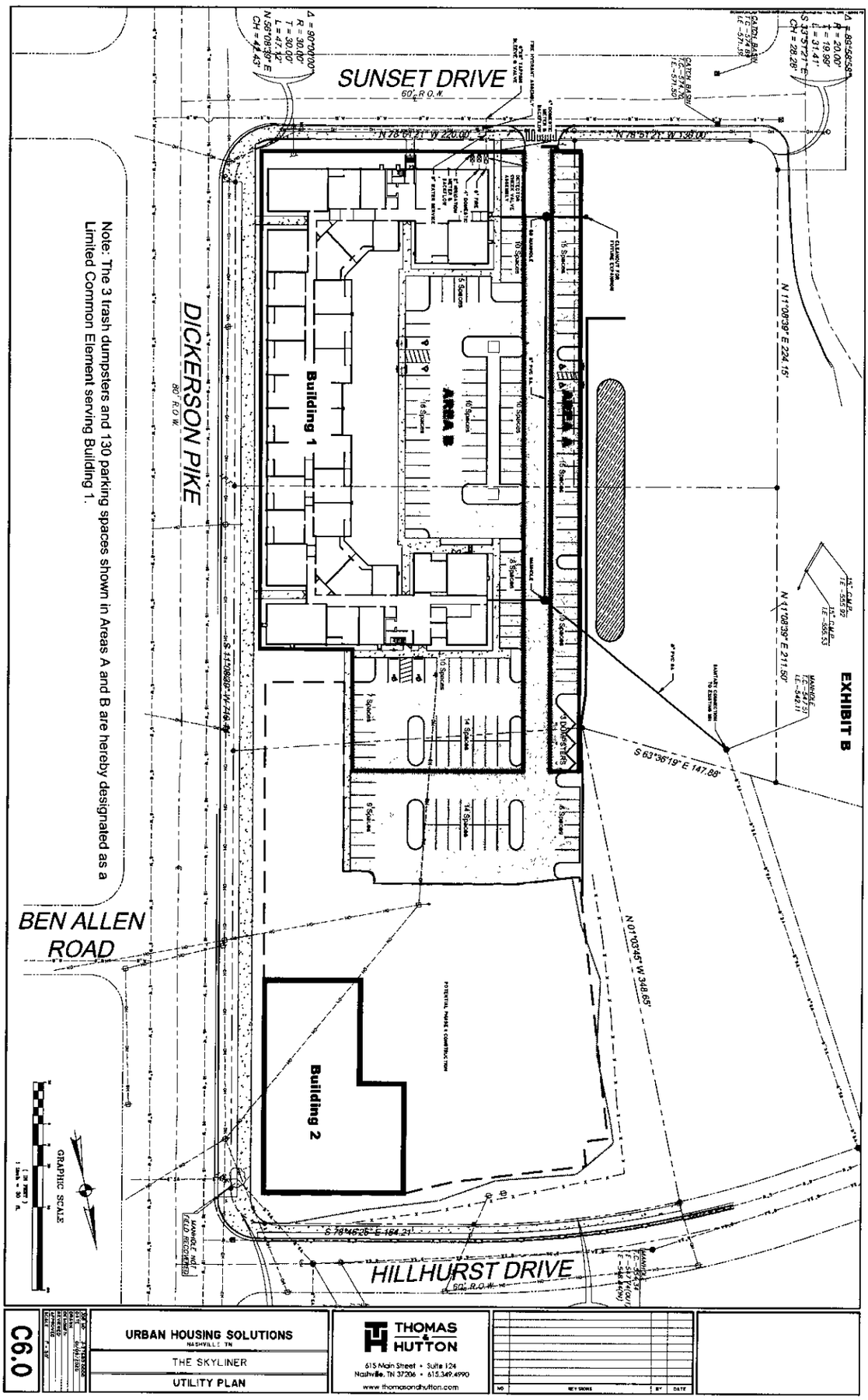

EXHIBIT B
SUNSET DRIVE
60' R.O.W.
DICKERSON PIKE
80' R.O.W.
BEN ALLEN ROAD
HILLHURST DRIVE
60' R.O.W.
Building 1
Building 2
AREA A
AREA B
Note: The 3 trash dumpsters and 130 parking spaces shown in Areas A and B are hereby designated as a Limited Common Element serving Building 1.
GRAPHIC SCALE
C6.0
URBAN HOUSING SOLUTIONS
NASHVILLE TN
THE SKYLINER
UTILITY PLAN
THOMAS & HUTTON
615 Main Street • Suite 124
Nashville, TN 37206 • 615.349.4990
www.thomasandhutton.com

EXHIBIT "C"

BY-LAWS OF

SKYLINER COMMONS OWNERS ASSOCIATION

ARTICLE I

Members (Unit Owners)

Section 1. Eligibility. The members of Skyliner Commons Owners Association shall consist of the Unit Owners of the property known as **Skyliner Commons**, located at Nashville, Davidson County, Tennessee (the "property"). Pursuant to T.C.A. Section 66-27-403 (c) (1), it is acknowledged that Skyliner LP, as Declarant of the Declaration of which these By-Laws are a part, will exercise control over the activities of the Association and the Board of Directors provided for herein. Said control will terminate immediately upon the sale of units representing 75% of the voting rights of the Association.

Section 2. Regular Meetings. The first regular meeting of the Unit Owners (the "First Meeting") may be held, subject to the terms hereof on any date, at the option of the Board. All such meetings of Unit 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 Unit Owners at least ten (10) days prior to the date of such meeting.

Section 3. Special Meetings. A special meeting of Unit Owners may be called by a majority of the Unit Owners. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the special meeting and the matters to be considered.

Section 4. **Delivery of Notice of Meetings.** Notices of meetings shall be delivered either personally or by mail to Unit Owners at the addresses given to the Board by Unit Owners for such purpose, or to a Unit Owner's unit if no separate address for such purpose has been given to the Board.

Section 5. **Voting.** Each Unit shall have voting rights in the same proportion as its owner's undivided interest in the common area.

No Unit Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote until he has cured such default.

Section 6. **Quorum.** A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority 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 the Unit Owners **(hereinafter referred to as "Directors").**

Section 2. **Qualification.** The Directors shall consist of Unit Owners.

Section 3. Meetings. A regular annual meeting of the Board shall be held and special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each Director, delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 4. Removal. Any Director may be removed from office with or without cause by the vote of a majority of the Unit Owners.

Section 5. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Unit Owners.

Section 6. Quorum. A simple majority of Directors shall constitute a quorum.

Section 7. Powers and Duties. The Board shall have the following power and duties:

a.) To elect and remove the officers of the Association;

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

c.) To engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer, and operate the property;

d.) To formulate policies for the administration, management and operation of the property and the Common Elements;

e.) To adopt rules and regulations, governing the administration, management, operation and use of the property from time to time and to establish reasonable financial assessments for infractions thereof;

f.) To provide for the maintenance, repair and replacement of the Common Elements;

g.) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage of contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the property;

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

i.) To fix the estimated annual budget, and to provide the manner of assessing and collecting from Unit Owners their respective shared of such estimated expenses, as hereinafter provided;

j.) To borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association;

k.) To secure insurance policies as required by the Declaration, and in this regard, annually to review the amounts of coverage afforded by such policies;

l.) To be responsible for and maintain all streets, roads, utilities, and any other services of a public nature that are classified as Common Elements in the Declaration.

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

Section 8. Power to Take Any Action. Whenever in these By-Laws the Association is given the power to take any action, it is the intention of these By-Laws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Unit Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular annual meeting of the Board, the Directors present at such meeting shall elect the following officers of the Association by a majority vote:

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

b.) A Secretary/Treasurer, who shall keep the minutes of all meetings of the Board and of Unit Owners, financial records, and who shall, in general, perform all the duties incident to the office of the Secretary/Treasurer;

c.) 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 limitation 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 or 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 or in a resolution duly adopted by Unit Owners.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall establish an annual budget to provide for the needs of the units.

Section 2. Lien. It shall be the duty of every Unit Owner to pay his equal share of the expenses as provided in the Declaration, and as assessed in the manner provided.

If any Unit Owner shall fail or refuse to make any such payment when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment shall also bear interest at the highest permissible rate of interest allowed in the State of Tennessee. Such delinquent payment, together with penalty and interest, shall constitute a lien, as provided in the Act or Declaration, enforceable by the Board and/or Paying Unit Owner, on the interest of such Unit Owner in the property.

Section 2. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of expenditures affecting the Common Elements, and itemizing the common expenses incurred.

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. Each Unit Owner shall maintain such Owner's Unit in good condition and in good order and repair, at such Owner's expense, and shall not do or allow anything to be done in such Owners Unit which may increase the cost or cause the cancellation of any insurance on the General Common Elements, if applicable.

Section 2. Architectural Control. The exterior of the units shall not be altered in a manner that is not in keeping with the quality of the units as originally constructed.

Section 3. Rules and Regulations. Unit Owners shall be subject to such further restrictions as may be contained in the rules and regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time to time by the Board. Such rules and regulations shall be binding rules and regulations of the Association and copies of such rules and regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

ARTICLE VI

Contractual Powers

No contract or other transaction between this Association and one (1) or more of its Directors, or between the Association and any corporation, firm or association in which one (1) or more of the Directors of the Association are Directors, or have a financial interest, 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 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 Association at the time it is authorized or approved.

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

ARTICLE VII

Amendments

These By-Laws may be amended or modified from time to time by action or approval of a majority of the Unit Owners. Such amendments shall be recorded in the Office of the Register's Office of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

Section 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to these By-Laws, against all contractual and other liabilities to others arising out of contracts made by, or other acts of such Directors, officers, or committee members on behalf of Unit Owners, or arising out of their status as Directors, officers, or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent.

Section 2. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility of raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, officers, or members of such committees, or out of the aforesaid indemnity in favor of the Directors, officers, or members of such committees, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

ARTICLE IX

Mortgages

Section 1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and deed of trust

or mortgage with the Board; and the Board hall maintain such information in a book entitled "Mortgage of Units".

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

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

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

ARTICLE X

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same meaning as set forth in the Declaration for **Skyliner Commons**, of record in the Office of the Register of Deeds for Davidson County, Tennessee.

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

ARTICLE XI

Conflicts

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