Karen Johnson Davidson County
Batch# 521119 DEEDMAST
11/25/2020 11:31:05 AM 37 pgs
Fees: $187.00 Taxes: $0.00
20201125-0138384

Prepared by:
Bankers Title & Escrow Corporation
3310 West End Avenue, Suite 540
Nashville, Tennessee 37203

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

HOMES AT 422 38th AVENUE NORTH

A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

This Declaration of Covenants, Conditions and Restrictions, (the "Declaration"), is entered into as of the 27 day of November, 2020, by 422 38th, LLC, a Tennessee limited liability company, as owners in fee simple of the real estate described in the attached Exhibit "A" (the "Developer");

WITNESSETH:

WHEREAS, Developer is the legal title holder in fee simple of a certain tract of real estate located in the County of Davidson, State of Tennessee, more particularly described on attached Exhibit "A", which is herein incorporated by this reference thereto (the "Property"); and

WHEREAS, Developer intends to and does hereby submit the above-described Property to the provisions of the Tennessee Horizontal Property Act as codified as 66-27-101, et seq., of Tennessee Code Annotated and thereby cause a planned unit development to be organized and developed under Tennessee law pursuant to the Act; and

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

NOW, THEREFORE, Developer, as the legal titleholder of the Property, and for the purposes above set forth, declares as follows:

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

(a) "Act" means the Tennessee Horizontal Property Act (T.C.A. § 66-27-101 et seq.). All capitalized terms not otherwise defined herein but defined in the Act, shall be deemed to have the meaning ascribed to them in the Act.

(b) "Association" is a non-profit Tennessee corporation or entity known as Homes at 422 38th

Avenue North Owners Association, which includes as members all of the Townhome Owners.

(c) "Board of Directors" or "Board" means the administering body of the Association.
(d) "Building" means the building(s) located on the Property and containing the Townhome Units. The Buildings are delineated on the Plat.

(e) "Bylaws" means the Bylaws of the Association, attached hereto as Exhibit "C" and by this reference made a part hereof, 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 Bylaws.

(f) "Common Elements" means all real property and improvements, owned by the Association for the common use and enjoyment of the Owners. Common Elements shall remain undivided and shall not be the subject of an action for partition.

(g) "Completed Unit" means that a Unit has been issued a Certificate of Occupancy by Metropolitan Government of Nashville.

(h) "Declaration" means this instrument, as hereinafter provided, as such Declaration may be amended from time to time.

(i) "Developer" shall refer to 422 38th, LLC, a Tennessee limited liability company.

(j) "Majority" or "Majority of the Townhome Owners" means the Owners of more than fifty (50%) percent of the membership in the Association, present and then eligible to vote, subject to Special Developer Rights, as enumerated in Section (1)(w) herein.

(k) "Manager" means the person or firm designated by the Board of Directors to manage the affairs of the Project.

(l) "Member" means a member of the Association who is the Owner of a Townhome. All Owners of an individual Townhome shall be members and shall collectively be one member for any voting purposes. The cessation of the ownership of a Townhome shall terminate membership.

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

(n) "Owner", "Unit Owner" or "Townhome Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, owning a fee simple title to any Townhome or Townhomes within the Project. When two or more persons own a Townhome as tenants in common, joint tenants, tenants by the entireties, or otherwise, such persons shall constitute the "Owner" with respect to that Townhome.

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

(p) "Plat" means the representation of the Property prepared by the Developer and attached hereto as Exhibit "B", showing the number of each Unit, and expressing its area, location and other data necessary for identification.

(q) "Project" means the entire parcel including all structures thereon.

(r) "Private Elements" means and includes the land upon which a Townhome is located as shown on the Plat as being the Private Elements designated for each Townhome depicted thereon for which fee simple Ownership and exclusive use is reserved to that Townhome only. Notwithstanding the limits of the Private Elements depicted on the Plat, Private Elements do not include the Common Elements; provided that each Owner shall be entitled to the exclusive use of all area of the Building that are contained within each Townhome.

(s) "Property" means all the land, property and space which is the subject of this Declaration as more particularly described on Exhibit "A" hereto, and all structures and other improvements now or hereafter erected, constructed or contained therein or thereon, including without limitation the Buildings and all easements, rights, privileges and appurtenances belonging or in any way pertaining thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Townhome Owners.

(t) "Proportionate Share" refers to the square footage of each Unit relative to the entire development, as listed in Exhibit "D" hereto.

(u) "Record" or "Recording" refers to the record or recording in the Office of the Register of Deeds in Davidson County, Tennessee.

(v) "Rules and Regulations" refer to the rules and regulations concerning the use of the Townhomes and the Common Elements, as adopted from time to time by the Board in accordance with the Declaration and Bylaws.

(w) "Special Non-Residence Unit" shall refer to Unit 11 on the plat attached hereto as Exhibit "B". This unit is not a residential unit, does not participate in voting or Association dues and has been created to provide a lot for an advertising billboard that is located upon the Property, pursuant to a leasehold, which existed prior to the establishment of this Declaration. No residential unit may be constructed upon this Unit and its use shall be solely for the location of the billboard sign. The Unit area beneath the billboard sign shall be maintained by the Association as a Common Area expense. The owner of Unit 11 together with its lessee shall be permitted at all times to maintain, replace and operate the billboard sign and structure.

(x) "Special Developer Rights" shall mean the rights reserved to the Developer as established by this Declaration (whether specifically titled or not specifically titled as such), including but not limited to the right to relocate, complete all improvements and buildings on the Property and/or indicated on the Plat filed with or subsequent to filing of this Declaration and the sole and absolute right to amend this Declarations and/or By-Laws of the Association at any time prior to the sale of all Units to Unit Owners.

(y) "Townhome" or "Unit" means that part of the Project intended for individual Ownership and use. Each individual Unit or Townhome shall consist of all the improvements and space therein within the boundary lines for that Unit or Townhome, as set out on the Plat, attached hereto as Exhibit "B", as may be amended and/or supplemented.

2. Plat. The Plat, which is incorporated herein by this reference thereto, sets forth the numbers or letters, areas, locations and other data required by the Act.

3. Townhome Units. The legal description of each Townhome Unit shall consist of the identifying number or letter of such Townhome as shown on the plat. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe a Townhome Unit by its identifying number or letter as shown on the plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Townhome Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Townhome Unit to be separated into any tracts or parcels different from the whole Townhome Unit as shown on the Plat.

4. (a) Association of Townhome Owners and Administration and Operation of the Property. The Association, which has been or will be incorporated, shall be the governing body for all of the Townhome Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the Bylaws. The Bylaws for the Association shall be the Bylaws attached to this Declaration as Exhibit "C" and made a part hereof. The Board shall be elected and shall serve in accordance with the provisions of the Bylaws. 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 Townhome Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of the Townhome Owners in accordance with the provisions of the Act, this Declaration and the Bylaws. Each Townhome Owner shall be a member of the Association so long as he is a Townhome Owner. A Townhome Owner's membership shall automatically terminate when he ceases to be a Townhome Owner. Upon the conveyance or transfer of a Townhome Owner's Ownership interest to a new Townhome Owner, the new Townhome Owner shall simultaneously succeed to the former Townhome Owner's membership in the Association. The aggregate number of votes for all members of the association shall be equal to the total Units constructed, subject to Special Developer Rights, as enumerated in Section (1)(w). Each Townhome Owner's respective percentage of Ownership interests in the Association is set forth in Exhibit "D".

Association dues for each Unit become due and payable when it becomes a Completed Unit, which means that a Certificate of Occupancy has been issued by Metropolitan Government of Nashville for that particular Unit. Until the entire development is completed, Association dues are calculated based on the pro rata amounts of Completed Units.

(b) Management of Property. The Board shall have the authority to engage the services of an agent (sometimes 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 subparagraph (c), below. The Board may require that the Managing Agent

have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense.

(c) Initial Management Agreement. The first Board, appointed as provided in the Bylaws, shall have the obligation to ratify and approve any management agreement between Developer, on behalf of the Association, and a management entity.

(d) Use by Developer. During the period of sale by Developer of any Townhomes, Developer and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access and ingress to and egress from the Property as may be required for purposes of said sale of Townhomes. While Developer owns any of the Townhomes and until each Townhome sold by it is occupied by the purchasers, the Developer and its employees may rent, lease, use and show one or more of such unsold or unoccupied Townhomes as a model Townhome or Townhomes and may rent, lease or use one or more of such unsold or unoccupied Townhomes as a sales office, and may maintain customary signs in connection therewith.

(e) Non-Liability of the Directors, Board, Officers and Owner. Neither the Board, the individual members thereof, the officers of the Association, nor Developer shall be personally liable to the Townhome Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board, members, officers or Developer, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Townhome Owner shall indemnify and hold harmless each of the Board members, such officers and Developer, and their respective heirs, executors, administrators, successors and assigns, in accordance with the provisions of Article III of the Bylaws.

5. Board's Determination Binding. In the event of any dispute or disagreement between any Townhome Owners relating to the Property, or any agreement between any Townhome Owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration or the Bylaws, the determination thereof by the Board shall be final and binding on each and all such Townhome Owners.

6. Ownership of the Common Elements. Each Townhome Owner shall be entitled to the percentage of undivided Ownership in the Common Elements allocated to the respective Townhome owned by such Townhome Owner, as set forth in Exhibit D hereto. The percentages of Ownership interests set forth in Exhibit D shall remain constant unless amended pursuant to the reservation set forth herein, or unless hereafter changed by recorded amendment to this Declaration as provided for herein or consented to in writing by the necessary Townhome Owners. There must be approval of the first mortgages to change the percentage ownership of Common Areas. Said Ownership interest in the Common Elements shall be undivided interests, and the Common Elements shall be owned by the Townhome Owners as in accordance with their respective percentages of Ownership. The Ownership of each Townhome shall not be conveyed separate from the percentage of Ownership in the Common Elements corresponding to said Townhome. The undivided percentage of Ownership in the Common Elements corresponding to any Townhome shall be deemed conveyed or encumbered with that Townhome, even though the legal description in the instrument conveying or encumbering said Townhome may refer only to the fee title to that Townhome. Such Common Elements are not and shall not be the subject of any partition action.

7. Use of Common Elements. Each Townhome Owner shall have the right to use the Common Elements in common with all other Townhome Owners, as may be required for the purposes of access and ingress to, egress from, use, occupancy and enjoyment of the respective Townhome owned by such Townhome Owner. Such right to use Common Elements shall extend not only to each Townhome Owner, but also to his agents, customers, guests, visitors, invitees and licensees. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Declaration, Bylaws and the rules and regulations of the Association. 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 Bylaws. 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 or regulations as the Board may adopt or prescribe.

8. Common Expenses. Each Townhome Owner shall pay his Proportionate Share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in accordance with this Declaration and the Bylaws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair of the Common Elements and any and all replacements and additions thereto. Such Proportionate Share of the common expenses for each Townhome Owner shall be in accordance with his percentage of Ownership in the Common Elements, in accordance with such Townhome Owners' percentage of Ownership interest therein, as shown on Exhibit "D" hereto. Payment of common expenses, including any prepayment thereof required by a contract for sale of a Townhome, shall be in such amounts and at such times as determined in the manner provided in the Bylaws. No Townhome Owner shall be exempt from payment of his Proportionate Share of the common expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of his Townhome. If any Townhome Owner shall fail or refuse to make any such payment of common expenses when due, the amount thereof, together with the interest thereon at the maximum allowable rate at law per annum from the date that said common expenses become due and payable, plus reasonable attorney's fees incurred by the Association in the collection thereof or the enforcement of the lien herein provided, shall constitute a lien on the interest of such Townhome Owner in his Townhome and in the Property as provided in the Act. The sale or conveyance of a Townhome shall in all cases be subject to all unpaid assessments against the Townhome Owner thereof for his pro rata share in the common expenses, and if the same are not paid by the Owner thereof prior to any sale or conveyance, shall be a lien against the Townhome and shall be payable by the new Townhome Owner thereof. Likewise, all taxes and other levies and assessments by governmental taxing bodies shall be a lien against individual Townhomes.

9. Mortgages and Deeds of Trust. Each Townhome Owner shall have the right, subject to the provisions hereof, to make separate mortgages and deeds of trust for his respective Townhome together with his respective Ownership interest in the Common Elements. No Townhome Owner shall have the right or authority to grant, make or create, or cause to be granted, made or created, any mortgage, deed of trust or other lien on or affecting the Property or any part thereof, except only to the extent of his own Townhome and the respective percentage interest in the Common Elements corresponding thereto.

10. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Townhome Owner for his Townhome and his corresponding percentage of Ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Townhome Owner, but rather are taxed on the Property as a whole, then each Townhome Owner shall pay his Proportionate Share thereof in accordance with his respective percentage of Ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.

11. Insurance.

A. The Association shall obtain liability insurance for the Common Elements in such amounts as the Board may determine, together with workmen's compensation insurance and other liability insurance as the Board may determine, insuring each Unit Owner, mortgagees of Record, if any, the Association, its officers, its Directors, the Board and the Declarant from liability. The Board shall retain in safekeeping the original of each such liability policy for six (6) years after the expiration date of the applicable policy.

B. If the Common Elements contain improvements, the Association shall carry property insurance thereon against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under a Causes of Loss – Special Form policy or its equivalent, for the full replacement cost thereof, and against such other hazards and for such amounts as the Board may determine. Replacement cost shall be deemed the cost of restroing applicable portions of the Common Elements to substantially the same condition in which they existed prior to damage or deconstruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as the trustee for the Unit Owners. The policy of property insurance should also contain, if possible, a waiver of subrogation rights by the insurer against the Unit Owners.

C. The Association shall carry 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 servicing without compensation. The foregoing insurance shall not be required if there are no Association funds to be handled.

D. The Association shall have the authority to and may obtain such other insurance insuring the Project or insuring Directors, officers of the Association, and members of any committee appointed pursuant to the By-Laws from liability arising from the fact that said person is or was the Director or office of the Association, or a member of such a committee. Such insurance shall be in such amounts, from such sources and in such forms as the Board may determine.

E. Premiums for all insurance carried by the Association shall be deemed Common Expenses.

F. Each Unit Owner shall be responsible for obtaining property insurance on such Owner's

Unit (including the Unit's Private Elements) as well as any additions and improvements thereto. Each Unit Owner of Occupant, as applicable, shall be responsible for obtaining property insurance on the Unit Owner's or Occupant's Personal Property. In addition, in the event a Unit Owner desires to insure against personal liability, loss or damage beyond the extent that such liability, loss or damage would be covered by the insurance obtained by the Association as part of the Common Expenses, as above provided, said Unit Owner may, at such Owner's option and expense, obtain such additional insurance. The insurance occurring within the General Common Elements, and any additional insurance obtained by the Unit Owner shall be deemed primary with respect to matters occurring within the Owner's Private Elements and the Limited Common Elements appurtenant to the Unit, and any additional insurance obtained by the Association shall be deemed supplemental.

12. Damage and Reconstruction.

A. In the event of damage to or deconstruction of any of the Common Elements as a result of fire or other casualty covered by property insurance carried by the Association, 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 the General Common Elements to substantially the same condition in which they existed prior to damage or destruction. Where the insurance proceeds are insufficient to cover the costs of such repairs and restoration to the General Common Elements, the deficit shall be a Common Expense. If the damage is to Limited Common Elements, the insurance proceeds shall be released to the Owners of the Units to which such Limited Common Elements are appurtenant, who shall thereafter be responsible for the repair and restoration of the same and funding any deficit if the insurance proceeds are not sufficient to complete such repair and restoration.

B. In the event of casualty or loss, the Association shall not be responsible for the repair, replacement or restoration of any Unit (or any Private Element that is a part of such Unit), and each Unit Owner shall be responsible for obtaining property and liability insurance coverage on the Owner's Unit (including Private Elements), including any additions and improvements thereto.

C. Each Unit Owner and Occupant shall be responsible for insuring its Personal Property, and in no event shall the Association be responsible for any damage thereto.

13. Maintenance, Repairs and Replacements.

A. Obligations of Unit Owners. Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within the interior of such Owner's Unit, including plumbing, pipes, wiring, appliances, heating, air conditioning, ventilation systems, and structural components of the Unit. In addition, each Unit Owner shall be responsible for all outside porches, outside HVAC, decks or patios, exterior glass, windows, including storm windows, screens,

and doors, including storm doors. Any window or door replacement shall be subject to review and approval of the Association. Upon the Unit Owner's default in performing such required maintenance, the Association shall have the right, but no duty, upon thirty (30) days' advance written notice to said Unit Owner, to perform the necessary maintenance and to charge the costs thereof to said Unit Owner, which costs shall constitute a lien on the interest of such Unit Owner in the Unit as provided in the Act.

B. Obligations of the Association. The Association shall be responsible for maintenance of, repairs to and replacements within the Common Elements, including landscaping and yard maintenance, and on the Units and Private Elements, the Association shall be responsible for exterior landscaping, walkways, painting and non-structural maintenance and repair of roofs, gutters, down-spouts, trim, caulking and other exteriors repairs of a non-structural nature, provided that such exterior maintenance responsibilities shall not include porches, decks or patios, glass, windows, including storm windows, screens and doors, including storm doors, which shall be the responsibility of the Unit Owner. Other items of maintenance, repair and replacement in the Units shall be the responsibility of the Unit Owner. The cost of maintenance of, repairs to and replacements, which are the responsibility of the Association, shall be part of the common expense subject to the Bylaws, rules and regulations of the Association.

C. Loss Attributable to the Unit Owner. If, due to the act or neglect of a Townhome Owner, or of his agent, invitee or licensee, damage shall be caused to the Common Elements or to a Townhome or Townhomes owned by others, or maintenance, repair or replacement are required that would otherwise be a common expense, then such Townhome Owner shall pay for such damage or such maintenance, repair and replacement, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier. The authorized representatives of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual Townhomes as may be required in connection with the preservation of any individual Townhome in the event of an emergency, or in connection with any maintenance, repairs or replacements within the Common Elements or any equipment, facilities or fixtures affecting or serving other Townhomes, Common Elements, or to make any alteration required by any governmental authority.

D. Party Walls. Each wall built as a part of the original construction of a structure upon the Private Elements and placed on the dividing line between two Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The following provisions shall apply to all party walls constructed in the Property: (i) The cost of reasonable repair and maintenance of a party wall shall be shared by the Unit Owners who make use of the wall in proportion to such use. (ii) If a party wall is destroyed or damaged by fire or other casualty, any Unit Owner who has used the

wall may restore it. If other Unit Owners make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use subject, however, to the right of any Unit Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions. (iii) The Unit Owner may construct or reconstruct a party wall subject to and within the limitations of architectural control and other limitations of this Declaration with the right to go upon the adjoining Unit or Lot to the extent reasonably necessary to perform the construction. The construction shall be done expeditiously. Upon completion of the construction, the Unit Owner shall restore, as is reasonably practicable, the adjoining Unit to as near the same condition, which prevailed on or before the commencement of the construction. (iv) The right of any Unit Owner to contribution from any other Unit Owner under this Section shall be appurtenant to the land and shall pass to the Unit Owners' successors in title. (v) If any Unit Owner desires to sell his Unit, he may, in order to assure a prospective purchaser that no adjoining Unit Owner(s) has a right of contribution as provided in this Article, request that the adjoining Unit Owner(s) provide a certification that no right of contribution exists. It shall be the responsibility of each Unit Owner. The cost of maintenance of, repairs to and replacements, which are the responsibility of the Association, shall be part of the common expense subject to the Bylaws, rules and regulations of the Association.

14. Alterations, Additions or Improvements. The exterior of Unit, including windows and doors, and the Common Elements, or any additions or improvements thereto, shall not be altered or change by any Townhome Owner, without the prior written consent of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the Bylaws. Any Townhome Owner may make non-structural alterations, additions or improvements within the Townhome without the prior written approval of the Board, but such Townhome Owner shall be responsible for any damages to other Townhomes, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

15. Decorations and Cleaning. Each Townhome Owner, at his own expense, shall furnish and be responsible for all decorations and cleaning within his own Townhome, as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorations. Each Townhome Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceiling of his Townhome.

16. Encroachments. If any portions of the party wall or Common Elements shall actually encroach upon any Townhome, or if any Townhome shall actually encroach upon any portions of the Common Elements, or if any Townhome shall actually encroach upon another Townhome, as the Common Elements and Townhomes are shown by the Plat, there shall be deemed to be mutual easements in favor of the Owners of the Common Elements and the respective Townhome Owners involved, to the extent of such encroachments, so long as the same shall exist.

17. Use and Occupancy Restrictions,

A. Vehicle Parking. Storage and Use. No vehicles, trailers, boats, boat trailers, go carts, golf carts, travel trailers, inoperative vehicles, recreational vehicles or campers shall be temporarily, semi-permanently or permanently parked or stored in the Common Area.

B. Signs and Advertisements. There is a billboard sign on the Property that is shown on Exhibit "B" attached hereto as Unit 11. This Special Non-Residence Unit is not a residential unit, does not participate in voting or Association dues and has been created to provide a lot for an advertising billboard that is located on Unit 11 of the Property. Advertising on this billboard is expressly permitted so long as the billboard remains on the Property. With the exception of the billboard on Unit 11 lot on the property, which expressly permits advertising signs, and personal property sale signs, no signs, advertisement or advertising structure of any kind shall be erected upon or displayed or otherwise exposed in view on any Unit or any improvement thereon without the prior written consent of the Association; provided that this requirement shall not preclude the installation by Developer of signs identifying the residential development and directions to model homes and homes for sale, and provided further that this requirement shall not preclude the placement by Owners of "For Sale" signs in the front of individual residences of such size, character, and number as shall from time to time be established by the Association. The Association shall have the right to remove any such unapproved sign, advertisement, or structure that is placed on said Units, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal. Developer's rights contained in this Paragraph shall not expire until all homes in the Development have been constructed.

C. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, pastured, or maintained in any Unit, except household pets such as dogs and cats which may be kept thereon in reasonable numbers as pets, with no more than three (3) pets for the sole pleasure of the Owner or Occupant, but not for any commercial use or purpose. No animal shall be allowed to roam freely in the Common Area. All animals shall be maintained on a leash and under control at all times when in the Common Area. No Owner or Occupant shall be allowed to keep any animal which causes excessive noise (including without limitation barking), odor or constitutes a danger to other persons or otherwise constitutes a nuisance. Unit Owners shall be responsible for cleaning up and removing any animal waste deposited by their pets in the Common Areas.

D. Nuisances and Unsightly Materials. Each Owner or Occupant shall refrain from any act or use of any Unit, which could reasonably cause embarrassment, discomfort, annoyance, or nuisance to others. No noxious or offensive thing, trade or activity shall be carried within any Unit which may be reasonably considered to be or become an annoyance or nuisance to the neighborhood. No Unit shall be used, in whole or in part, for the storage of rubbish of any character whatsoever, not shall any substance, thing, or material be kept within any Unit which will emit foul or noxious odors or which will cause any noise that might disturb the peace and quiet of the Owners or Occupants of surrounding Units. The foregoing shall not be construed to prohibit the

temporary deposits of trash and other debris for pick-up by garbage and trash removal service. The Board of Directors of the Association shall be the sole judge using its sole discretion in determining any violation of any provision contained in this Declaration.

E. Trash Pickup. The Association shall enter into the contract for trash pickup and shall pay as a part of the Common Area expenses and annual assessments, the expense for such service. Owners shall abide by the rules and procedures set forth by the Association and any trash pickup service engaged.

F. Occupancy and Use. Subject to the provisions of the Bylaws, no part of the Property may be used for purposes other than residential housing and activities incidental thereto and as allowed by applicable municipal zoning laws. Each Unit shall be used as a residence or such other use permitted by this Declaration. Short-term, transient or vacation-type leasing shall be expressly permitted, subject to the rules, regulations and ordinances of Metro Government of Nashville.

18. Remedies. In the event of any violation of the provisions of the Act, this Declaration, the Bylaws or the rules and regulations of the Board or the Association by any Townhome Owner (either by his own conduct or by the conduct of any other Occupant of his Townhome or any invitee or licensee thereof) the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies that may be provided for in the Act, this Declaration, the Bylaws or said rules and regulations, or that may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Townhome Owner and/or other Occupant for enforcement of any lien and the appointment of a receiver for the Townhome and Ownership interest of such Townhome Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, 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 attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest, thereon at the maximum allowed rate by law per annum until paid, shall be charged to and assessed against such defaulting Townhome Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Association shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Townhome and Ownership in interest in the Common Elements of such defaulting Townhome Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Townhome or located elsewhere on 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 Townhome Owner, except for the amount of the Proportionate Share of said common expenses that become due and payable from and after the date on which the beneficiary of said mortgage or deed of trust either takes possession of the Townhome, accepts a conveyance of any interest therein (other than as a security) or forecloses its mortgage or deed of trust. In the event of any such default by any Townhome Owner, the Board and the manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Townhome Owner and secured by the lien hereinabove provided. 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 paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of mortgage and deed of trust liens against Townhomes whose respective interests appear of Record.

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 Association, acting through the Board, the right, in addition to any other rights provided for in this Declaration: (a) to enter (either peaceably or forcibly without liability to such Townhome Owner for such entry) upon the Townhome, or any portion of the Property upon which or as to which such violation or breach exists, and summarily to abate and remove, at the expense of the defaulting Townhome 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; or (c) to take possession (either peaceably or forcibly without liability to such Townhome Owner for such entry) of such Townhome Owner's interest in the Property and to maintain an action for possession of such Townhome in the manner provided by law.

If any Townhome Owner (either by his own conduct or the conduct of any other Occupant of his Townhome or any invitee or licensee thereof) shall violate the Act, or any of the covenants, restrictions or provisions of this Declaration or any of the rules and regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Townhome 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 Townhome Owner a notice in writing terminating the rights of the said defaulting Townhome Owner to continue as a Townhome Owner and to continue to occupy, use or control his Townhome, and thereupon an action in equity may be filed by the Association, acting through the Board, against said defaulting Townhome Owner for a decree of mandatory injunction against such defaulting Townhome Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Townhome Owner's right to occupy, use or control the Townhome on account of said violation, and ordering that all right, title and interest of said defaulting Townhome Owner in the Property shall be sold (subject to the lien of any existing deed of trust or mortgage) 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 Townhome Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of proceeding and sale, and all such items shall be taxed against said defaulting Townhome Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or liens hereunder, shall be paid to said defaulting Townhome Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Townhome and the Townhome Owner's corresponding percentage of Ownership in the Common Elements, and to immediate possession of the Townhome 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 Townhome Ownership sold subject to this Declaration.

19. Amendment. This Declaration may be amended by the Developer without joinder of any Owner of any Unit for a period of five (5) years or until 100% of the Units have been completed, as defined in Section (1)(g), and sold whichever shall last occur. Thereafter, the provisions of this Declaration may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by not less than a majority of the Townhome Owners and acknowledged; provided, however, that all lien holders of Record shall have been notified by certified mail of such change, modification or rescission and an affidavit by the secretary of the Association certifying to such mailing shall be made a part of such instrument.

Notwithstanding the foregoing, if the Act, this Declaration or the Bylaws require the consent or agreement of all Townhome Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Townhome Owners or all lien holders or both as required by the Act or this Declaration. The change, modification or rescission, shall be effective upon the Recording of such instrument; provided, however, that no provisions in the Declaration may be changed, modified or rescinded so as to conflict with the provisions of this Act.

20. Notices. Notices provided for in the Act, this Declaration or the Bylaws shall be in writing, and shall be addressed to the Association, the Board or any Townhome Owner, as the case may be. The Association or Board may designate a different address or addresses for notices by written notice of such change of address to all Townhome Owners. Any Townhome 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 the United States registered or certified mail, or when delivered in person with written acknowledgement of the receipt thereof. Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Townhome shall be given a copy of all notices permitted or required by this Declaration to be given to the Townhome Owner or Owners whose Townhome is subject to such mortgage or trust deed.

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

22. Rights and Obligations. Each grantee of Developer, by the acceptance of a deed of conveyance with respect to any part of the Property, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges of, and the jurisdiction, rights and powers created or reserved by, this Declaration. All future Townhome Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the Bylaws that are more than administrative in nature such as, but not limited to, reservations in favor of and future rights of Developer, are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits and privileges of every character hereby imposed 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 the Property, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every such deed of conveyance or contract for conveyance.

All present and future Townhome Owners, tenants and occupants of a Townhome shall be subject to, and shall comply with, the provisions of the Bylaws, as they may be amended from time to time. The acceptance of a deed of conveyance, devise of or lease to a Townhome, or the entering into occupancy of any Townhome, shall constitute an agreement that the provisions of the Bylaws and any rules and regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Townhome Owner, tenant 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 Townhome, 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 Bylaws and the rules and regulations promulgated thereunder may be incorporated by reference in, and become part of any agreement between any first mortgagee and any Townhome Owner who enters into such agreement with a first mortgagee. When so incorporated, any default, in the terms and conditions of this Declaration, the Bylaws or the said rules and regulations may be considered as a default by the first mortgagee, whereupon said first 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 Townhome Owner.

23. Trustee as Townhome Owner. In the event title to any Townhome is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Townhome remain vested in the trust beneficiary or beneficiaries, then the beneficiary or beneficiaries thereunder shall be considered Townhome 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 Townhome. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation created hereunder, and such trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Townhome and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Townhome.

24. Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, the award made for such taking shall be payable to the Board for and on behalf of the Association. If a majority of the Board in its 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, the Board shall disburse the proceeds of such award to the contractor(s) engaged in such repair and restoration in appropriate progress payments, In the event that 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 on the basis of each Townhome's percentage of Ownership in. the Common Elements.

25. Rights Reserved. The Townhome Owners' rights of enjoyment in the Common Elements shall be subject to:

A. The right of the Association, as provided in its Bylaws, to suspend the enjoyment rights of any member in utilities, ingress and egress, and all other rights in the Common Elements for any period during which any Assessment remains unpaid, and for such period as it considers appropriate for any infraction to its published rules and regulations; and

B. The right of the Association to charge reasonable fees for the use of designated parts of the Common Elements; and

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, nor any determination as to the purposes or conditions thereof, shall be effective unless Developer (or its successors or assigns) and members of the Association entitled to cast two-thirds of the total votes of all classes of members entitled to vote thereon have approved such dedication, transfer, purpose or condition; and

D. The right of Developer, at its sole expense, to relocate, expand, modify, reduce, enlarge or extend existing driveways, parking areas and yard and to construct, relocate, expand, modify, reduce, enlarge or extend sewers, utility lines or service connections in order to serve the existing Building; and

E. The right of the Association to grant such licenses, permits, easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing, maintenance and operation of the Common Elements and the individual Townhomes.

F. Amendments.

a. Other Amendments. Except as specifically stated elsewhere herein, and except for this Section 21, any provision of this Declaration may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Unit Owners owning not less than a majority of the total Units, including the votes or Units of the Developer, provided, however, that all lien holders of record have been notified by certified mail or such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument, and further provided that during the period of time that the Developer maintains weighted voting rights under Class B membership in the Association and such amendment(s) shall require approval by Federal Housing Administration ("FHA"), U.S. Department of Veterans Affairs ("VA") and/or U.S. Department

of Housing and Urban Development ("HUD"), prior to becoming effective.

However, if the Act, the Declaration or the Bylaws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or this Declaration, then the instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Unit Owners or all lien holders or both as required by the Act or this Declaration. The change, modification or rescission, whether accomplished under the provisions of the preceding paragraph, shall be effective upon recording of such instrument in the office of the Register of Deeds of Davidson County, Tennessee; provide, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provision of the Act.

Notwithstanding the above, the Developer shall have the right to make and record any necessary amendment to this instrument for the express purpose of completion of development or correction of clerical errors or as may be required to obtain FHA, VA and/or Federal National Mortgage Association ("FNMA") approval for the Property. Additionally, so long as the Developer maintains weighted voting rights under Class B membership in the Association, the Developer shall have the right and authority to reconfigure the layout, floor plan or other aspects of any Units or the location of any Units as determined by the Developer.

Any amendments adopted pursuant to this Section shall be evidenced by a Supplemental Declaration signed by a party or parties holding the requisite number of votes required to adopt the amendment, which Supplemental Declaration shall be recorded in the Register's Office for Davidson County, Tennessee. Any such Supplemental Declaration, which has been properly enacted or adopted, shall be binding upon all Owners without regard for whether all of the Owners signed the subject Supplemental Declaration.

26. 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.

27. Gender and Number. The use of the masculine or neuter gender in this Declaration and in the Bylaws shall be deemed to include the masculine, feminine and neuter gender whenever the context so requires, and the use of the singular shall be deemed to include the plural whenever the context so requires, and vice versa.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed this 24 day of November, 2020.

DEVELOPER:

422 38th, LLC, a Tennessee limited liability company

By: _____
Name: George N Spiva
Title: Managing Member

STATE OF TENNESSEE
COUNTY OF Davidson

Personally appeared before me, the undersigned, a Notary Public in and for the County and State, the within named, **George N. Spiva**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Manager 422 38th, LLC, a Tennessee limited liability company, and that he, acting in such capacity, and authorized so to do, executed the foregoing instrument on behalf of said corporation for the purposes therein contained.

Witness my hand and seal this 24 day of November, 2020.

_____
Notary Public

My Commission Expires: June 22, 2020

EXHIBIT A
PROPERTY DESCRIPTION

Tract I:

Land being located in Davidson County, Tennessee, being described as follows:

BEING Lot No. 27 on the Plan of Subdivision of the W.H. Wilson tract of land, of record in Book 332, page 161, Register's Office for said County.

INCLUDED IN THE ABOVE DESCRIPTION BUT EXPRESSLY EXCLUDED therefrom that portion of said property conveyed to the State of Tennessee 2015, of record in Instrument No. 20150106-0001342, corrected in Instrument No. 20160804-0080816, said Register's Office.

Tract II:

Land being located in Davidson County, Tennessee, being described as follows:

BEING Lot No. 28 on the Subdivision of the W.R. Wilson tract in West Nashville, as of record in Book 332, page 161, Register's Office for Davidson County, Tennessee.

Tract III:

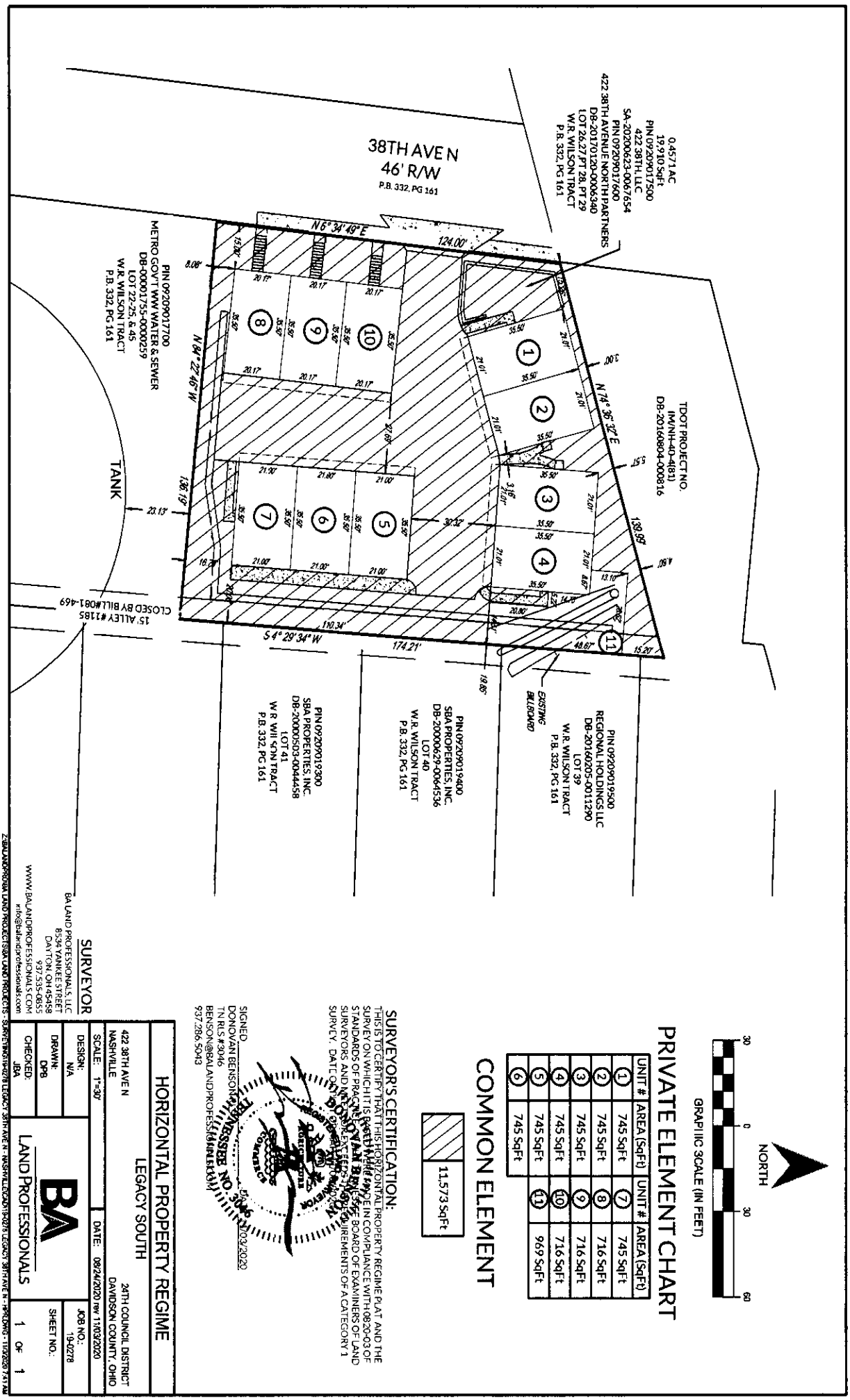
BEING Lot No. 29 on the Subdivision of the W.R. Wilson tract in West Nashville, as of record in Book 332, page 161, Register's Office for Davidson County, Tennessee.

Included in the above description for Tract II and III, but expressly excluded therefrom is that portion of said property conveyed to the State of Tennessee by deed of record in Book 3459, page 419, said Register's Office.

Being a portion of same property conveyed to 422 38TH AVENUE NORTH PARTNERS, A TENNESSEE GENERAL PARTNERSHIP, by deed from VIVIAN HARGROVE HINES (BEING ONE AND THE SAME AS VIVIAN H. HINES), of record in Instrument No. 20170120-0006340, dated January 17, 2017, said Register's Office.

Together with that portion of Alley No. 1185 included in said property that was closed by the Council of the Metropolitan Government of Nashville and Davidson County by Metropolitan County Council Bill No. 081-469, of record in the County Court Clerk's for said county.

EXHIBIT B



PRIVATE ELEMENT CHART

UNIT #	AREA (SqFt)	UNIT #	AREA (SqFt)
1	745 SqFt	7	745 SqFt
2	745 SqFt	8	716 SqFt
3	745 SqFt	9	716 SqFt
4	745 SqFt	10	716 SqFt
5	745 SqFt	11	969 SqFt
6	745 SqFt		

COMMON ELEMENT

11,573 SqFt

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THIS HORIZONTAL PROPERTY REGIME PLAT AND THE SURVEY ON WHICH IT IS BASED WAS MADE IN COMPLIANCE WITH 0820-03 OF STANDARDS OF PRACTICE ADOPTED BY THE BOARD OF EXAMINERS OF LAND SURVEYORS AND MEETS OR EXCEEDS THE REQUIREMENTS OF A CATEGORY 1 SURVEY. DATE OF SURVEY: 08/24/2020

SIGNED _____ DATE 11/03/2020
DONOVAN BENSON
TN RLS #3046
BENSON@BALANDPROFESSIONALS.COM
937.286.5043

DONOVAN BENSON
TENNESSEE
NO. 3046
REGISTERED
LAND SURVEYOR

SURVEYOR

BA LAND PROFESSIONALS, LLC
8534 YANKEE STREET
DAYTON, OH 45458
937.535.0855
WWW.BALANDPROFESSIONALS.COM
info@balandprofessionals.com

HORIZONTAL PROPERTY REGIME

LEGACY SOUTH

422 38TH AVE N
NASHVILLE

24TH COUNCIL DISTRICT
DAVIDSON COUNTY, OHIO

SCALE: 1"=30' | DATE: 08/24/2020 rev 11/03/2020

DESIGN: N/A
DRAWN: DPB
CHECKED: JBA

BA LAND PROFESSIONALS

JOB NO.: 19-0278
SHEET NO.: 1 OF 1

Z:\BALAND\PROJECTS\LAND PROJECTS\SURVEY\2019\19-0278 LEGACY 38TH AVE N - NASHVILLE\CAD\19-0278 LEGACY 38TH AVE N - HPR.DWG - 11/3/2020 7:41 AM

EXHIBIT C

Prepared by:
Bankers Title & Escrow Corporation
3310 West End Avenue, Suite 540
Nashville, Tennessee 37203

BYLAWS OF HOMES AT 422 38TH AVENUE NORTH

ARTICLE I: MEMBERS (UNIT OWNERS)

Section 1. Eligibility. The members of Homes at 422 38th Avenue North, Inc., a Tennessee not-for-profit corporation or entity (the "Association"), shall consist of the respective Unit Owners of Homes at 422 38th Avenue North, a Horizontal Property Regime with Private Elements (the "Property). These and other Terms are used in these Bylaws as they are defined in the Declaration of Covenants, Conditions and Restrictions for Homes at 422 38th Avenue North, a Horizontal Property Regime with Private Elements (the "Declaration") which Declaration is recorded in the Register's Office for Davidson County, Tennessee. The words "member" or "members" as used in these Bylaws mean and shall refer to "Unit Owners," as the case may be, as defined in the Declaration. If a Unit Owner is a land title holding trust under the terms of which all powers of management, operation and controls of the Unit remain vested in the trust beneficiary, then the member shall be the beneficiary of such trust.

Section 2. Succession. The membership of each Unit Owner shall terminate when such Owner ceases to be a Unit Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Annual Meetings. The annual meeting of Unit Owners shall be held at the time and place specified in the notice of such meeting, but such place shall be within five (5) miles of the property. The annual meeting of the Unit Owners shall be held with sixty (60) hours and one hundred twenty (120) days following the end of the Association's fiscal year. At the annual meeting, the Unit Owners shall elect Directors, receive report on the activities and financial condition of the Corporation, and transact such other business as may properly come before the meeting.

Section 4. Special Meetings. The Association shall be hold a special meeting of its Unit Owners upon the call of the Board of Directors or the President, or upon the written demands to the Secretary by Unit Owners holding at least fifty (50%) percent of all votes entitled to be cast on any issue to be considered at the proposed special meeting. Any call or demand for a special meeting shall describe the purposes for which the special meeting is to be held. Only business within the purposes described in the meeting notice for the special meeting may be conducted at such meeting.

Section 5. Notice of Meetings. The Association shall notify its Unit Owners of the date, time, and place of each annual and special meeting of Owners no fewer than ten (10), nor more than forty-five (45), days before the meeting date. The notice of a meeting shall also contain such other

information which may be required by these Bylaws.

Section 6. Waiver of Notice. A Unit Owner's attendance at a meeting:
(a) Waives objection to lack of notice or defective notice of the meeting unless the Unit Owner at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and
(b) Waives objection to consideration of a particular matter at the meeting that it not within the purpose(s) described in the meeting notice, unless the Unit Owner objects to considering the matter when it is presented.

Section 7. Voting. The Association shall have two classes of voting membership:

Class "A". Class "A" membership shall be all Unit Owners, with the exception of the Developer, and shall be entitled to one (1) vote for each Unit owed. When more than one person holds an interest in any Unit, all such persons shall be members. The vote count for each Unit shall be exercised as they determine, but in no event shall additional votes above what are granted herein, due to multiple owners of individual Units.

Class "B". Class "B" member(s) shall be the Developer and shall be entitled to four (4) vote for each Unit owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs later:

(a) When the total votes outstanding in the Class "A" membership exceed the total votes outstanding in the Class "B" membership, or

(b) When five (5) years from conveyance of the first Unit to an Unit Owner; or

(c) At the sole discretion of the Developer.

Notwithstanding the foregoing, no Unit Owner who is in default in the payment of assessments hereunder shall be entitled to exercise the right to vote hereunder until such Owner has cured such default. A Unit Owner shall be deemed to be in default if such Owner has not paid his or her assessments to the Board, or their agent, within ten (10) days after the date such assessments are due. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

Section 8. Quorum. Unless otherwise required by law, 100% of the votes entitled to be cast by Unit Owners must be represented at any meeting of the Unit Owners to constitute a quorum on that matter. If, however, such quorum is not represented at any such meeting, the Unit Owners present at the meeting in person or represented by proxy shall have the power to adjourn the meeting and schedule a follow-up meeting at which the quorum requirement shall be one-half of that required for the previous meeting. Notice of the follow-up meeting shall be given in similar manner to the previous meeting. At such time as a quorum is present, the meeting shall be held when any business may be transacted which might have been transacted at the meeting as provided in the original notice.

Section 9. Voting Requirements. Except as otherwise provided in these Bylaws, the Declaration or the Act, action on any matter voted upon at a meeting of the Unit Owners is approved if a majority of the Unit Owners vote in favor of the action. However, Directors shall be elected by a plurality of the votes cast by the Unit Owners entitled to vote in the election at a meeting of the Unit Owners at which a quorum is present. Unit Owner shall vote in person or by proxy executed in writing by the Unit Owner. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the Unit Owner of his Unit. No proxy shall be valid unless promulgated by the Board of Directors as an official proxy. A corporate Unit Owner's vote shall be cast by the President of the Unit Owner Corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation. Voting on all matter except the election of directors shall be by voice vote or by show of hands unless a majority of the Unit Owners present at the meeting shall, prior to the voting on any matters, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the Unit Owner, the official solicitation of proxies for such elections may be conducted by mail.

Section 10. Action by Written Consent. Action which is required or permitted to be taken at a meeting of the Unit Owners may be taken without such a meeting if all Unit Owners entitled to vote on the action consent to taking such action without a meeting. If all such Unit Owners so consent, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Unit Owners, except as otherwise provided in these Bylaws. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be signed by each Unit Owner entitled to vote on the action, indicate each signing Unit Owner's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes or Association records.

Section 11. Action by Written Ballot. Any action which may be taken at any annual or special meeting of Unit Owners may be taken without a meeting if the Association delivers a written ballot to every Unit Owner entitled to vote on the latter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall:
(a) Indicate the number of responses needed to meet the quorum requirements;
(b) State the percentage of approvals necessary to approve each matter other than election of Directors, and
(c) Specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE II: BOARD OF DIRECTORS

Section 1. Number, Election, Term of Office and Qualification. The affairs of the Association shall be governed by a board of directors (the "Board of Directors" or the "Board") composed of a minimum of three (3) people, and all such directors shall be Unit Owners (or owners of an interest in a Unit). The directors of the Association shall be elected by the affirmative vote of not less than a majority of the Unit Owners. At the First Annual Meeting, the terms of office for the first board

of directors (the "First Board"). The term of office for directors shall be for two (2) years; however, the initial term shall be fixed wherein two directors shall serve for one year. At the expiration of the initial term of office of each respective director, his successor shall be elected by all those entitled to vote. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties granted as referred to in the Horizontal Property Act of the State of Tennessee and all other powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are by law, by the Declaration or by these Bylaws as directed to be exercised and done by the Unit Owners.

Section 3. Other Powers and Duties. In addition to duties imposed by the Declaration, these Bylaws or by resolutions of the Association, the Board of Directors 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 and the Property; 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 hereof for all Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that any management agreement relating to the Property shall be terminable for cause upon thirty (30) days' notice and shall have a term of not less than one (1) year nor more than three (3) year; which term shall be renewable upon approval of the Board of Directors; and provided further, however, that such management agreement entered into during the Development Period shall be terminable by the Association without cause or penalty on ninety (90) days' prior notice;

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

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

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

(f) to provide for 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);

(g) to appoint committees of the Board and to delegate such committees the Boards authority to

carry out certain duties of the Board;

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

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

(j) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(k) to enter into any lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board may approve;

(1) to resolve or mediate disputes, conflicts or problems between Unit Owners; when necessary, to interpret the rules and regulations of the Association;

(m) to secure insurance policies as required by the Declaration, and in this regard, to review, on an annual basis, the amounts of coverage afforded by such policies;

(n) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of Unit Owners as expresses in resolutions duly adopted at any annual or special meeting of Unit Owners.

The Association shall not, in any event, be bound either directly or indirectly by any contract or lease entered into by the Developer on behalf of the Association (including but not limited to management contracts) unless such contract or lease has a term of one (1) year or less and contains a right of termination, which is exercisable without cause and without penalty at any time after passage of control from the Developer of the Association, upon not more than ninety (90) days' notice.

Section 4. Manager or Managing Agent, Employees Generally. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 3 of this Article. The duties conferred upon the Managing Agent by the Board of Directors may be at any moment revoked, modified or amplified by the vote of the Association in a duly constituted meeting. The Board of Directors and/or his Managing Agent (with the approval of the Board of Directors) may employ any other employees or agents to perform such duties at such salaries as the Board of Directors may establish. The Board of Directors may enter into such service contracts on behalf of the Association as are necessary and appropriate and shall have the authority, but not the obligation, to assume, on behalf of the Association, any initial service contracts entered into by the Developer that comply with the requirements and limitations imposed herein.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the

removal of a director by a vote of the Association shall be filled by the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 6. Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the elected directors may be removed with or without cause by the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 7. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Unit Owners.

Section 8. Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within one (1) week of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, providing the whole Board is present.

Section 9. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but not less frequently than once a year.

Section 10. Special Meetings. Special meetings of the Board may be called by the President, the presiding officer of the Board or any two (2) directors.

Section 11. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need to be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

Section 12. Waiver of Notice. If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 13.Quorum and Voting. A quorum at Directors' meetings shall consists of a majority (but no fewer than two (2)) of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, except as specifically otherwise provided in the Declaration or elsewhere in these Bylaws.

Section 14. Vacancy. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or a vacancy resulting from a removal of a Director

with or without cause:

(a) The Unit Owners may fill the vacancy;

(b) The Board of Directors may fill the vacancy; or

(c) If the Directors remaining in office constitute less than a quorum of the Board, they may fill the vacancy by affirmative vote of a majority of all Directors remaining in office. Any Director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director succeeded.

Section 15. Action Meeting. Action which is required or permitted to be taken at meeting of such Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes filed with the Association's records.

Section 16. Indemnification. With respect to claims or liabilities arising out of service as a Director of the Association, the Association shall indemnify and advance expenses to each present and future Director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 17. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representative) shall be immune from suit arising from the conduct of the affairs of the Association.

Section 18. 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 Unit Owners.

ARTICLE III: OFFICERS

Section 1. Designations. At each regular meeting, the Directors present at said meeting shall elect the following officers of the Association by a majority vote, provided a quorum exists:

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

(b) A Secretary, who shall keep the Minutes of all meetings and proceedings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of the

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; 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 a 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 Directors 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 succeeded.

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

Section 6. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 7. Indemnification. With respect to claims or liabilities arising out of service as an officer, developer or board member of the Association, the Association shall indemnify and advance expenses to each present and future officers, developer or board member (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

ARTICLE IV: ASSESSMENTS

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less that 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 any 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 Unit 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 Unit Owner shall pay, as such Owner's respective monthly assessment for the common expenses, one-fourth (1/4) of such Owner's Proportionate Share of the common expenses for such year as shown by the annual budget. Such Proportionate Share for each Unit Owner shall be in accordance with the proportion of the Unit (as one unit) owned by such Unit Owner bears to the total number of Units subject to the Declaration, as shown on Exhibit "D". In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of such, Owner's respective monthly assessment as last determined. Each Unit Owner shall pay such Owner's monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Unit, the Common Elements, or the Private Elements. Nothing herein shall prohibit the Association from requiring said monthly assessments to be collected in advance on a quarterly, semi-annually or annual basis.

Notwithstanding anything herein to the contrary, each initial purchaser of a Unit from the Developer shall pay to the Association at closing of the purchase of the Unit a nonrefundable amount equal to two (2) months' assessment for working capital of the Association. The Board of Directors of the Association shall fix the commencement date for monthly or annual assessments on the first day of the month following the conveyance of the first Unit from Developer (or a builder) to an Owner (other than a builder) and shall provide for a partial assessment between the commencement date and the end of the following calendar year. Thereafter, monthly or annual assessments shall be levied by the Board of Directors of the Association, by action taken on or before December 1 of each year for the ensuing year. The Board, in its discretion, may provide for the periodic payment of such assessments at some intervals other than monthly. Special assessments may be levied in any year for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, if any, including fixtures and personal property related thereto; provided that the same are first approved by affirmative vote of Members entitled to cast at least 100% of the votes at a meeting of the Members duly held for that purpose. Written notice of the monthly, annual or special assessment shall be mailed (by United States first class mail) to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an office of the Association setting forth whether the assessments on a specified Unit have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting the same. The Assessments provided herein shall be allocated according to Units. Developer shall establish the monthly Association dues for the first year for each Unit Owner based on the percentage of ownership set forth in Exhibit "D". The Association at its option may allow the payment of the annual assessment on a monthly or quarterly basis. From and after one year from the date hereof, the maximum annual assessment may be increased by the Board of Directors each year by an amount up to, but not in excess often percent (10%) of the maximum annual assessment for the previous year without a vote of the membership.

All Units shall commence to bear their assessments on the earlier of the first day of the month following the conveyance of the Unit to an Owner, or when it becomes a Completed Unit. Until the entire development is completed, Association dues are calculated based on the pro rata amounts of Completed Units.

Section 3. Partial Year or Month. For the first fiscal year and thereafter until the First Board is elected, the annual budget shall be approved by the Developer. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Each Unit Owner shall pay such Owner's assessment for the following month or fraction of a month, which assessment shall be in proportion to the Owner's respective ownership interest in the Association and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner, and to any other party required by the Declaration, 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 common expenses for the remainder of such year will be inadequate, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for such Owner's Proportionate Share of such supplemental budget.

Section 6. Lien. It shall be the duty of every Unit Owner to pay such Owner's Proportionate Share of common expenses, as provided in the Declaration, and as assessed in the matter herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof, together with interest thereon at the rate of ten percent (10%) per annum 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 Unit Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a recorded deed of trust in the interest of such Unit Owner, except for the amount of the Proportionate Share of common expenses which are due and payable from and after the date on which such deed of trust beneficiary either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose on its deed of trust. The provisions of this paragraph of this Section 6 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record.

The Association or its successors and assigns, and the Board or its agents, shall have the right to enforce the lien as provided in this Declaration, and there shall be added to the amount due the

costs of any suit maintained to enforce the lien and other fees and expenses, together with legal interest and reasonable attorney's fees. Furthermore, if any Unit Owner shall fail or refuse to pay when due such Owner's Proportionate Share of the common expenses and such Unit Owner withhold possession of such Owner's Unit after demanded 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. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Declaration of these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 7. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in a book in chronological order of the receipts and expenditures affecting the Property, specifying and itemizing the expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. Said book and the vouchers shall be available for examination by all Unit Owners at convenient hours on working days which shall be set and announced for general knowledge.

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 Unit Owner a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

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

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

Section 10. Association Records. The Association shall keep as permanent records minutes of all meetings of its Unit Owners and Board of Directors, a record of all actions taken by the Unit Owners or Board of Directors without a meeting and all appropriate accounting records.

Section 11. Records at Principal Office. The Association shall keep at all times a copy of the following records at its principal office:

(a) Its Charter or Restated Charter and all amendments thereto;

(b) These Bylaws and all amendments thereto;

(c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications,

rights, limitations and obligations of Unit Owners or any class or category of Unit Owners;

(d) The minutes of all meeting of Unit Owners and the records of all actions taken by Unit Owners without a meeting for the past three (3) years;

(e) All written communications to Unit Owners generally within the past three (3) years, including the past three (3) years' annual financial statements;

(f) A list of all the names and business or home addresses of its current Directors and officers;

(g) The most recent annual report delivered to the Tennessee Secretary of State; and (h) Its Declaration and all amendments thereto.

Section 12. Annual Financial Statements. The Association shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act.

ARTICLE V: CONTRACTUAL POWERS

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

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

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

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

ARTICLE VI: AMENDMENTS

These Bylaws may be amended or modified from time to time by action or approval of a majority of the Unit Owners casting one (1) vote for each Unit owned, as provided in Article 1, Section 7 of these Bylaws. Such amendment(s) shall not be operative until they are recorded in the office of the Register of Deeds for Davidson County, Tennessee. However, the permitted use of the billboard sign located upon Unit 11 of Exhibit B attached hereto may not be amended by a majority

vote and may only be amended with consent of the owner of Unit 11. These Bylaws may not be amended by the Board of Directors.

ARTICLE VII: DEEDS OF TRUST

Section 1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of the deed of trust beneficiary and shall file a copy of the deed of trust with the Board. The Board shall maintain such information in a book entitled "Deeds of Trust on Units."

Section 2. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a deed of trust beneficiary of a Unit, shall promptly report any then unpaid assessments, fees or common charges due from, or any default by, the Owner of the mortgaged Unit.

Section 3. Notice of Default. The Board, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each deed of trust beneficiary of record covering such Unit whose name and address has theretofore been furnished to the Board and which has requested in writing to be sent a copy of such notice(s).

Section 4. Examination of Books. Each Unit Owner, and others as specified in the Declaration, shall be permitted to examine the books and records of the Association, current copies of the Declaration and Bylaws, and rules and regulations of the Association during normal business hours and upon request.

Section 5. Interest of Valid First Lien Deed of Trust. The interest of a valid first lien deed of trust 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 lien deed of trust has incorporated the terms of these Bylaws, the Declaration and the contract in its deed of trust, the said first lien deed of trust 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 VIII: DEFINITION OF TERMS

The terms used in these Bylaws, to the extent they are defined herein, shall have the same definition as set forth in the Declaration, as such may be amended from time to time, which Declaration is recorded in the office of the Register of Deeds for Davidson County, Tennessee.
The term "member," as used in these Bylaws, generally means "Unit Owner" as defined in the Declaration: "Deed of Trust," as used herein, includes a mortgage; and "deed of trust beneficiary" includes a mortgagee and a holder of a deed of trust.

ARTICLE IX: MISCELLANEOUS PROVISIONS

Section 1. No Seal. The Association shall have no seal.

Section 2. Notices. Whenever notice is requires to be given to Unit Owners, Directors or officers, unless otherwise provided by law, the Declaration, the Charter of these Bylaws, such notice may

be given in person or by telephone, telegraph, mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Corporation. Written notice sent by mail to Unit Owners shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following:

(a) When received;

(b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or

(c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Section 3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, or of the Declaration, the Charter or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Association and included in the minutes or corporate records, shall be deemed equivalent thereto.

Section 4. Negotiable Instruments. All checks, drafts, notes or other obligations of the Association shall be signed by such of the officers of the Association, or by such of the officers of the Association, or by such other person(s), as may be authorized by the Board of Directors.

Section 5. Deposits. The monies of the Association may be deposited in the name of the Association in such bank(s) or financial institutions(s) as the Board of Directors shall designate from time to time and shall be drawn out by check signed by the officer(s) or person(s) designated by resolution adopted by the Board of Directors.

Section 6. Committee Members. With respect to claims or liabilities arising out of service as a member of a committee duly appointed by the Board of Directors of the Association, the Association shall indemnify and advance expenses to each such present and future committee member (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

ARTICLE X: CONFLICTS

These Bylaws 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 Bylaws to control in specific situations where such law allows. In case any of the Bylaws conflict with the provisions of said statute or of this Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

The undersigned hereby certifies that the foregoing bylaws were duly adopted as the Bylaws of Homes at 422 38th Avenue North.

EXECUTED on the 24 day of November, 2020.

DEVELOPER:

422 38th, LLC, a Tennessee limited liability company

By: _____
Name: George N Spiva
Title: Managing Member

STATE OF TENNESSEE
COUNTY OF Davidson

Personally appeared before me, the undersigned, a Notary Public in and for the County and State, the within named, **George N. Spiva**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Manager of LS-TG HOME FUND, LLC, a Delaware limited liability company, and that he, acting in such capacity, and authorized so to do, executed the foregoing instrument on behalf of said corporation for the purposes therein contained.

Witness my hand and seal this 24 day of November, 2020.

_____
Notary Public

My Commission Expires: Jan 22, 2020

KIMBERLY J. WASHINGTON STATE OF TENNESSEE NOTARY PUBLIC WILLIAMSON COUNTY, TN

EXHIBIT D

PERCENTAGE OWNERSHIP INTEREST PERCENTAGES

UNIT	Square Footage Per Unit	Percentage Ownership Per Unit
1	745 sq ft	10.12%
2	745 sq ft	10.12%
3	745 sq ft	10.12%
4	745 sq ft	10.12%
5	745 sq ft	10.12%
6	745 sq ft	10.12%
7	745 sq ft	10.12%
8	716 sq ft	9.72%
9	716 sq ft	9.72%
10	716 sq ft	9.72%
11	------	0.00% (Special Non-Residence Unit)
TOTAL	7,363 sq ft	100%

EXHIBIT E

ATTORNEY'S OPINION

As an attorney licensed to practice law in the State of Tennessee, I hereby opine that under the terms of the Tennessee Horizontal Property Act, Tenn. Code Ann. Section 6-27-1-101 *et seq.*, all legal documents required for creation of a planned unit development are being recorded as of the date of the recording of this opinion. Having recorded said documents simultaneously with this opinion, under the terms of the Act referenced above, a planned unit development is deemed to have been property organized for the horizontal property regime known as Homes at 422 38th Avenue North.

Witness my hand this 24th day of November, 2020.

Bankers Title & Escrow Corporation

By: _____
R.L. Moore, Attorney