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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE YARRA A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

This Declaration of Covenants, Conditions and Restrictions (this "**Declaration**") is made effective March 18, 2021, by **TOWNHOMES ON GRAYCROFT LLC**, a Tennessee limited liability company.

1. RECITALS

1.1. Declarant is the owner of the real property located in Nashville, Davidson County, Tennessee, described in **Exhibit A** attached hereto and incorporated herein by reference (the "**Property**").

1.2. Declarant intends to submit the Property, together with all buildings, structures, improvements, driveways, walkways, open areas, and permanent fixtures of whatever kind whatsoever located thereon, and all rights and privileges appurtenant thereto, to the provisions of the Tennessee Horizontal Property Act, Tennessee Code Annotated ("**T.C.A.**") section 66-27-101 et seq., for the purpose of establishing on the Property a horizontal property regime with private elements, limited common elements and common elements to be known as **THE YARRA**.

1.3. Declarant further desires to establish the horizontal property regime for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and for all future owners, occupants, mortgagees and other persons claiming any interest in the all or a part of the Property, their heirs, successors and assigns, and that all such persons holding any interest in the Property subject to flexible and ordered procedure for the overall development of the Property and a method for the administration, maintenance, preservation, use and enjoyment of the Property.

1.4. Declarant intends by this Declaration to impose upon the Development mutually beneficial restrictions, covenants and easements under a general plan of improvements for the benefit of all owners and/or occupants of the Property and all persons or entities having any interest in the Property, by the recording of this Declaration.

1.5. As part of the general plan of improvement of the Development, Declarant desires to create an Association (as defined herein) to manage the Property.

1.6. Declarant desires that the Property be held, sold and conveyed subject to the provisions of this Declaration and the horizontal property regime established hereby.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, and conveyed subject to the horizontal property regime established hereby and to the following easements, restrictions, covenants and conditions. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Property, and shall run with the real property submitted to this Declaration. They shall be binding on all parties having any right, title or interest in the Property, or any part thereof, their heirs, successors, successors in title, and assigns, and shall inure to the benefit of each owner thereof.

2. DEFINITIONS

Capitalized terms used in this Declaration have the following meanings given them in this Article 2, or in another Section of this Declaration in which they are defined, as applicable:

2.1. "**Act**" means the Horizontal Property Act of the State of Tennessee, T.C.A. section 66-27-101 et seq., as such Act may be hereafter amended or modified.

2.2. "**Assessments**" shall mean assessments for Common Expenses provided for herein or by any amendment hereto, which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of all or any portion of the Development and of maintaining the Development, all as may be specifically authorized from time to time by the Board of Directors and as more specifically authorized below, and also any other assessment or other amounts due from a Unit Owner. The term "**Assessments**" shall include, without limitation, General Assessments and Special Assessments.

2.3. "**Association**" shall mean and refer to the **The Yarra Homeowners Association, Inc.**, a Tennessee nonprofit corporation, its successors and assign.

2.4. "**Board of Directors**" or "**Board**" shall be the elected body responsible for managing the affairs of the Association. Actions required of or permitted by the Board herein may be taken or fulfilled by a committee or other designee as may be established or appointed by the Board in accordance with the Bylaws of the Association.

2.5. "**Bylaws**" shall mean the Bylaws of the Association attached hereto as **Exhibit C** and made a part hereof, as may be amended from time to time.

2.6. "**Charter**" shall mean the Charter of the Association attached hereto as **Exhibit B** and incorporated herein by this reference, as may be amended from time to time.

2.7. "**City**" shall mean the City of Nashville, Tennessee.

2.8. "**Common Elements**" shall mean all real and personal property within the Property, but excluding the Units and Private Elements and components thereof and easements appurtenant thereto, now or hereafter owned by the Association for the common use and enjoyment of the Owners, including, but not limited to, the Common Elements shown on any recorded plat of the Property and any and all roadways, alleys, parking areas, buffers, lakes, waterways, landscaping and irrigation systems, fences, structures, sidewalks, community signage, walls, monuments, illumination of Common Elements, easements, common utilities, storm water system, wells, fountains, and other improvements located on such Common Elements.

2.9. "**Common Expenses**" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Elements, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration and the Bylaws of the Association.

2.10. "**Community-Wide Standard**" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the subdivision developed on the Property as established in the reasonable discretion of Declarant or the Board of Directors.

2.11. "**Declarant**" means **Townhomes on Graycroft LLC**, a Tennessee limited liability company, its successors and assigns.

2.12. "**Declarant Control Period**" means the period ending on the earlier of **(i)** one hundred eighty (180) days after conveyance of one hundred percent (100%) of the Units that may be created within the Development to Unit Owners other than Declarant; or **(ii)** the date that the Declarant voluntarily relinquishes control of the Association.

2.13. "**Development**" means the residential community to be developed on the Property to be known as "The Yarra", as may be modified, amended, expanded or contracted from time to time.

2.14. "**Design Code**" shall mean the aesthetic and functional plan for the Development, to be implemented through the regulation of land use, landscaping, architecture and such other matters as may be-included in the Design Code. The Design Code is originally adopted by the Declarant and may be amended by the Declarant from time to time. The Design Code does not need to be recorded to be effective but shall be available from the Design Review Committee.

2.15. "**Limited Common Element**" shall mean any Common Elements contiguous to and serving a single Unit or a certain number of Units to the exclusion of other Units, as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Owner or occupants of such Unit or Units either as set forth in this Declaration, on the Plat, or by a majority of all Owners. Without limiting the foregoing, patios located to the rear of a Unit shall be deemed a Limited Common Element for such Units.

2.16. "**Member**" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

2.17. "**Mortgage**" shall include a deed of trust or mortgage encumbering any Unit.

2.18. "**Mortgagee**" shall include a beneficiary under or holder of a note secured by a Mortgage who has provided actual, written notice to the Association of such interest.

2.19. "**Mortgagor**" shall include the trustor or grantor of a Mortgage.

2.20. "**Operating Budget**" shall have the meaning given in Section 4.3.

2.21. "**Owner**" shall mean and refer to one or more Persons or entities, including Declarant, who holds or hold the record title to any Unit, but excluding in any case any party holding an interest merely as security for the performance of an obligation. The term "**Owner**" shall have the same meaning as the term "co-owner" as given in the Act. For the purpose of this Declaration, the Owner of a Unit that is under lease shall be as follows: for the purpose of membership, including matters related to voting and assessments and the obligations of Member, the record owner or owners of the Unit; for the purpose of use and enjoyment of common facilities and amenities that are part of the Common Elements, the tenant or tenants residing in the Unit. The Board of Directors may promulgate reasonable regulations conditioning such use upon registration of the names of tenants with the Association. In addition to any other restriction, the regulations may limit the number of guests entitled to use of the Common Elements.

2.22. "**Person**" shall mean a natural person, a corporation, a partnership, a limited liability company, a trust, a trustee, or any other legal entity.

2.23. "**Plat**" means the plat of the Units, Common Elements and Limited Common Elements attached hereto as **Exhibit A-1** and incorporated herein by reference, as may be amended or supplemented from time to time by any amendment to this Declaration or Supplemental Declaration, and which sets forth the numbers, areas, locations and other information regarding the Units and Common Elements as required by the Act.

2.24. "**Private Elements**" means the lot area on which each Unit is located and the improvements now or hereafter located thereon. The Private Elements for each Unit are shown on the Plat. Exclusive ownership in fee simple and use of the Private Elements for each Unit reserved to such Unit. Notwithstanding any representation on the Plat, the Private Elements shall be deemed to include the entirety of any residence or improvements constructed on a Unit.

2.25. "**Property**" shall mean and refer to the real property described in **Exhibit A** attached hereto; and any additional real property submitted to this Declaration from time to time pursuant to a Supplemental Declaration.

2.26. "**Unit**" or "**Units**" shall mean, individually or collectively, a separate parcel of the Property now or hereafter set forth as a Unit on the Plat, including the Private Elements located thereon and any improvements or residences located thereon. All Units shall be shown and identified as numbered Units on the Plat. The term "**Unit**" as used in this Declaration shall have the same meaning as the term "Apartment" as used in the Act.

2.27. "**Supplemental Declaration**" shall mean an amendment to this Declaration, including the addition of additional Units or Common Elements subjected to this Declaration. Such Supplemental Declaration may, but is not required to, impose, expressly or by reference, additional restrictions and obligations to the provisions of this Declaration. The term "**Declaration**" as used herein shall include this Declaration, together with any and all subsequent amendments.

3. PROPERTY RIGHTS

3.1. Common Elements. Every Owner shall have a right and easement of enjoyment in and to the Common Element appurtenant to the title to such Owner's Unit, subject to the use of Limited Common Elements and to any restrictions or limitations contained in this Declaration or in any Deed or amendment thereto conveying the Common Elements to the Association or subjecting the Common Elements to this Declaration. Any Owner may delegate his or her other right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time.

3.2. Sidewalks. Every Owner shall have a right and easement of enjoyment in and to the sidewalks adjacent to streets and drive lanes located on each Unit, whether located within a Limited Common Element of a Unit, subject to any restrictions or limitations contained in this Declaration or subjecting such Unit to this Declaration. Any Owner may delegate their right of enjoyment to the members of his or her family, tenants and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time.

4. MEMBERSHIP AND VOTING RIGHTS

4.1. Membership in the Association. Every Person who is the record owner of a joint or undivided fee interest in any Unit shall be deemed to be a member of the Association (each such person or entity, a "**Member**"). Membership shall be appurtenant to and may not be separated from such fee interest ownership, and any transfer of a Unit shall operate automatically to transfer to the new record owner thereof

the membership in the Association appurtenant thereto. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate that Member's membership. Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership and/or Declarant's rights as Declarant herein, but any transfer by Declarant of title to a Unit shall automatically transfer the membership in the Association appurtenant thereto, free and clear from any such assignment, pledge, hypothecation or alienation.

5. MAINTENANCE

5.1. Association Responsibility.

5.1.1. The Association shall maintain and keep in good repair the Common Elements. Such maintenance shall include, without limitation, maintaining, repairing, and replacing, subject to any insurance then in effect, all trees, landscaping and other flora, structures, irrigation system, storm water control and any other improvements situated upon the Common Elements.

5.1.2. The Association shall maintain any landscape easement area that serves as a buffer to adjacent properties, even if such landscape or buffer area is located wholly or partially on a Unit, and each such affected Unit owner grants to the Association an easement for such maintenance.

5.2. Owner's Responsibility. Except as provided in Section 4.1, the Owner of each Unit shall have the sole responsibility for maintenance of the interior and exterior portions of the Unit, and any and all landscaping that may be required. Each Owner shall maintain its Unit in a manner consistent with the Community-Wide Standards, the applicable covenants set forth in this Declaration, and such rules and regulations as may be established by the Board from time to time.

6. INSURANCE AND CASUALTY LOSSES

6.1. Insurance.

6.1.1. The Board of Directors for the Association, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Elements against loss or damage by fire and other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

6.1.2. The Board shall obtain a public liability policy covering the Common Elements, Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million Dollar ($1,000,000.00) single person limit as respects bodily injury and property damage, a One Million Dollar ($1,000,000.00) limit per occurrence, and a Five Hundred Thousand Dollar ($500,000.00) minimum property damage limit.

6.1.3. Premiums for all insurance required by this Article to be maintained by the Association shall be Common Expenses of the Association and shall be included in the General Assessment, as defined below. The policy or policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

6.1.4. In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, a workers' compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three months' Assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association. The Board shall also obtain, as a Common Expense, a reasonably available amount of Directors and Officers Errors and Omissions insurance.

6.2. Disbursement of Proceeds. Proceeds of insurance policies with respect to Common Elements shall be disbursed as follows:

6.2.1. If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Elements, or, in the event no repair or construction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagees shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

6.2.2. If it is determined, as provided for in Section 6.3, that the damage or destruction to the Common Elements for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 6.2.1.

6.3. Damage or Destruction.

6.3.1. Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the costs and repair or reconstruction. Repair or reconstruction, as used in this paragraph means repairing or restoring the Property to substantially the same condition in which it existed prior to the fire or other casualty.

6.3.2. Any damage or destruction to the Common Elements shall be repaired or reconstructed unless at a Special Meeting (as described in Section 1.5 of the Bylaws) called in accordance with the Bylaws at least seventy-five percent (75%) of the total eligible vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs and repair or reconstruction, or both, are not made available to the Association within the sixty (60) day period referenced above, then the period shall be extended until such information shall be made available; provided, however, such extension periods shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction of the Common Elements shall be repaired or reconstructed. In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Elements shall not be repaired or reconstructed and no alternative improvements are authorized, then the damaged portions of the Common Elements shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition, including

appropriate landscaping, and the remaining insurance proceeds shall be delivered pro rata to the Owners of each Unit.

6.4. Repair and Reconstruction. If the damage or destruction to the Common Elements for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, use reserve or capital improvements account funds, or may levy a Special Assessment against all Owners. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

6.5. Review of Policies. The Board may, from time to time, review all insurance policies that are required by this Article to be maintained by the Association in order to ascertain whether the coverage contained in the policies is sufficient. If the Board deems such coverage to be insufficient, the Board may expand the coverage to the extent it reasonably deems necessary.

6.6. Owner Insurance. Each Owner shall maintain such casualty and liability insurance as it deems appropriate or as any Mortgagee may require for the Unit, including without limitation all structural and non-structural elements, interior finish and personal property. The Association will not maintain insurance on the Units.

7. NO PARTITION

There shall be no physical partition of the Common Elements or any part thereof. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration, or to prohibit the Board from granting easements over the Common Elements, or to prohibit the Declarant or Board from adjusting plat or other boundary lines for any Unit adjacent to Common Elements.

8. CONDEMNATION

Whenever all or any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

8.1. If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five percent (75%) of the total eligible vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor, in accordance with plans approved by the Board and Design Review Committee. If such improvements are to be repaired or restored, the above provisions in Article 6 regarding the disbursements of funds in respect to casualty damage or destruction shall apply.

8.2. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

9. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

In addition to the powers delegated to the Association by its Charter, the Association shall be empowered to perform each of the following duties related to the Property and Common Elements:

9.1. Operation and Maintenance of Common Elements. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Elements, together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Elements and/or the Units; to keep all improvements, if any, of whatever purpose from time to time located on the Common Elements in good order, condition, and repair; and to borrow money as approved by the Board for such purposes. Any such provision of this Declaration of the Bylaws notwithstanding, the Association always shall maintain lien free title to the Common Elements, excepting only a lien for current year taxes, provided, however, that the Association may mortgage or convey the Common Elements as security for a debt with an affirmative vote of at least sixty-seven percent (67%) of the Directors; and provided, further, that the Association may accept a conveyance of the Common Elements subject to alien or other encumbrance.

9.2. Water and Other Utilities. To acquire, provide, and/ or pay for, water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Elements.

9.3. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/ or the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

9.4. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee the insurance set forth in Article 6 of this Declaration, and to maintain in force at all times such insurance as is required by this Declaration.

9.5. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within Davidson County conveyed to it by the Declarant as permitted herein.

9.6. Rules and Regulations. The Association, through its Board of Directors or otherwise, may make and enforce reasonable rules and regulations governing the use of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violation of this Declaration or the rules and regulations may include reasonable monetary Fines (as hereinafter defined), suspension of the right to vote and suspension of the right to use the Common Elements. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. In addition, the Association, through the Board or otherwise, may, by contract or other agreement, enforce city or county ordinances or permit the City to enforce ordinances on the Property for the benefit of the Association and its Members.

9.7. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws and every other right or privilege reasonably to be implied for the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

9.8. Traffic Control. The Board may make rules and regulations concerning driving and parking within the Property, subject to applicable governmental requirements and restrictions. To the extent permitted by local governmental authority, the Association may construct traffic calming devices and post speed limits or other traffic signs and take other measures deemed necessary to discourage excessive speed and to promote a safe environment. The Association may enforce such rules and regulations with penalties, fines or towing and shall have all remedies set forth in this Declaration.

10. ASSESSMENTS

10.1. Creation of Assessments. There shall be created annual Assessments as may be from time to time specifically authorized by the Board of Directors for expenses determined by the Board to benefit the Association and/or the Units as a whole, including without limitation, expenses incurred by the Association in fulfilling its maintenance obligations set forth in Article 4 ("**General Assessments**"). General Assessments shall be allocated equally among all Units.

10.2. Assessment Obligation.

10.2.1. Each Owner, by acceptance of his or Deed, is deemed to covenant and agree to pay all Assessments levied by the Association pursuant to this Declaration, whether or not such obligation is so expressed in such Deed. A budget for the first year of the Association, including contemplated General Assessment and Special Assessments (as defined below) and a breakdown thereof shall be developed prior to the first sale of a Unit (the "**Base Budget**"). Each Unit shall be subject to the Assessments set forth in the Base Budget or subsequently adopted Operating Budget when conveyed to a party other than Declarant with Assessments being prorated as of the date of closing of the sale of the Unit. Notwithstanding any other provision of this Declaration, no Assessments shall be levied against Units owned by the Declarant, its successors and assigns.

10.2.2. During the Declarant Control Period, the Declarant shall from time to time loan to the Association any amounts required to make up any shortfall in the Base Budget for each year, and any subsequent Budget (as defined below), to the extent that such shortfall arises from:

(a) actual operating costs (including amounts allocated to or drawn from reserve funds) exceeding budgeted operating costs, or

(b) budgeted operating costs (including amounts allocated to or drawn from reserve funds) exceeding actual income.

To the extent a shortfall arises from subsection (b) and the lack of income results from the failure of any Owner to pay Assessments that are payable hereunder, the Declarant shall not be obligated to make up such shortfall. All amounts loaned to the Association by the Declarant pursuant to the provisions of this paragraph (collectively, the "**Loans**") shall bear interest at the Wall Street prime interest rate plus three hundred basis points from the time contributed until repaid and shall be repaid no later than three (3) years after end of the Declarant Control Period.

10.2.3. All Assessments, together with interest at the highest rate allowable under the laws of Tennessee form time to time relating to usury for residential real estate loans (or if no such rate is established, sixteen percent (16%) per annum) ("**Interest**"), costs, late fees as established by the Board from time to time, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each Assessment is made. Each Assessment, together with Interest, costs and reasonable attorneys' fees, shall also be the personal obligation of

the Person who was the owner of such Unit at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid Assessments which accrued prior to such acquisition of title in excess of six (6) months accrued Assessments.

10.2.4. Assessments shall be paid in such manner and on such dates as may be fixed by the Board. The manner of payment fixed by the Board may include, without limitation, acceleration of the Assessment levied on a partial Unit on account of delinquent payment of such Assessment or monthly installment thereof. Late fees as established by the Board and interest shall be due on any assessment not paid by the tenth day of the month when due. Unless the Board otherwise provides, Annual Assessments shall be paid in monthly installments.

10.3. Computation of Annual Assessment.

10.3.1. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year (the "**Operating Budget**"). The Operating Budget may include a capital contribution establishing a reserve fund in accordance with a Capital Budget separately prepared, as more particularly described in Section 10.6. The Board shall set Assessments based on the Operating Budget and the Capital Budget. The Board shall cause a copy of the Operating Budget, and the amount of each General Assessment to be levied against each Unit for the following year, to be delivered to each Owner at least ten (10) days prior to the annual meeting of the Association. The Operating Budget, together with the Capital Budget and the Annual Assessments (collectively, the "**Budget**"), shall be adopted by the Board at a duly called meeting of the Board.

10.3.2. Notwithstanding the foregoing, however, in the event a Budget is not established for any reason for any year, then and until such time as a Budget shall have been determined as provided herein, the Budget in effect for the then current year shall continue for the succeeding year. No failure to provide the Operating Budget or Assessments as required hereunder shall relieve any Owner from payment of such Assessments once established.

10.4. Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the Members, special assessments, applicable only to that year, to be used solely to defray, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto ("**Special Assessments**"). The Board may levy a Special Assessment against all Units for such expenses determined by the Board to benefit the Association and/or the Units as a whole, and may levy a Special Assessment against particular portions of the Property for such expenses as may be determined by the Board to benefit less than the Association as a whole. The Board may also levy a Special Assessment against particular Units to reimburse the Association for costs incurred in maintaining such Units upon failure of the Owner to do so, as set forth in this Declaration. Except for Special Assessments imposed upon particular Units to reimburse the Association for costs incurred in maintaining such Units upon failure of the Owner to do so and except for Special Assessments imposed under Section 6.4 and Section 13.6.6, a Special Assessment must be approved by vote or written consent of **(a)** a simple majority of the Members in the Association present and voting, either in person or by proxy, and entitled to vote at a meeting of the Members of the Association called for such purpose of which a quorum is present; or **(b)** a simple majority of the Unit Owners directly affected or benefited by the Special Assessment, in the opinion of the Board, if less than all of the Owners are benefited.

10.5. Lien for Assessments.

10.5.1. To secure the payment of any Assessment and/or fine imposed by the Association pursuant to Section 10.6 of this Declaration (each such fine, a "**Fine**"), a lien is expressly retained in favor of the Association on each and every Unit in the Association. Such lien shall be prior and superior to all other liens except all taxes, bonds, assessments, first mortgage liens, and other levies which by law would be superior thereto.

10.5.2. For the purposes of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of Assessments and/ or Fines and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as "**Trustors**", hereby transfer and convey unto Steve Morris, Esq., a resident of Davidson County, Tennessee, Trustee his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the use and trusts set forth in this paragraph.

10.5.3. If each Trustor shall pay his Assessments and Fines when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the Assessment and Fines with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in Davidson County, Tennessee to sell said Unit at the front door of the Court house in said County to the highest bidder for cash, at public outcry, free from all statutory, equitable and other rights of redemption, homestead, dower and all exemptions of every kind, which are hereby expressly waived, and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any Assessments or any installment payment thereof or any Fine, enter and take possession of said Unit, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Unit, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said Unit. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

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

(b) Second, to the payment of all taxes which may be unpaid with respect to such Unit;

(c) Third, to the payment of all unpaid Assessments and Fines with respect to such Unit; and

(d) Fourth, the residue, if any, will be paid to the Owner of such Unit, to his order, representatives, heirs or assigns or to any other persona legally entitled thereto.

10.5.4. In the case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the Association is hereby authorized and empowered to name and appoint a successor to the Trustee

by an instrument in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named trustee shall be vested in said successor.

10.5.5. The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale, and to credit bid any amounts owed by the Owner of such Unit, and to acquire and hold, lease, mortgage, and convey the same. Any funds required for purchase of a Unit at foreclosure shall be assessed as a Special Assessment, subject to all of the requirements in Section 10.4 hereof. With respect to any Unit owned by the Association following foreclosure:

(a) no right to vote shall be exercised on behalf of the foreclosed Unit;

(b) no Assessment shall be assessed or levied on the foreclosed Unit; and

(c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the Assessment that would have been charged such Unit had it not been acquired by the Association as a result of the foreclosure.

Suit to recover a money judgment for unpaid Common Expense and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may temporarily suspend the voting rights and rights to use all portions of the Common Elements of a Member who is in default of payment of any Assessment or any installment payment thereof after notice and hearing.

10.5.6. Nothing in this Section shall preclude the Association from recording and enforcing its lien without exercising its right arising from the foregoing trust conveyance.

10.6. Capital Budget and Contribution. As noted in Section 10.3, above, the Board of Directors may annually prepare a Capital Budget that shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost (the "**Capital Budget**"). The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the Capital Budget, with respect both to amount and timing by Assessments over the period of the Budget. The capital contribution required shall be fixed by this Article. The Capital Budget shall also provide for the establishment of separate reserve accounts to hold the proceeds of the Assessments imposed for capital expenditures for the Units, for which an Assessment shall be imposed. A copy of the Capital Budget for the Common Elements and the Units shall be distributed to each member in the same manner as the Operating Budget.

10.7. Certificate of Payment. The Board shall, upon request and for a reasonable charge, furnish to any Person a certificate, signed by an officer of the Association, setting forth whether or not all Assessments, whether General or Special, on a specified Unit have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

10.8. Start-up Assessment. Each Unit Owner who takes title directly from Declarant shall pay to the Association at closing a start-up assessment fee in an amount established by the Board from time to time (the "**Start-up Assessment**"). This one time Start-up Assessment shall be in addition to and not a prepayment of the regular assessments provided for above. All receipts for Start-up Assessments shall first be applied to repayment of any Loans, and thereafter may be applied to the Budget or to reserves.

10.9. Transfer Assessment. The Board may establish an assessment to be paid by the purchaser of any Unit within the Property on transfer or conveyance of such Unit from time to time (the "**Transfer**

Assessment"). The amount of such Transfer Assessment shall be established by the Board from time to time, but may not exceed the amount of the then- applicable Start-up Assessment, or if no Start-up Assessment has been established, the amount that could be imposed under Section 10.8 above. The Transfer Assessment shall not be due on any closing of a Unit in which the Start-up Assessment is paid. All receipts for Transfer Assessments shall first be applied to repayment of any Loans, and thereafter may be applied to the Budget or to reserves.

10.10. Administrative Fee. In addition to the Transfer Assessment, the Board may establish an administrative fee that the purchaser of any Unit within the Property shall be obligated to pay. The purpose of the Administrative Fee is to pay for the administrative actions of the Association or its agent resulting from the change in Unit ownership.

11. CONSTRUCTION AND ARCHITECTURAL STANDARDS

11.1. Construction Standards. No Person shall make any modifications, additions, or alterations to a Unit or any structure thereon or improvement thereto, without the prior written approval of the Design Review Committee (as defined below). In no event shall the Design Review Committee approve any plans violating the use restrictions set forth in this Article or the architectural covenants that have been submitted to and approved by the City as set forth below (the "**City Requirements**").

11.2. Design Review Committee. The Declarant or Board, as applicable, shall designate a site and architectural review board (the "**Design Review Committee**") consisting of up to five (5) persons, one of which may be an architect selected by Declarant who has demonstrated a sound understanding of traditional, residential forms of design (a "**Qualified Architect**"), to exercise the Board's authority under this Article. The Design Review Committee shall promulgate detailed standards and procedures in implementing the requirements of this Article, in addition to the Design Code. So long as Declarant owns any land within the Development or subject to this Declaration, the Declarant may select the membership of the Design Review Committee. Thereafter, the Board shall select the membership of the Design Review Committee. This Article shall be effective, and may not be amended without the prior written consent of Declarant, so long as Declarant owns any land subject to this Declaration or subject to annexation by this Declaration.

11.3. Construction Subject to Review.

11.3.1. Review of Plans. No improvements on any Unit shall be modified except in accordance with a plan approved by the Design Review Committee. Once a plan is approved, any modification to that plan, or any modification to the finished improvement, must also be reviewed and approved.

11.3.2. Common Elements. Construction of any improvement upon the Common Elements (other than initial construction by the Declarant), or modification of any existing structure, as well as any material alteration of the landscaping or topography of any Common Elements, must be approved in advance by the Design Review Committee.

11.3.3. Scope. The Design Code shall set standards for all aspects or improvements on any Unit visible from the outside, including without limitation the size and shape of the building, its roof, windows; doors, porches and other components, placement on the Unit, fences, drainage, paving and landscaping and all finish materials. The Design Code may also regulate the type, placement and number of Units that may be constructed on a Unit and the uses to which those Units may be put. Review shall include materials and color selection and selection and placement of any ornamentation or functional accessories, including but not limited to the following:

(a) Materials and color section (including roof, doors, windows and trim);

(b) Driveways, walks, patios and other ground surface materials;

(c) Antennas, satellite dishes or receivers, solar panels or other devices that are visible from outside the Unit;

(d) Privacy walls or other fences and gates;

(e) Awnings, flower boxes, shelves, statues or other outdoor ornamentations, and window coverings visible through the window;

(f) Signage of any type;

(g) Grills or fire pits; and

(h) Permanent or semi-permanent play equipment, whether or not secured, such as tree houses, trampolines, basketball hoops, skateboard ramps and swing sets.

The listing of a category does not imply that such construction is permitted.

11.3.4. Exception. Interior construction and modifications not affecting the external structure or appearance of any building and not visible from the exterior are not subject to review. However, construction drawings are required as part of the review process to assist in interpreting the design.

11.3.5. Drainage. All plans shall comply with and Owners shall be solely responsible for applicable drainage, water conservation, erosion control and stormwater detention requirements. No alteration of existing grade or any planting fences or other improvements that alter the flow of water shall be permitted without the express consent of the Design Review Committee, which approval shall be for the exclusive benefit of the Declarant or Association, as applicable, and shall not remove or alter the responsibility of any Owner or builder for compliance with such requirements. Notwithstanding any other provision of this Declaration, neither the Declarant nor the Association shall have the responsibility to ensure that drainage or grading of Units is properly accomplished. Each Owner shall be solely responsible to ensure that grading and drainage are in compliance with all applicable laws, codes, regulations and other requirements, including without limitation any easements for drainage, whether or not shown on any recorded plat.

11.3.6. Modifications. Modifications or additions or changes to the approved plans during construction, must be reviewed and approved. However, review is not required to paint with originally approved materials and colors, or to replace the roof or other components with duplicates of the original material. Significant new landscaping, grading and any removal of trees or plants must be approved in advance.

11.4. Review Procedure.

11.4.1. Application. The plans to be submitted for approval shall include all items required by the Design Review Committee, in the form required by the Design Review Committee.

11.4.2. Uniform Procedures. The Design Review Committee may establish forms and procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant, which may include costs for the qualified Architect. The Design Review Committee may provide lists of approved materials and may allow for staff review and approval of routine or minor matters.

11.4.3. Basis for Decision. Applications shall be approved or denied based upon overall quality of design, including purely aesthetic considerations at the discretion of the Design Review Committee. If the Design Review Committee rejects an application due to overall design quality or aesthetic consideration, despite compliance with the Design Code, the Design Review Committee may make suggestions for improving the design.

11.4.4. Variances. The Design Review Committee may grant approval notwithstanding normal guidelines based on existing topographical or landscape conditions, existing trees, or architectural merit. Any such variance must be in writing. Approval of a variance does not constitute a precedent for other applications, and such requests may be arbitrarily denied.

11.4.5. Notification; Construction; Inspection. The Design Review Committee shall make best efforts to notify the applicant of its decision within the time allowances set out in its design approval process guidelines. However, a delay in reviewing an application shall not be deemed consent to construction. If approval is given, construction of the improvements may begin. All construction must comply with the submitted plans. The Design Review Committee or its agent may inspect the property during construction but has no obligation to make any such inspection. Any inspection made by the Design Review Committee is made for the benefit of the Design Review Committee or Declarant, and is not made for the benefit of or to be relied upon by any third party or Owner.

11.4.6. Governmental Compliance. Owners are responsible for making sure that construction conforms to governmental regulations and all local building codes, if the Design Review Committee notes noncompliance, the Owner will be required to make the necessary changes. However, the Design Review Committee is not responsible for compliance with governmental requirements.

11.5. Enforcement. The Design Review Committee may require the Owner to post a deposit from which the Design Review Committee may deduct Fines or failure to comply with the approved plans and specifications, tree regulations and rules for Builder conduct. The collection of a Fine shall not in any way diminish the available remedies at law or equity. If any work is begun that has not been approved or that deviates from approved plans and specifications, the Design Review Committee, the Declarant or the Association may require the Owner to resolve the dispute through binding arbitration or may bring suit seeking damages, specific performance, declaratory decree and/ or injunction, or any other remedy at law or in equity. The Board shall be empowered to bring suits on behalf of the Association. If suit is brought and the court finds that the construction was not approved or that the construction deviated from the approved plans or specifications, then the party bringing suit shall also be awarded reasonable attorney's fees, even if the relief requested is not granted. Failure to enforce any provision of this Declaration shall not be deemed a waiver of the right to do so at any time thereafter.

11.6. Liability. The Design Review Committee and its inspectors are concerned primarily with aesthetic considerations, and are not responsible for compliance with governmental requirements or design or construction defects or use of material's affecting the safety or structural integrity of the building. Approval by the Design Review Committee of an application shall not constitute a basis for any liability of the architect, Declarant or members of the Design Review Committee, the Directors of the Association for

failure of the plans to conform to any applicable building codes or inadequacy or deficiency in the plans resulting in defects in the improvements, or for the performance or quality of work of any builder or architect approved by it, or for non-compatible or unstable soil conditions or soil erosion, or any other condition of the property.

12. USE RESTRICTIONS

12.1. Use Restrictions. In addition to all other covenants contained herein, the use of the Property is subject to the following:

12.1.1. Residential Use. Except as otherwise provided in this Declaration, each Unit shall be used as a residence and for no other purpose, and there shall not be constructed or maintained upon any Unit more than one single- family residence. Except as otherwise provided in this Declaration, the Common Elements shall be used for recreational, social and other purposes directly related to the residential use of the Units authorized hereunder.

12.1.2. Maintenance of Exterior and Interior. Except as otherwise provided in this Declaration, each Owner shall be responsible for the maintenance of, and shall maintain, the exterior and interior of its Unit, including interior walls, exterior and interior windows, glass ceilings, floors, doors, windows, and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition.

12.1.3. Maintenance of Unit. Except as provided in this Declaration or to the extent that maintenance is performed by the Association, each Owner shall keep its Unit free from rubbish and litter and in good physical appearance and repair.

12.1.4. Association to Landscape Common Elements. Except as otherwise provided herein, the Association shall have the right and the obligation at any time to plant, replace, maintain, mulch and cultivate shrubs, trees, grass, plantings and other landscaping upon the Common Elements located on the Property, to obtain pest control treatments, and, subject to the conditions stated below, on all or any portion of a Unit maintained by the Association under Article 5. No Owner shall remove, alter, or injure in any way any shrubs, trees, grass, plants and other landscaping placed upon or about a Unit by Declarant or the Association, without first obtaining the written consent of the Board.

12.1.5. Signs and Billboards; Exterior Lights. Subject to applicable law, no sign or billboard of any kind shall be displayed to the public view on any Unit or portion of the Common Elements, except for **(a)** directional or informational signs, established by Declarant or the Association, and **(b)** signs used by Declarant, or by its successor or assigns, to advertise the Property, provided such signs are located on the Common Elements or on Units owned by Declarant, provided that the Board may establish or require a common signage system for such purposes and such system shall prevail over the general provisions of this subsection. No floodlights, directional lights or lights that cast illumination on the exterior of the Owner's Unit shall be permitted on any Unit or Units.

12.1.6. Holiday Decorations. Holiday decorations within and on the exterior of Units and on Units are permitted, subject to such requirements and restrictions as may be imposed by the Board from time to time.

12.1.7. Quiet Enjoyment. No noxious, offensive or illegal activity shall be carried on, in or upon any Unit or any part of the Property, nor shall anything be done thereon that may be or

may become an annoyance or nuisance to the neighborhood, that shall interfere in any way with any Owner's quiet enjoyment of its respective Unit, or that shall increase the rate of insurance in any way.

12.1.8. Temporary Structures. No structure of a temporary character or other out-building shall be used on any Unit or the Common Elements at any time as a residence or otherwise, either temporarily or permanently. Notwithstanding the foregoing, Declarant or its agents shall have the right to conduct any business necessary for the sale of Units, including showing model Units and maintaining a sales and/ or construction office on the Common Elements or in any Unit owned by Declarant. In furtherance thereof Declarant shall have an easement over all of the Common Elements for ingress, egress and parking for itself, its agents, employees, arid prospective buyers· of Units for so long as Declarant or any subsidiary or affiliated company owns any interest in the Property, and Declarant may block or restrict access over and across roadways so long as access to a particular Unit owned by a Person other than Declarant is not prohibited.

12.1.9. Animals. No animals, reptiles, rodents, livestock, birds, or poultry of any kind shall be raised, bred or kept in or on any Units, except that a maximum of two dogs, cats or such other household gets approved by the Association (or a combination thereof not to exceed a total of two pets) may be kept in a Unit, provided such pets are not kept, bred or maintained for any commercial purposes. Notwithstanding the foregoing, no household animal may be kept in or about any Unit if such keeping results in an annoyance or is obnoxious to residents in the vicinity. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees, and tenants and to the Association for any and all damage to person or property caused by any pets brought or kept in or upon any Unit or on the Common Elements by any Owner or by members of its family, guests or invitees. Each Owner shall be responsible for cleaning up after its pet. No pet may be off-leash when not within the Owner's Unit, except to the extent that the Association maintains designated off-leash areas. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this subparagraph, an animal is appropriately considered as a household pet or not, and whether any household pet is a nuisance and therefore to be removed from the Property. The Board may permit variances to the restrictions set forth in this subsection in the Board's sole discretion; provided only that the Board treat similarly situated Owners in the similar manner. The Board may further establish rules and regulations for control of animals and household pets, and may impose Fines for violations in addition to requiring removal of animals from the Development.

12.1.10. Garage and Driveways. Every garage door shall be equipped with a remote-controlled garage door opener, and every garage door shall be kept closed except when the garage is being entered or exited. All driveways shall be paved with a hard-surfaced material in accordance with the Design Code.

12.1.11. Vehicles. No truck other than personal use trucks, trailer, camper, boat, van or similar equipment or disabled car shall be permitted to remain upon or within the Common Elements unless on a space designed for such use by the Association. No such equipment may be stored or permitted to remain upon a Unit or any portion of the Common Elements for more than forty-eight (48) hours unless stored in an enclosed garage.

12.1.12. Exterior Structures. No fences, ornamental, screens, awnings, screen doors, sunshades, walls or hedges shall be erected or permitted upon the Property, except such as are approved by the Association.

12.1.13. Garbage Collection.

(a) All rubbish, trash and garbage shall be removed from the Property regularly and shall not be allowed to accumulate thereon.

(b) All refuse containers, clothes lines, woodpiles, storage areas, machinery, or equipment shall be kept in such a manner as not to be visible from neighboring property or contiguous streets.

(c) No incinerators shall be kept or maintained on any Unit. Refuse containers placed outside for trash pickup shall be returned to non-visible areas no later than the end of the day on which pickup is made.

(d) The Association may elect to establish common areas for the collection of garbage containers or common containers, and Owners shall place all garbage or other refuse in approved containers in such designated areas upon the direction of the Association.

(e) The Association shall enter into a contract for private trash pickup and shall pay as part of the Common Expenses the expense for such service and same shall be charged through to the Units and Owners as part of the General Assessments. Owners shall abide by the rules and procedures set forth by the Association and any trash pickup service engaged with respect to garbage collection, which rules shall control in case of conflict with the remainder of this Section 12.1.13.

12.1.14. Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his respective Unit and the utility charges for said Unit.

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

12.1.16. Reasonable Inspection and Entry. The Board shall have the right of inspection and entry onto Units in order to perform the duties and obligations of the Board under this Declaration and under the Bylaws. In addition, the Declarant, the Association and their designees shall have the right to enter upon a Unit for the purpose of cutting grass, hedges and shrubbery and providing maintenance agreed upon with the Owner thereof.

12.1.17. Trade of Business. No gainful profession, occupation, trade or other nonresidential use shall be conducted in any Unit or upon the Common Elements or any portion thereof without the prior approval of the Board.

12.1.18. Compliance with Law. The Association and each Owner shall comply promptly with all laws, statutes, ordinances, rules and regulations of federal, state or municipal governments or authorities applicable to use, occupancy, construction and maintenance of any improvements upon the Units.

12.1.19. Damage from Plants. No Owner shall permit any plant, tree, shrubbery or other similar item to exist upon any portion of such Owner's Unit that shall damage or create a nuisance on another Unit or that has not been approved by the Design Review Committee. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this

paragraph, a particular plant, tree, shrubbery or other similar item is a nuisance and therefore to be removed from the Property.

12.1.20. Window Coverings. Any drapes or window treatments in any Unit which can be seen from the exterior of a Unit shall be lined or backed with material which is white, off-white or neutral so that no other color other than those hereinabove set out can be seen on the window treatment from the exterior except as may be approved by the Design Review Committee. No magnetic screens may be used on exterior doors.

12.1.21. Wells. No private wells may be drilled or maintained on any Unit without the prior written consent of the Design Review Committee.

12.1.22. Laundry. Without the express pernuss1on of the Design Review Committee, no Owner, guest or tenant shall hang laundry from any area within or outside a Unit if such laundry is within the public view or hang laundry in full public view to dry, such as on a balcony or terrace railings.

12.1.23. Firearms and Other Weapons. Discharge of firearms and other weapons is prohibited; provided, the Board shall have no obligation to take action to prevent or stop such discharge. For this purpose, firearms and weapons shall be deemed to include any instrument that may or is designed to propel or discharge bullets, arrows, or other objects by use of explosive force, compressed air, elastic contraction or other means. This definition shall be broadly construed and the Declarant and Board of Directors shall have discretion to determine whether a particular object to instrument is a firearm or weapon in its sole discretion.

12.1.24. Rental of Units. Rentals of Units are permitted in accordance with applicable governmental laws, ordinances and regulations. During the Declarant Control Period, the Declarant, and thereafter the Board, may from time to time by written notice to the Owners, impose and/or modify limits on, prohibitions of and/or regulations associated with short term rentals of some or all of the Units, as and when the Declarant or the Board, as applicable, deems appropriate in its sole discretion.

12.1.25. Additional Restrictions; Variances. The Board of Directors shall be entitled to invoke additional rule and regulations from time to time for the operation, use and maintenance of the Property located within its jurisdiction, including the Units and the Common Elements, provided such rules and regulations are not inconsistent with this Declaration. The Board may, in its sole discretion, grant variances and waivers of the use restrictions set forth in this Declaration that it deems appropriate and not in violation of the Community-Wide Standard.

13. GENERAL PROVISIONS

13.1. Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any of the property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded. After the initial fifty (50) year term has expired, the term of this Declaration shall be automatically extended for successive period of ten (10) years, unless an instrument in writing, signed by sixty-seven percent (67%) of the then Owners, has been recorded within the year preceding the beginning of each successive ten-year period, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

13.2. Amendment. During the Declarant Control Period, this Declaration may be amended by the Declarant without joinder of any other party. This Declaration may also be amended by a sixty-seven percent (67%) affirmative vote of the Members present at any duly called meeting, and the written approval of the Declarant during the Declarant Control Period. At any time, the Declarant may unilaterally amend this Declaration so long as such amendment is designed to comply with any law, regulation or provision of the Federal Home Loan Mortgage Corporation or Federal National Mortgage association. Any amendment shall not become effective until recorded in the Register's Office for Davidson County, Tennessee. No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

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

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

13.5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion of portions of the Common Elements adjacent thereto or as between adjacent Units, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of this Declaration) at a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Elements or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant or the Association. There also shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion of portions of the Common Elements adjacent hereto or as between adjacent Units, due to the placement or settlement or shifting of roof overhangs, downspouts, gutters, eaves, foundations or fireplaces/ chimneys constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Elements or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point. In the event that any streets or roadways granting ingress or egress to a Unit are included in the Common Elements, all Owners of such Units shall have a permanent easement for ingress and egress over such streets or roadways. Any conveyance or encumbrance of such streets or roadways shall be subject to such easement.

13.6. Easement for Utilities, Etc.

13.6.1. There is hereby reserved unto Declarant, so long as the Declarant owns any property intended for inclusion in the Development, the Association and the designees of each (which may include, without limitation, the City and any utility), blanket easements upon, across, over and under all of the Common Elements and to the extent shown on any plat, over the Units for ingress, egress, installation, replacing, repairing and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, drainage systems, street lights, signage and all utilities, including but not limited to, water, sewers, meter boxes, telephones, gas and electricity.

13.6.2. Declarant hereby reserves unto itself and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as set forth in this Declaration, Bylaws and Association rules.

13.6.3. Notwithstanding anything herein to the contrary, this Declaration and the conveyance of each Unit shall be subject to all easements heretofore or hereafter granted by Declarant or by the Board for the installation and maintenance of utilities and drainage facilities necessary for the development of the Property.

13.6.4. Whenever sanitary sewer connections, water connections, or electricity, data, television, gas or telephone lines are installed within the property, which connections or any portion thereof lie in or upon the Common Elements or Units owned by Owners other than the Owners of the Units served by said connections, the Owner of each Unit served by said connections shall have the right, and hereby is granted an easement to the full extent necessary therefor, to enter upon or have the utility companies enter upon the Unit or Common Elements upon which said connections, or any portion thereof, lie for the purpose of repairing, replacing and generally maintaining said connection as and when the same may be necessary.

13.6.5. Whenever sanitary sewer connections, water connections, or electricity, data, television, gas, or telephone lines are installed within the Property, which connections serve more than one Unit, the Owner of each Unit served by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Unit.

13.6.6. In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon the written request to the Association of any one of such Owners, the matter shall be submitted to the Board, which shall decide the dispute and make a Special Assessment against any or all of the Owners involved, which Special Assessment shall be collected and enforced in the manner provided in this Declaration.

13.6.7. Each of the easements provide for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Units and the Common Elements, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Property.

13.7. Construction and Sale by Declarant. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to construct, maintain and carry on upon portions of the Property, other than Units owned by persons other than Declarant, such facilities and activities as, in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction or sale of

such residences, including, but not limited to, business offices, signs, utilities, model units, and sales offices, and the Declarant and its invitees shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by the Declarant as models and sales offices. Declarant may further delegate all of the privileges set forth in this Section 8 to any builder or other party in the discretion of the Declarant. This Section may not be amended without the express written consent of the Declarant.

13.8. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect. Each covenant and restrictions shall be enforced to the fullest extent permitted by law.

13.9. Right of Entry. The Association shall have the right to enter into any Unit for emergency, security and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers and all policemen, firemen, ambulance, personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board. The Board may levy a Special Assessment against such Owner equal to the cost and expense incurred by the Association incurring such condition.

13.10. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13.11. Disclosures. Each Owner acknowledges the following:

13.11.1. The Development is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/ or widened in the future.

13.11.2. The views from an Owner's Unit may change over time due to, among other circumstances, additional development and the removal or addition of landscaping.

13.11.3. No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

13.11.4. No representatives are made regarding the schools that currently or may in the future serve the Development or any unit.

13.11.5. Since in every neighborhood, there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner may find objectionable and that it shall be the sole responsibility of the Owners to become acquainted with neighborhood conditions that could affect the Unit.

13.11.6. All Owners acknowledge and understand that Declarant and Builders will be constructing and/or renovating portions of the Development and engaging in other construction activities related to the construction of Common Elements and improvement of Units. Such construction activities may, from time to time, produce certain conditions on the Development, including, without limitation: noise or sound that is objectionable because of its volume, duration,

frequency or shrillness, smoke, noxious, toxic or corrosive fumes or gases, obnoxious odors, dust, dirty or flying ash, unusual fire or explosion hazards, temporary interruption of utilities, and/ or other conditions that may threaten the security or safety of persons on the Development. Notwithstanding the foregoing, all Owners agree that such conditions on the Development resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed m violation of any provision of the Declaration.

14. DECLARANT'S RIGHTS

14.1. Withdrawal or Addition of Property. The Development may occur in phases, and Declarant reserves the right to amend this Declaration, for the purpose of removing any portion of the Property that has not yet been improved with structures from the coverage of this Declaration or to add additional property to be subject to this Declaration by Supplemental Declaration. Such amendment shall not require the consent of any person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Elements, the Association shall consent to such withdrawal. The inclusion of real property in the term "Development" or on **Exhibit A-1** to this Declaration shall not be deemed to obligate Declarant to acquire such real property or to include such property within the Property or the Development except in the sole discretion of Declarant.

14.2. Marketing and Sales Activities. Declarant and builders authorized by Declarant may construct and maintain upon portions of the Development and the Common Elements such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant shall have easements for access to and use of such facilities at no charge.

14.3. Right to Develop. Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Elements for the purpose of making, constructing and installing such improvements to the Common Elements as it deems appropriate in its sole discretion.

14.4. Right to Approve Changes in Design Standards. No amendment to or modification of any restrictions and rules or architectural guidelines shall be effective without prior notice and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with this Article.

14.5. Right to Transfer and/or Assign Declarant Rights. Any or all of Declarant's special rights and obligations set forth in this Declaration or by the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce any obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument Declarant signs and records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise any right reserved to Declarant in this Declaration as an agent, employee or contractor of Declarant where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise. In the event Declarant ceases to act as Declarant and abandons its role as Declarant after the end of the Declarant Control Period, then the Association shall have and may exercise all rights of Declarant without the necessity of a written assignment by the Declarant that fulfilled Declarant's obligations prior to such transfer.

14.6. Easement to Inspect and Right to Correct. Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign and correct any structure, improvement, or condition which may exist on any portion of the Property, including Units, and a perpetual nonexclusive

easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

14.7. Termination of Rights. The rights contained in this Article shall not terminate until the earlier of **(a)** forty (40) years from the date this Declaration is recorded; or **(b)** recording by Declarant of a written statement that all development and sales activity has ceased.

15. SPECIAL FNMA/FHLMC PROVISION

15.1. Restrictions on Certain Acts. So long as required by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first Mortgagees or members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

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

15.1.2. change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board shall not be subject to this provision where such decision is otherwise authorized by this Declaration);

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

15.1.4. fail to maintain insurance, as required by this Declaration; or

15.1.5. use hazard insurance proceeds for any Common Elements losses for other than the repair, replacement, or reconstruction of such property.

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

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

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

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

15.6. Applicability of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, Bylaws, or Tennessee law for any of the acts set out in this Article.

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

[SIGNATURE ON FOLLOWING PAGE]

SIGNATURE PAGE
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE YARRA
A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed effective as of the day and year first set forth above.

TIFFANY H. STENGER
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 1-3-2023

DECLARANT:

TOWNHOMES ON GRAYCROFT LLC, a Tennessee limited liability company

By: _____
Bruce Most, Manager

STATE OF TENNESSEE)
)
COUNTY OF Davidson)

Before **me,** Tiffany H. Stenger, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared BRUCE MOST, 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 TOWNHOMES OF GRAYCROFT LLC, a Tennessee limited liability company, the within named bargainor, and that he as such Manager of TOWNHOMES OF GRAYCROFT LLC, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name as Manager of TOWNHOMES OF GRAYCROFT LLC.

Witness my hand and seal at office in Nashville, Tennessee, **this** 18th **day of March 2021.**

_____
Notary Public

My Commission Expires: 1.3.2023

[LENDER CONSENT AND SUBORDINATION ON FOLLOWING PAGE]

LENDER CONSENT AND SUBORDINATION
REGARDING
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE YARRA
A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

The undersigned is (i) "Beneficiary" under that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated November 13, 2020 (the "**Deed of Trust**"), and recorded November 16, 2010 as Instrument No. 20201116-0135009 in the Register's Office for Davidson County, Tennessee (the "**Register's Office**"), made by Townhomes on Graycroft LLC, a Tennessee limited liability ("**Borrower**"), as grantor, in the amount of $7,000,000.00; and (ii) "Lender" under that certain Assignment of Rents and Leases made by Borrower, dated November 13, 2020, and recorded November 16, 2020 as Instrument No. 20201116-0135010 in the Register's Office (the "**ALR**" and together with the Deed of Trust, the "**Security Instruments**"). The undersigned hereby subordinates the Security Instruments and each of them to the foregoing Declaration of Covenants, Conditions and Restrictions for The Yarra, a Horizontal Property Regime with Private Elements (the "**Declaration**"), and hereby agrees that the Declaration shall be superior to and shall survive any event of foreclosure (or deed in lieu thereof), and/or any similar transfer under or related to, the Security Instruments, or either of them.

FIRSTBANK, a Tennessee state bank

By: _____

Name: Cole Hodges

Title: SVP

STATE OF TENNESSEE)
)
COUNTY OF Williamson)

Before me, Ciara Dasovic, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Cole Hodges, 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 SVP of FIRSTBANK, a Tennessee state bank, the within named bargainor, and that he as such SVP of FIRSTBANK, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name as SVP of FIRSTBANK.

Witness my hand and seal at office in Nashville, Tennessee, this 30 day of March 2021.

_____
Notary Public

My Commission Expires: 03/19/2023

Ciara Dasovic
State of Tennessee
Notary Public
Williamson County
My Commission Expires 03/19/2023

EXHIBIT A

to Declaration of Covenants, Conditions and Restrictions (The Yarra)

Description of Real Property

A tract of land in the 11th District, Davidson County, Tennessee. Tract being bounded on the north and west by Due West Towers, LLC as recorded in Instrument Number 201606080058131, Register's Office Davidson County, Tennessee (RODC), by the Metro Government Chadwell tracts as recorded in Instrument Numbers 200111140124859 and 200005120047944, RODC and by the David and Connie Farr tract as recorded in Instrument Number 2001007300059939, RODC. On the east by the Christine Nilan tract as recorded in Instrument Number 201106140045447, RODC, on the south and east by the remainder of the said Due West Towers, LLC, and on the west by the eastern Right of Way (ROW) of Interstate 65. Tract being described according to a survey by Stivers Land Surveying, RLS 2219, dated September 22, 2020, as follows:

Point of Commencement being the southwestern corner of the said Due West Towers, LLC and being on the northern ROW of Due West Ave; thence with the western line of the said Due West Towers, LLC North 06°09'55" East 531.07' to an iron rod old on said eastern ROW; thence with said ROW North 37°04'54" East 430.86' to the point of beginning; thence continuing with said ROW North 37°04'54" East a distance of 150.13' to an existing concrete highway monument; thence North 11°00'24" East a distance of 358.34' to an existing concrete highway monument; thence North 23°56'55" East a distance of 32.05' to an iron rod old; thence with the common line of the said Metro Government Chadwell tracts South 82°27'42" East a distance of 404.37' to an iron rod old; thence a new line South 82°28'04" East a distance of 440.00' to an iron rod old; thence with the common line of the said David and Connie Farr tract South 82°29'23" East a distance of 80.74' to a point; thence with the common line of the said Christine Nilan tract South 08°41'14" West a distance of 289.16' to an iron rod old; thence with a new line North 58°43'47" West a distance of 190.83' to a point; thence South 31°16'13" West a distance of 20.81' to a point; thence North 58°43'47" West a distance of 53.19' to a point; thence North 82°27'42" West a distance of 281.52' to a point; thence South 07°32'18" West a distance of 274.26' to a point; thence North 82°15'15" West a distance of 301.75' to a point; thence South 16°46'36" West a distance of 57.26' to a point; thence North 76°36'03" West a distance of 200.89' to the point of beginning,

Having an area of 334,435.94 square feet, 7.678 acres, more or less.

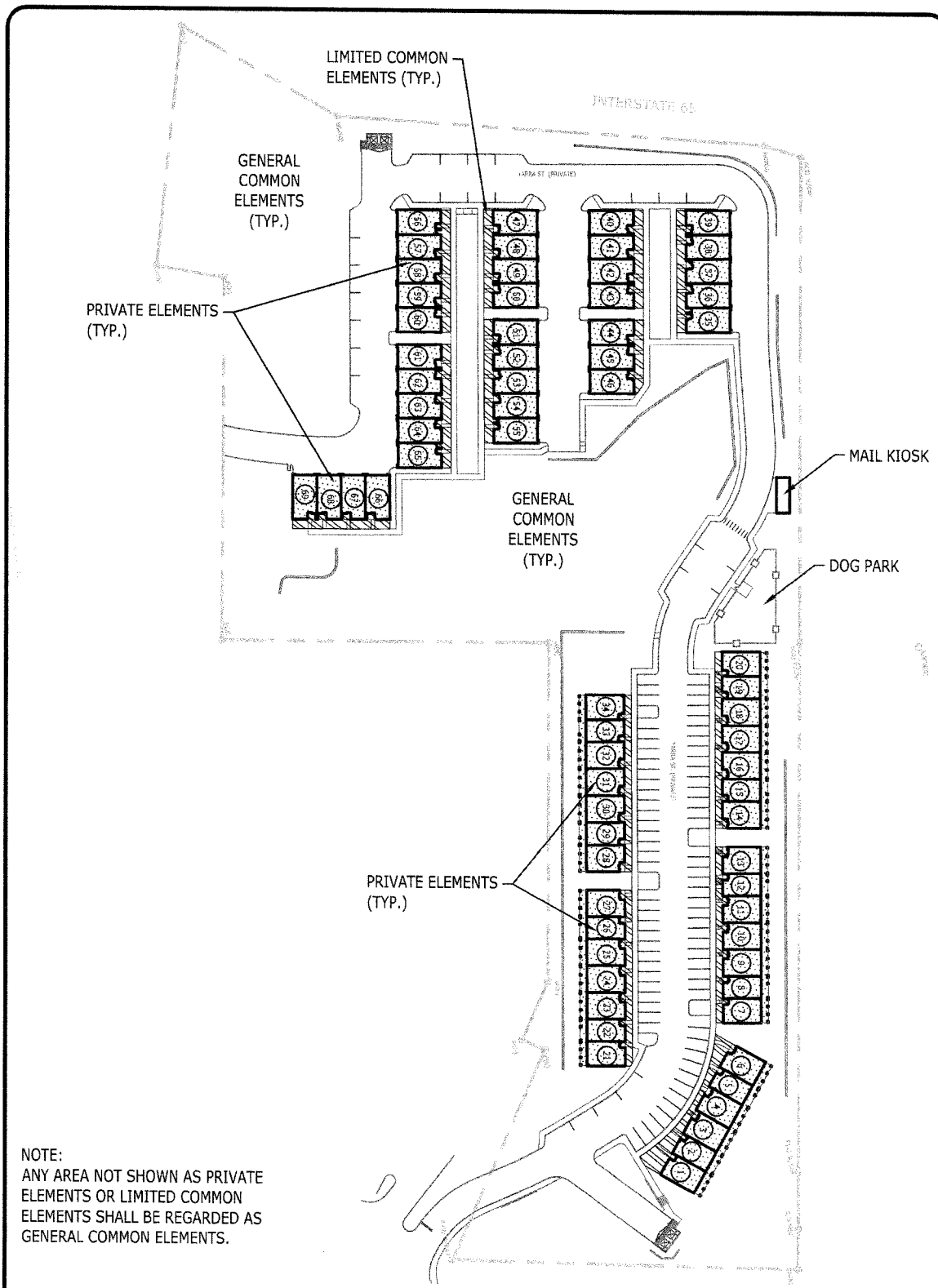
Being the same property conveyed to Townhomes on Graycroft LLC, a Tennessee limited liability company by Deed from Due West Towers LLC, a Tennessee limited liability company of record in Instrument No. 20201116-0135005, Register's Office for Davidson County, Tennessee.

EXHIBIT A-1

to Declaration of Covenants, Conditions and Restrictions (The Yarra)

Plat of Units, Common Elements and Limited Common Elements

[SEE FOLLOWING PAGE]



NOTE:
ANY AREA NOT SHOWN AS PRIVATE ELEMENTS OR LIMITED COMMON ELEMENTS SHALL BE REGARDED AS GENERAL COMMON ELEMENTS.

N

0 50 100 200 300

GRAPHIC SCALE

LEGEND	
GENERAL COMMON ELEMENTS	
LIMITED COMMON ELEMENTS	
PRIVATE ELEMENTS	

Catalyst DESIGN GROUP
5100 TENNESSEE AVE, NASHVILLE, TN 37209
(615) 622-7200 | WWW.CATALYST-DG.COM

P:\2020\20200062\dwg\Exhibits\20200062_HPR Exhibit.dwg-HPR Mar 03, 2021 jcunningham

PROJECT:
THE YARRA

1022 Graycroft Ave.
Madison, Tennessee

TITLE: HORIZONTAL PROPERTY REGIME EXHIBIT

PROJ #	20200062	DWG. NO.
DATE:	03-03-2021	HPR-E1

EXHIBIT B
to Declaration of Covenants, Conditions and Restrictions (The Yarra)

Charter of The Yarra Homeowners Association, Inc.

[SEE FOLLOWING PAGES]

State of Tennessee

Department of State
Corporate Filings
312 Rosa L. Parks Ave.
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF CORRECTION

For Office Use Only

Pursuant to the provisions of Section 48-**1**-305 of the Tennessee Business Corporation Act or Section 48-51-305 of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The name of the corporation is The Yarra Homeowners Association, Inc.

2. Please mark the sentence below which **applies**.

[X] A copy of the incorrect document (as filed) is attached.

[ ] A description of the incorrect document (including its filing date) is given here:

3. If the document is incorrect because of incorrect statement(s), enter the incorrect statement(s) and the reason(s) it/they is/are incorrect:

The Charter states this corporation will not have members. That is incorrect because the corporation will serve as an owners association that will have members.

4. The correct statement(s) is/are:

This corporation will have members.

5. If the document is incorrect because of a defective execution, state the manner in which the execution was defective:

6. The correct execution should be:

4/5/21
Signature Date

Incorporator
Signer's Capacity

The Yarra Homeowners Association, Inc.
Name of Corporation

Signature

Josiah Reid
Name (typed or printed)

SS-4438 (Rev. 3/99)

RDA 1678

202104080046599

001179994

CHARTER
NONPROFIT CORPORATION

SS-4418

Tre Hargett
Secretary of State

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

Filing Fee: $100.00

For Office Use Only

-FILED-

Control # 001179994

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

1. The name of the corporation is: The Yarra Homeowners Association, Inc.

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

3. This company has the additional designation of: None

4. The name and complete address of its initial registered agent and office located in the State of Tennessee is:
BRUCE MOST
STE 103
4303 GALLATIN PIKE
NASHVILLE, TN 37216-2134
DAVIDSON COUNTY

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

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

7. The corporation is not for profit.

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

9. The complete address of its principal office is:
STE 103
4303 GALLATIN PIKE
NASHVILLE, TN 37216-2134
DAVIDSON COUNTY

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

B1001-1053 03/17/2021 4:53 PM Received by Tennessee Secretary of State Tre Hargett

CHARTER
NONPROFIT CORPORATION

SS-4418

Tre Hargett
Secretary of State

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

Filing Fee: $100.00

For Office Use Only

-FILED-

Control # 001179994

The name of the corporation is: The Yarra Homeowners Association, Inc.

10. The complete mailing address of the entity (if different from the principal office) is:
STE 103
4303 GALLATIN PIKE
NASHVILLE, TN 37216-2134

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

Title	Name	Business Address	City, State, Zip
Incorporator	Josiah Reid	16435 N. SCOTTSDALE RD. STE 440	SCOTTSDALE, AZ 85254

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

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

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

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

13. Insert here the provisions regarding the distribution of assets upon dissolution:
In the event of dissolution of the Corporation, the residual assets of the Corporation (after all creditors of the Corporation have been paid), shall be distributed to the members prorated in accordance with their respective membership interests.

14. Other Provisions:

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

Electronic
Signature

Incorporator
Title/Signer's Capacity

Josiah Reid
Printed Name

Mar 17, 2021 4:53PM
Date

B1001-1054 03/17/2021 4:53 PM Received by Tennessee Secretary of State Tre Hargett

EXHIBIT C
to Declaration of Covenants, Conditions and Restrictions (The Yarra)

Bylaws of The Yarra Homeowners Association, Inc.

[SEE FOLLOWING PAGES]

BYLAWS OF THE YARRA HOMEOWNERS ASSOCIATION, INC., A TENNESSEE NONPROFIT CORPORATION

1. MEMBERS

1.1. Identity.

1.1.1. These are the Bylaws of The Yarra Homeowners Association, Inc., a Tennessee nonprofit corporation (the "**Association**"), incorporated under the laws of the Tennessee Nonprofit Corporation Act.

1.1.2. The Association has been organized for the purpose of serving as the property owners association for the residential development known as "The Yarra", in accordance with the Declaration of Covenants, Conditions and Restrictions for The Yarra, a Horizontal Property Regime with Private Elements, and filed of record in the Register's Office for Davidson County, Tennessee (as the same may be modified, amended or restated, the "**Declaration**"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration.

1.2. Members. Every Owner shall be deemed to have a membership in the Association. "**Owner**" shall mean and refer to the Person or entity, including Declarant, who holds the record title to any Unit which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be the Owner. For purposes of these Bylaws, "**Member**" shall mean the individual Owner, or, if there are multiple persons or entities who are Owners of a Unit, the representatives of such Owners.

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

1.4. Regular Meetings. The first regular annual meeting of Members (the "**First Meeting**"), subject to the terms hereof, shall be held on a date to be established by Declarant in the calendar year following the year in which the first Unit has been sold. Subsequent to the First Meeting, there shall be a regular annual meeting of Members within fifteen (15) days before or after each anniversary of the First Meeting. All such meetings of Members shall be held at a location in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be sent to all Members at least ten (10) days prior to the date of such meeting.

1.5. Special Meetings. Special meetings of all Members may be called by the President or by a majority of the Members of the Board, or by Members having at least fifteen percent (15%) of the votes entitled to be cast at such meeting. Said special meetings shall be called by sending written notice to all Members not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

1.6. Voting. No Owner, whether one (1) or more Persons, shall have more than one (1) membership vote per Unit owned, except that the Declarant shall have six (6) votes for each Unit owned by Declarant, whether such Unit has been platted or is set forth on the Plat. In the event of the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. A Member of the Member's spouse, subject to the provisions of the Declaration and the Bylaws, may exercise

the rights and privileges of membership. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of the Declaration and the Bylaws. In any situation in which more than one (1) Person holds the interest in a Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it. Voting by proxy is allowed on any matter.

1.7. Quorum. Except as otherwise expressly provided in the Declaration or these Bylaws, a quorum of Members for any meeting shall be constituted by Members represented in person or by proxy and holding at least ten percent (10%) of the votes entitled to be cast at such meeting.

1.8. Notice, Voting and Attendance by Electronic Means. Any notice to the Members required to be sent or given by the Bylaws shall be deemed to have been sent if such notice is in writing and is delivered to each Member by hand delivery, overnight courier or other form of wire or wireless communication or if sent by U.S. Mail, postage prepaid or by e-mail, to the address provided in writing from time to time by such member to the Association. If no address is provided, notice to the address of the Unit shall suffice. Unless limited by applicable law, and notwithstanding the foregoing, the Board of Directors may establish rules and procedures from time to time that permit notices of meetings and other matters, the delivery of proxies and voting by electronic means; provided, however, that such rules and procedures shall in each case **(a)** provide reasonable safeguards to authenticate electronic means of communication; **(b)** permit a Member to opt out of electronic procedures by an affirmative choice, in which case the foregoing rules for delivery of notices, proxies and voting shall control with regard to such member; **(c)** provide that matters on which electronic votes have been cast may not be amended, unless such amendment is also submitted for vote by electronic and other means; and **(d)** provide that in the event a Member is physically present at a meeting called for the purpose of voting on an item, the Member may override or withdraw any electronic vote previously cast for the item.

2. BOARD OF DIRECTORS

2.1. Number, Election and Term of Office. The Association shall be governed by a board of Directors (the "**Board**") composed of not less than three (3) nor more than five (5) individuals (the "**Directors**" and each a "**Director**") appointed or elected as provided in these Bylaws, except that the during the Declarant Control Period, the Board shall be composed of three (3) individuals. Directors shall be appointed or elected as follows:

2.1.1. During the Declarant Control Period, the Declarant may appoint up to three (3) Directors each to serve in the discretion of the Declarant. Directors appointed by the Declarant do not have to be Members.

2.1.2. Following the Declarant Control Period, the Directors shall be elected by majority vote of those Members, in person or by proxy, present at a duly called election by the Membership to serve a two year term; provided, however, that for the initial election of the non-Declarant appointed Directors, the Board existing prior to such election may direct that the initial terms may be other than two years for two of the Directors to be elected for the purposes of creating staggered terms for the Directors and may direct the means of determining which terms will be given a shorter or longer term prior to such election. Directors elected by the Members are required to be Members. Voting by proxy is allowed under procedures approved by the Board. Any Director so appointed or elected may be appointed or elected to subsequent terms as a Director without limitation.

2.2. Qualification. If a Director who is a member shall cease to be a Member during that Director's term, he or she shall thereupon cease to be a Director and the position on the Board shall be deemed vacant.

2.3. Vacancies. Except during the Declarant Control Period, any vacancy occurring in the Board shall be filled by majority vote of the remaining Directors, except that the Members shall elect a Director whose position has been vacated as the result of a removal by the Members of a sitting Director. Any Director so elected to fill a vacancy shall hold office for the remainder of the unexpired term.

2.4. Meetings. A regular annual meeting of the Board shall be held not less than ten (10) days following the regular annual meeting of Members. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each Director, delivered by hand delivery, overnight courier, mail, e-mail, telegram or facsimile transmission or another form of wire or wireless communication. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his or her waiver of notice of said meeting.

2.5. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted separately by the Members.

2.6. Quorum. Three (3) Directors shall constitute a quorum; provided, however, if the Board is composed of only three (3) Directors, then two (2) Directors shall constitute a quorum.

2.7. Power and Duties. The Board shall have the following powers and duties:

2.7.1. to elect and remove the Officers of the Association as hereinafter provided;

2.7.2. to administer the affairs of the Association and the Common Elements, including the purchasing of casualty and liability insurance authorized by the Declaration;

2.7.3. to formulate policies for the administration, management and operation of the Common Elements;

2.7.4. to adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, operation and use of the Common Elements;

2.7.5. to provide for the maintenance, repair and replacement of the Common Elements, and other expenses authorized by the Declaration and payments therefor, to approve payment vouchers or to delegate such approval to the Officers;

2.7.6. to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Elements and other expenses authorized by the Declaration;

2.7.7. to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

2.7.8. to make architectural and other decisions as provided in the Declaration;

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

2.7.10. to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Members their respective shares of such estimated expenses, as hereinafter provided;

2.7.11. to exercise any other powers and duties ascribed to the Board or the Association in the Declaration or applicable law;

2.7.12. to borrow money on behalf of the Association, to enter into agreements related to such borrowing, and to pledge funds, property or Common Elements as security for such indebtedness; and

2.7.13. unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Members, as expressed in a resolution duly adopted at any annual or special meeting of the Members.

2.8. Delegation.

2.8.1. 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 Members.

2.8.2. The powers of the Board may be delegated to any person or entity or to a managing agent of the Association by written delegation or authority.

2.9. Nature of Board Meetings. Board meetings are meetings of the Board of Directors. Members do not have a right to speak or to present matters at any Board meeting; provided, however, that the Board may establish an agenda item consisting of a period for Members to present matters for the Board (an "**Open Period**"). Matters submitted to the Board during the Open Period shall not be discussed or acted upon by the Board at that meeting unless the Board by majority vote adds the item to the agenda for the meeting. Members shall have a right to attend Board meetings, subject to capacity and occupancy levels of the meeting venue; provided, however, that the Board shall have the right to close the meeting to the Members if the Board desires to discuss matters involving specific Members, including without limitation enforcement actions; matters potentially involving litigation; or other matters on approval of a majority of the Directors present.

3. OFFICERS

3.1. Designation. At each regular annual meeting, the Directors present at said meeting shall elect the following Officers of the Association by a majority vote:

3.1.1. a President, who shall be a Director and who shall preside over the meetings of the Board and of the Members, and who shall be the chief executive. officer of the Association;

3.1.2. a Secretary, who shall keep the minutes of all meetings of the Board and of the Members, and who shall, in general, perform all the duties incident to the office of Secretary;

3.1.3. 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

3.1.4. such additional Officers as the Board shall see fit to elect.

3.2. 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.

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

3.4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of Board at a regular or special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for the remaining unexpired term. Any Officer may be removed for cause at any time by vote of three fifths (3/5) of the total Directors at a special meeting thereof.

3.5. Compensation. The Officers shall receive no compensation for their services as Officers.

4. ASSESSMENTS

4.1. Annual Budget.

4.1.1. The Board shall cause to be prepared, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the members, a budget covering the estimated costs of operating the Association during the coming fiscal year (the "**Operating Budget**"), together with a budget that shall take into account the number and nature of replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset for the coming fiscal year (the "**Capital Budget**"), said fiscal year to be determined by the Board. The Operating Budget and the Capital Budget shall be collectively referenced as the "**Budget**". The Operating Budget shall include a capital contribution establishing a reserve fund in accordance with the Capital Budget. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association as shown on the Capital Budget, with respect both to the amount and timing of Assessments over the period of the Budget. To the extent that the assessments and other cash income collected from the members during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account preparing the new Budget.

4.1.2. The Board shall cause a copy of the budget, and the amount of each General Assessment and Special Assessment to be levied against each Unit for the following year, to be delivered to each member at least ten (10) days prior to each annual meeting. The Board shall set assessments based on the Operating Budget and the Capital Budget. The Budget shall become effective unless disapproved at the meeting by a majority vote of the total Association membership. In the event the Members disapprove the proposed Budget or the Board fails for any reason to determine the Budget for the succeeding year, then and until such time as a Budget shall have been determined as provided herein, the Budget in effect for the then current year shall continue for the succeeding year(s). Each Owner shall pay the assessment relating to such Owner's Units on or

before the first day of each applicable period as established by the Board from time to time. Payments shall be made to the Association or as may be otherwise directed by the Board.

4.2. Assessments. The Board may impose and collect assessments as set forth in the Declaration.

4.3. 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 Interim Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly or quarterly or annual assessments for each Member shall be proportionate to the number of months and days in such period covered by such budget.

4.4. 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 Member a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

4.5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the assessments, determined in accordance with the Budget for such year, are insufficient or inadequate to cover the estimated expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Member, and thereupon a supplemental assessment shall be made to each Member for his proportionate share of such supplemental budget.

4.6. Record and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures of the Association, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

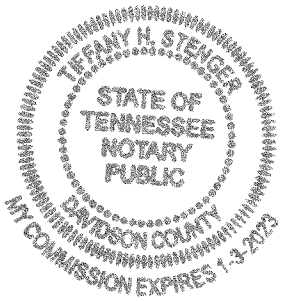
5. AMENDMENTS

During the Declarant Control Period, these Bylaws may be amended by the Declarant, and thereafter by an affirmative vote of at least sixty seven percent (67%) of the Members present at a duly-called meeting, subject to the limitations on amendments without the consent of the Mortgagees or Declarant under the Declaration. Any amendment shall not become effective until recorded in the Register's Office for Davidson County, Tennessee.

[SIGNATURE ON FOLLOWING PAGE]

SIGNATURE PAGE
TO
BYLAWS OF THE YARRA HOMEOWNERS ASSOCIATION, INC.

IN WITNESS WHEREOF, Declarant has caused these Bylaws to be executed effective as of the day and year first set forth above.



DECLARANT:

TOWNHOMES ON GRAYCROFT LLC, a Tennessee limited liability company

By: _____
Bruce Most, Manager

STATE OF TENNESSEE)
)
COUNTY OF Davidson)

Before me, Tiffany H. Stenger, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared BRUCE MOST, 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 TOWNHOMES OF GRAYCROFT LLC, a Tennessee limited liability company, the within named bargainor, and that he as such Manager of TOWNHOMES OF GRAYCROFT LLC, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name as Manager of TOWNHOMES OF GRAYCROFT LLC.

Witness my hand and seal at office in Nashville, Tennessee, this 18th day of ~~February~~ MARCH 2021.

_____
Notary Public

My Commission Expires: 1.3.2023

ATTORNEY'S STATEMENT FOR ATTACHMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE YARRA, A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

This document serves as the attorney's opinion required pursuant to T.C.A. Section 66-27-101 et seq. also known as the Horizontal Property Act (the "**Act**") solely as to that certain Declaration of Covenants, Conditions, and Restrictions for The Yarra, a Horizontal Property Regime with Private Elements, to which this document is attached (the "**Declaration**"): The undersigned Josiah R. Reid, Esq., an attorney licensed to practice law in the State of Tennessee, hereby declares that all legal documents required pursuant to Tennessee Code Annotated Section 66-27-103 for the creation of a planned unit development are attached to this Declaration, including the Declaration, Bylaws, a plat showing private and common elements, a Charter evidencing the organization of a townhouse corporation as that term is described in the Act, and a planned unit development shall therefore be created under the Act upon recording of such instruments. No other opinion, warranty or representation is made or shall be construed from this document, all of which are expressly disclaimed.

Witness my hand this 31st day of March 2021.

Josiah R. Reid, Esq.

True Copy Certification

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

Signature

State of **TN**
County of **Davidson**

Personally appeared before me, **J. Brandon Miller**, a notary public for this county and state, **Angie Lawless** who acknowledges that this certification of an electronic document is true and correct and whose signature I have witnessed.

Notary's Signature

My Commission Expires: 5-2-22

J. BRANDON MILLER
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires 05-02-2022