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MASTER DEED
AND
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
467 MORTON AVENUE TOWNHOMES

This Master Deed and Declaration of Covenants, Conditions and Restrictions (the "Declaration") for 467 Morton Avenue Townhomes is made and entered into by 213 Properties, LLC, a Tennessee limited liability company, herein referred to as, the "Declarant".

WITNESSETH:

That whereas, 213 Properties, a Tennessee limited liability company, is the record owner and holder of legal title of certain real estate located in Nashville, Davidson County, Tennessee, more fully described in Exhibit "A" attached hereto and incorporated herein (the "Property"); and,

Whereas, the Declarant desires to submit the Property described on Exhibit "A" together with all buildings, structures, improvements, and other permanent fixtures of whatever kind thereon, and all rights and privileges belonging or in any way pertaining thereto, to the provisions of the Horizontal Property Act of the State of Tennessee, as the same may be amended from time to time; and,

Whereas, the Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners and/or occupants of the Property or any part thereof, certain rights, easements, and privileges in, over and upon the said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

Now therefore, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and reservation of easements, which are established for the purpose of protecting the value and desirability of, and which shall run with the title to the Property and shall be binding on all parties having any right, title or interest in the described properties or any part therein, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof and further declares as follows:

1. Definitions.

A. "Act" means the Horizontal Property Act of the State of Tennessee, as the same may be amended from time to time.

B. "Association" means the 467 Morton Avenue Townhomes Homeowners' Association, Inc., a Tennessee not-for-profit corporation.

C. "Board" means the Board of Directors of the 467 Morton Avenue Townhomes Homeowners' Association, Inc.

D. "Buildings" mean the buildings located on the parcel and forming a part of the property and containing the Units. The Buildings are delineated on the Plat attached hereto as Exhibit "B".

E. "By-Laws" mean the By-Laws of the 467 Morton Avenue Townhomes Homeowners' Association, Inc. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the property shall be deemed to be part of the By-Laws.

F. '"Common Elements" mean all of the property except for the Units and, without limiting the generality of the foregoing, shall include those items defined as General Common Elements in the Act, including the following:

1. The Parcel;
2. All foundations, party walls and columns, bearing walls and columns, roofs, halls, lobbies, stairways, entrances, exists, and communication ways;
3. All yards and gardens, except as otherwise herein provided or stipulated;
4. All compartments or installations of certain services such as power, light, telephone, cable, gas, cold and hot water, refrigeration, reservoirs, water tanks, and pumps, and the like;
5. All devices or installations existing for common use;
6. All parking areas, roads, sewers, and all other services of a public nature not inside the walls of the individual Units; and,
7. All areas shown on the plan and including all roads, pipes, wires, conduits, ducts, cables, public utility line, retention basin, drainage control structure, and other improvements necessary for the overall integrity of the properties

8. All other elements of the Buildings desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Declaration; and,
9. All other amenities dedicated for the common use of the Unit Owners.

G. "Developer" (also herein being one and the same as the "Declarant") shall refer to 213 Properties, LLC, a Tennessee Limited Liability Company, its successors and/or assigns, provided such successors and/or assigns are designated in writing by Developer as a successor and/or assign of the rights of Developer set forth herein.

H. "Limited Common Elements" means all Common Elements contiguous to and serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful occupants of such Unit or Units either in this Declaration, on the Plat, or by the Board. Limited Common Elements shall include, but shall not be limited to, the separate furnace, air conditioner and water heater located within or adjacent to a Unit and serving only such Unit or Units, pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units, any balconies and patios, and such portions of the perimeter walls, floors, and ceilings, doors, vestibules, windows, screens, and entryways, and all associated fixtures and structures therein as lie outside the Unit boundaries, but are for the exclusive use of said Unit or Units.

I. "Majority" or "majority of the Unit Owners" mean the Unit Owners of more than Fifty (50%) percent of the Units.

J. "Master Deed" (also referred to as the "Declaration") means this instrument, by which the property is submitted to the provisions of the Act, as hereinafter provided, and such, as amended from time to time.

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

L. "Parcel" means the Parcel or Tract of real estate described on Exhibit "A" attached to this Declaration and submitted hereby to the provisions of the Act.

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

N. "Plat" means the Plat , Site Plan , Survey of the Parcel submitted to the provisions of the Act showing each building's development, phase, and the number of each Unit within each building, expressing its area, location and other data necessary for identification, whether said Plat

are of record in the Register's Office for Davidson County, Tennessee or made a part hereof, as an exhibit.

O. "Property" means all the land, property and space comprising the Parcel as defined in Item "L" above, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures, and equipment intended for the mutual use, benefit or enjoyment of Unit Owners, submitted to the provisions of the Act.

P. "Record" or "Recording" refers to the record or recording in the Register's Office for Davidson County, Tennessee.

Q. "Rules and Regulations" refer to the rules and regulations concerning the use of the Units and the Common Elements, as adopted from time to time by the Board in accordance with the Declaration and By-Laws.

R. "Unit" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in the Buildings, which enclosed space, is not owned in common with Unit Owners of other Units. Each Unit is numbered as shown on the Plat(s). The boundaries of each Unit shall be and are the unfinished interior surfaces of its perimeter walls, floors, and ceilings, and a Unit includes both the portion of the Buildings so described and the air space so encompassed, excepting Common Elements. It is intended that the term Unit as used in this Declaration shall have the same meaning as the term "Apartment" as used in the Act.

S. "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto and shall be deemed the same as "co-owner" under the Act, but Unit Owner shall not mean the Mortgagee or Beneficiary of a recorded mortgage or deed of trust who holds a lien solely for security purposes and does not have possession of the Unit. Unless specifically provided otherwise herein, Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

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

U. "Eligible Mortgage Holders" shall mean those holders of a first mortgage on a Unit

who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of mortgage holders.

2. Submission of Property of the Act. The Developer does hereby submit and subject the Parcel and the Property to the provisions of the Horizontal Property Act of the State of Tennessee, as amended from time to time, and does hereby establish a Horizontal Property Regime to be known as, 467 Morton Avenue Townhomes.

3. Plat. The Plats set forth the numbers and location of each Unit and other data as required by the Act.

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

5. a. (1) Association of Unit Owners and Administration and Operation of the Property. There has been formed an Association having the name 467 Morton Avenue Townhomes Homeowners' Association, Inc., a Tennessee not-for-profit corporation, which Association shall be the governing body for all Unit Owners, and shall be operated to provide for the maintenance, repair, replacement, administration, and operation of the property, as provided in the Act, this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Declaration as Exhibit "C" and made a part hereof. The Board of Directors of the Association shall be elected and serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners, in accordance with the provisions of this Declaration and By-Laws. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. Each Unit shall have one (1) vote.

a. (2) Membership and Voting Rights. The Association shall have two classes of voting membership:

CLASS "A". Class "A" members shall be all Unit Owners, with the exception of the Developer, and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

CLASS "B". The Class "B" members shall be the Developer and shall be entitled to seven (7) votes as long it owns at least one (1). The Class "B" membership shall cease and be converted to Class "A" membership upon the sale or transfer of all Units to Unit Owners.

b. The Special Declarant Rights are all rights reserved, to the Declarant, including but not limited to the right to relocate, complete all improvements and/or buildings on the Property and/or indicated on the Plat filed with or subsequent to filing of this Declaration and the sole and absolute right to amend this Declaration and/or By-Laws of the Association, at any time prior to the sale or transfer of all Units to Unit Owners.

c. (1) Management of Property. The Board shall have the authority but shall not be required to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer, and operate the property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of Subparagraph No. (2) below. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in Paragraph No. 10 hereof.

(2) Initial Management Contract. Prior to the appointment of the First Board as provided herein, the Developer, on behalf of the Association, may employ a management company, to act as Managing Agent for the Property provided, however, that such contract shall not exceed a period of two (2) years and shall be able to be terminated by the Association without penalty or advance notice of more than Ninety (90) days' notice.

d. Use by Developer. During the period of sale by Developer of any Units, Developer and Developer's agents, employees, contractors, and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the buildings and property as may be required for purposes of sale of Units. While Developer owns any of the Units and until each Unit sold by it is occupied by the Purchasers, Developer and its employees may use and show one (1) or more of such unsold or unoccupied Units as a model Unit or Units and may use one (1) or more of such unsold or unoccupied Units as a sales office and may maintain customary signs in connection therewith.

e. Non-Liability of Directors and Officers. To the extent permitted by law, neither the

directors nor officers of the Association shall be personally liable to Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. Unit Owners shall indemnify and hold harmless each of the directors or officers and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of Article VIII of the By-Laws.

f. Units for Building Personnel. The Board shall have authority to lease, purchase and mortgage a Unit, Units or other residential quarters for a building manager. All rental or debt service paid by the Association pursuant to a lease agreement or mortgage shall be a general common expense, as defined in Paragraph No. 10 hereof.

6. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the property, or any questions of interpretation or application of the provisions of this Declaration or By-Laws, the determination thereof by the Board shall be final and binding on all Unit Owners.

7. Ownership of the Common Elements. Each Unit is hereby allocated an equal undivided interest in the Common Elements. The ownership of a Unit shall not be conveyed separate from the undivided ownership in the Common Elements appurtenant to such Unit. The undivided interest in the Common Elements appurtenant to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering such Unit may refer only to the fee title to that Unit.

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

9. Parking Spaces. Parking spaces on the Property shall be part of the Common Elements and shall be assigned by the Association and used by Unit Owners subject to the Rules and Regulations of the Association.

10. A. Common Expenses and Enforcement.

(i) Each Unit Owner shall pay his equal proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Declaration and By-Laws (which expenses are herein sometimes referred to as "Common Expenses"), including, but not limited to, the maintenance and repair of the property and any and all replacements and additions thereto. Except for its responsibilities as a Unit Owner, as provided herein, Developer shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded; provided, however, in the event Developer expends any of its own funds for the repair, replacement or maintenance of any of the Common Elements, Developer shall be entitled to a credit for such sums against any Common Expenses Developer might be required to pay by virtue of being a Unit Owner. Each Unit Owner shall be responsible for paying an equal share of the Common Expenses. Assessments for the payment of Common Expenses shall be in such amounts and shall be payable at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his equal share of the common expenses by waiver or non-use of enjoyment of the Common or Limited Common Elements or by abandonment of his Unit. Any assessment paid more than fifteen (15) days after the due date shall be subject to and shall include a "late charge" as determined by the Board, to cover the extra expense involved in handling delinquent payments. In addition to the late charge hereinabove recited, any assessment not paid within thirty (30) days after the due date shall bear interest at ten (10%) percent (or the maximum interest rate permitted by law, whichever is greater) per annum until paid in full. Any and all delinquent assessments shall constitute a continuing lien against the Unit and its improvements. The Association may bring an action at law or equity against the Owner(s) personally obligated to pay the assessments and/or foreclose the lien against the property. Should enforcement be necessary, the Owner(s) shall be obligated to pay costs and attorney's fees associated therewith.

No sale or transfer shall relieve such Unit from liability for any assessments and/or related liability due or from the lien thereof.

The obligation to pay Assessments, late charges and interest is a separate and independent covenant on the part of each Unit Owner, and each Unit Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these Assessments. No diminution or abatement of Assessment or setoff shall be claimed or allowed by reason of any actual or alleged failure of the Association or Board to take some action or perform some function required to be

taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

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

If the Trustors shall pay their share of the common expenses and all other assessments, common, annual or special when due, then this trust conveyance shall be of no further force or effect. But if said indebtedness, or any part thereof, is 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 the respective Units (and its respective improvements, its Limited Common Elements, which for purposes herein shall be designated collectively as the "Unit") and corresponding interests in the Common Areas, at the front door of the Courthouse in Davidson County, Tennessee (or such other location as designated in said notice) to the highest bidder for cash at public outcry, free from the statutory or equitable right of redemption, homestead, dower, distributive share and all other rights or exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid and purchase at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of said indebtedness, enter and take possession of the respective Unit and shall only account for the net rents actually received by him. It is further agreed that, in the event the Trustee fails, before selling the respective Unit, to enter and take possession thereof, and the purchaser shall be entitled to immediate possession thereof upon the deliver to him by the Trustee of a deed therefore.

In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

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

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

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

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

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

Each Unit Owner shall be personally liable for his portion of each assessment made while he is the owner of a Unit, which obligation shall pass to successors in title unless barred pursuant to the provisions of Tennessee Code Annotated Section 66-27-101 et seq.

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

(iii) **The Association shall contract with a private waste management company to provide trash and waste removal services, the expense related thereto shall be incorporated into the Common Expenses recited above.**

B. Mortgage and Deed of Trust Protection. The lien for assessments payable by a Unit Owner shall be subordinate to the lien of a recorded first Mortgage or Deed of Trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. This subparagraph shall not be amended, changed, modified, or rescinded without the prior written consent of all Mortgagees and Beneficiaries of record.

11. Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to mortgage his Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or place a lien on the property or any part thereof, except to the extent of his own Unit and its appurtenant interest in the Common Elements.

12. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for his Unit and its appurtenant interest in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective share of ownership interest in the Common Elements, and, in said

event, such taxes shall be a common expense.

13. Insurance. The Board shall obtain insurance for the property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units, or any part thereof, to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board, as the Trustee for the Unit Owners in proportion to the Unit Owners' respective percentages of ownership in the Common Elements, as set forth in this Declaration, and for the holders of mortgages on the Units, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against the Unit Owners. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance may be separately billed to Unit Owners based upon their respective ownership in the Common Elements.

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

The Board shall also obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance in such amounts as it deems desirable, insuring each Unit Owner, mortgagee of record, the Association, its officers, directors, and employees, Developer, and the Managing Agent, if any, from liability in

connection with the property. The premiums for such insurance shall be part of the Common Expenses. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner with each Unit Owner to bear a proportion thereof based upon his percentage of ownership in the Common Elements. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

The Board shall also obtain Fidelity Coverage covering officers, directors and employees who handle or are responsible for handling Association funds. Such bonds shall be in such amounts as the Board may determine, but in no event less than the maximum amount of funds that will be in the custody of the Association (or its management company) at any time during the term of each bond and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

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

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

14. Maintenance, Repairs and Replacements. Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his Unit. Except to the extent hereinafter set forth, maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association, and the cost thereof shall be part of the common expenses, subject to the By-Laws, and Rules and Regulations of the Association. The expenses for the maintenance, repair or replacement of a Unit's water heater, furnace, air conditioner, heating, and air conditioning ducts, and plumbing and

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

If, due to the act or neglect of a Unit Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance.

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

15. Alterations, Additions or Improvements. Except as provided in Paragraph No. 16 herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. Decorating. Each Unit Owner, at his own expense, shall furnish and be responsible for all

decorating within his Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good conditions at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repairs or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Unit.

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

18. Use and Occupancy Restrictions. Subject to the provisions of the By-Laws, no part of the property may be used for purposes other than housing and the related common purposes for which the property was designed and as allowed by zoning laws. Each Unit shall be used as a residence or such other use permitted by this Declaration, and for no other purpose, except that professional and quasi-professional people may use their residence (not in violation of municipal zoning laws) as an ancillary or secondary facility to an office established elsewhere. No unit may be offered by its owner to the public at large for temporary transient accommodations (including but not limited to temporary accommodations under programs such as Airbnb); however, nothing in this Section shall prohibit Unit Owners from leasing their Units to others to be used as an apartment of residence; however, any such lease shall not be for a period of less than a six (6) month term. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by Unit Owners and their agents, servants, tenants, family members, customers, invitees, and licensees for access, ingress to, and egress from the

respective Units and for such other purposes incidental to use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

19. Remedies. In the event of any violation of the provisions of the Act, this Declaration, By-Laws, or rules and regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit), the Association, or its successors or assigns, shall have each and all of the rights and remedies which may be provided for in the Act, this Declaration, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided hereinafter in this Paragraph No. 19, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of Fifteen (15%) percent per annum or such other uniform lawful rate as the Board shall determine, until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of common expenses, upon the Unit, and its appurtenant interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the property; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit, to the extent hereinabove set forth in Paragraph No. 10 (b) hereof. In the event of any such default by any Unit Owner, the Board and the Manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This Paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Units.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration: (a) to enter (either peaceably or forcibly without liability to such Unit Owner for such entry) upon the Unit, or any portion of the property upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent

and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law. If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate the Act, or any of the covenants or restrictions or provisions of this Declaration, the By-Laws, or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Owner a notice in writing terminating the rights of said defaulting Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit, and thereupon an action in equity may be filed by the Board against said defaulting Owner for a decree of mandatory injunction against such defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use, or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in the property shall be sold (subject to the lien of any existing deed of trust or mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees, and all other expenses of the proceeding and sale, and all such items shall be taxes against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Declaration.

20. Amendment. Upon the sale or transfer of all Units to Unit Owners by the Declarant, the provisions of this Declaration may be amended by an instrument in writing, setting forth such amendment, signed by Unit Owners owning not less than sixty-seven (67%) percent of the Units.

Amendments of a material nature must be agreed to by members who represent at least sixty-seven (67%) percent of the total allocated votes in the Homeowner's Association. In addition thereto, approval must be obtained from eligible mortgage holders who represent at least fifty-one (51%) percent of the votes of Units that are subject to mortgages held by eligible holders (eligible mortgage holders shall be defined as those holders of a first mortgage on a Unit who have requested the Homeowner's Association to notify them on any proposed action that requires the consent of a

specified percentage of eligible mortgage holders). A change to any of the following shall be considered under this section as material:

1. Voting Rights.
2. Assessments, assessment liens, or the priority of assessment liens.
3. Reserves for maintenance, repair and replacement of common areas.
4. Responsibility for maintenance and repairs.
5. Reallocation of interests in the common areas or right to their use.
6. Redefinition of Unit boundaries.
7. Conversion of Units into common areas or vice versa.
8. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project.
9. Insurance or fidelity bond changes.
10. Leasing of Units.
11. Imposition of any restriction on a Unit Owner's right to sale or transfer his or her property.
12. A decision by the Homeowner's Association to establish self-management when professional management has been required previously by the projects documents or by an eligible mortgage holder.
13. Restoration and repair of the project (after a hazard damage or partial condemnation, in a manner other than specified in the project documents.
14. Any action to terminate the legal status of the project after substantial destruction or condemnation occurs.
15. Any provisions that expressly benefit mortgage holders, insurers or guarantors.

However, if the Act, this Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument amending any provision of this Declaration with respect to such action shall be signed by all Unit Owners and/or all lien holders or both as required by the Act or this Declaration. Any amendment shall be effective upon the recording of such instrument in the Office of the Register of Deeds for Davidson County, Tennessee; provided, however, that no provisions in this Declaration may be amended so as to conflict with the provisions of the Act.

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

22. Rights and Obligations. Each Unit Owner, by the acceptance of a deed of conveyance,

accepts the same subject to all restrictions, conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By-Laws which are more than administrative in nature such as, but not limited to, reservations and future rights of Developer are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits and privileges hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Unit Owners and Occupants of a Unit shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith, pursuant to Tennessee Code Annotated, Section 66-27-111, as they may be amended from time to time. The acceptance of a deed of conveyance, devise, or lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the By-Laws, and any rules and regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Unit Owner or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

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

23. Condemnation. In the event of a taking of part of the Common Elements in condemnation or by eminent domain, the award made for such taking shall be payable to the Association. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board does not approve the repair and commence restoration of such Common Elements within one hundred twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of such Unit's percentage of ownership in the Common Elements.

24. Rights Reserved. Unit Owner's right of enjoyment in the Common Elements shall be subject to:(a) the right of the Association, as provided in its By-Laws or Rules and Regulations, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published Rules and Regulations;

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

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

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

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

25. FHA/VA Approval. Should Developer secure mortgage underwriting approval from the Federal Housing Administration (FHA) and/or Veterans Administration (VA) and as long as there is a Class "B" membership, the following actions will require the prior approval of the Federal Housing Administration (FHA) and/or the Veterans Administration (VA); Amendment of this Declaration.

26. Federal National Mortgage Association and/or Federal Home Loan Mortgage Corporation Regulations. Notwithstanding anything to the contrary contained in this Declaration or in the By-Laws of the Association, all terms, conditions, regulations, insurance standards and other requirements which are now existing, or which may be amended from time to time by the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation pertaining to condominiums, are hereby incorporated as terms and conditions of this Declaration and By-Laws and such shall be governing upon the Property, Developer, and the Association, so long as such terms or conditions are not inconsistent with the laws of the State of Tennessee as found in T.C.A. Section 66-27-101, et seq., as amended.

Specifically, without limitation upon the foregoing, the following declarations shall be controlling over any terms of this Declaration or By-Laws which are in conflict therewith. Any portions of this Declaration or By-Laws which are in conflict with this paragraph, or any portion of the regulations of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation pertaining to condominiums, are hereby deleted and the following rights of mortgagees are itemized as follows:

(a) A first mortgagee of a Unit at his request is entitled to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under this Declaration, By-Laws, or any of the condominium documents, which is not cured within sixty (60) days.

(b) Any first mortgagee of a Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage, or deed of trust, or by foreclosure of the mortgage or deed of trust, or by deed in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

(c) Unless at least sixty-seven (67%) percent of the first mortgagees (based upon one (1) vote for each mortgage owned) of Units have given their prior written approval, the Association shall not be entitled to: (i) Change the pro rata interest or obligations of any Unit for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and for (b) determining the pro rata share of each Unit in appurtenant real estate and any improvements thereon, which are owned by Unit Owners in undivided pro rata interests (Common Elements);

(ii) Use hazard insurance proceeds for losses to the property (whether to Units or Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by T.C.A. Section 66-27-118, in case of substantial loss to the Units and/or Common Elements.

(d) First mortgagees shall have the right to examine the books and records of the Association.

(e) An adequate reserve fund for the replacement of Common Elements will be established and funded by regular monthly payments rather than by special assessments.

(f) As set forth in T.C.A. Section 66-27-120, all taxes, assessments, and charges which

may become liens prior to the first mortgage under the laws of the State of Tennessee shall relate only to the Unit and not to the property as a whole.

(g) No Unit Owner, or any other party, shall have priority over any rights of the first mortgagees of Units in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

(h) Any agreement for professional management of the property, whether it be by Developer, its successors and assigns, or any other person or entity, may be terminated on ninety (90) days' written notice, and the terms of any such contract shall so provide and shall not be of a duration in excess of three (3) years.

(i) The Association shall give to the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any lending institution servicing such mortgages as are acquired or insured by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, notice in writing of any loss to or the taking of Common Elements if such loss or taking exceeds Ten Thousand ($10,000.00) Dollars. The Association may rely upon the information contained in the book entitled Mortgages of Units as must be established pursuant to the By-Laws, for a list of mortgagees to be notified hereby.

(j) The interest of a first mortgagee in a mortgaged Unit shall be superior to the interests of any person, group, partnership, corporation, or entity of any kind, including any interest the Association, Developer, or any Unit Owner may have in any portion of the property, regardless of the nature of the interest or the manner in which it is acquired.

(k) Notwithstanding the above, any first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee under its deed of trust, and under the laws of the State of Tennessee.

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

interest of any such trust or any transfer of title to such Unit.

28. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing and shall be addressed to the Association or any Unit Owner, as the case may be, at 467 Morton Avenue Townhomes Homeowners' Association, Inc., 26 Inveraray Drive, Nashville, Tennessee 37215, or at such other address as hereinafter provided. The Association may designate a different address or addresses for notices to it by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

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

30. Common Open Space. Any Common Open Space shall be subject to the following:

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

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

for the Common Open Space such agency shall continue maintenance for yearly periods.

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

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

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

IN WITNESS WHEREOF, the said Declarant has executed this Declaration this 12th day of July, 2021.

"DEVELOPER"

213 Properties, LLC,
a Tennessee Limited Liability Company

By: _____
Bruce Yazdian, President

State of Tennessee
County of Davidson

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, the within named Bruce Yazdian, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon his oath, acknowledged himself to be the President of 213 Properties, LLC, a Tennessee Limited Liability Company, the within named bargainor and that he as such officer, executed the within instrument for the purposes therein contained by signing the name of 213 Properties, LLC, a Tennessee Limited Liability Company , by himself as, President.

Witness my hand and official seal at Nashville, Tennessee, this 12th day of July, 2021.

_____
Notary Public

My commission expires: 4-19-2025

APRIL N. BRADLEY
STATE OF TENNESSEE
NOTARY PUBLIC
SMITH COUNTY

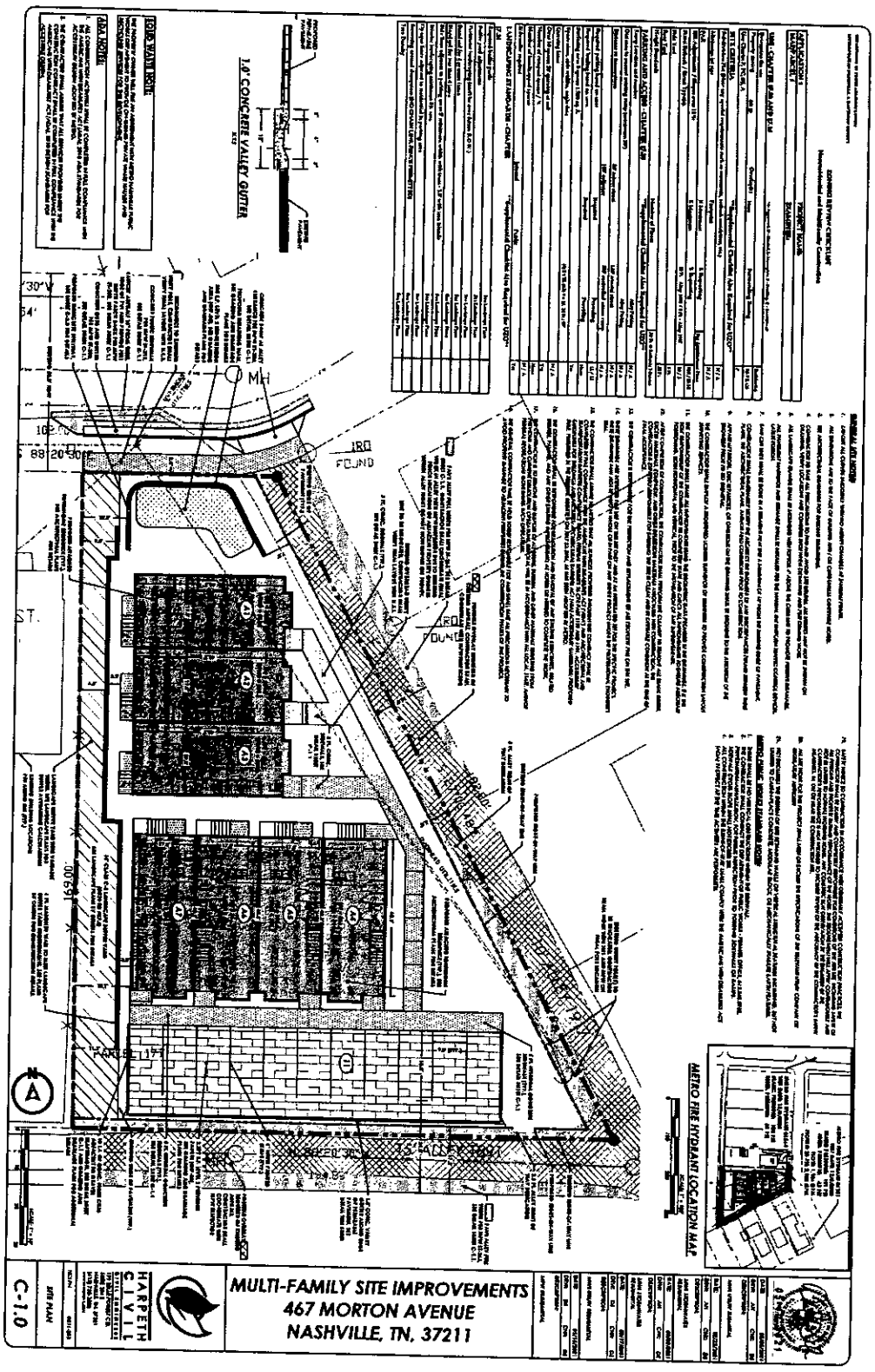
EXHIBIT "A"

Property Description

Being a tract or parcel of land lying in Davidson County and being Lot No. 81 on the Map (or Plat) of College Heights Subdivision, of record in Book 332, Page 19, Register's Office for Davidson County, Tennessee, to which Map reference is made for a complete legal description.

Being a portion of the property conveyed to 213 Properties, LLC, a Tennessee Limited Liability Company, by Quitclaim Deed from Bruce Yazdian and Giti Yazdian, husband and wife, of record in Instrument No. 20160407-0033255, Register's Office Davidson County, Tennessee.

EXHIBIT "B"


MULTI-FAMILY SITE IMPROVEMENTS
467 MORTON AVENUE
NASHVILLE, TN, 37211
C-1.0
SITE PLAN
HARPETH CIVIL
METRO FIRE HYDRANT LOCATION MAP
1.0' CONCRETE VALLEY GUTTER
IRO FOUND
MORTON AVENUE
169.00'

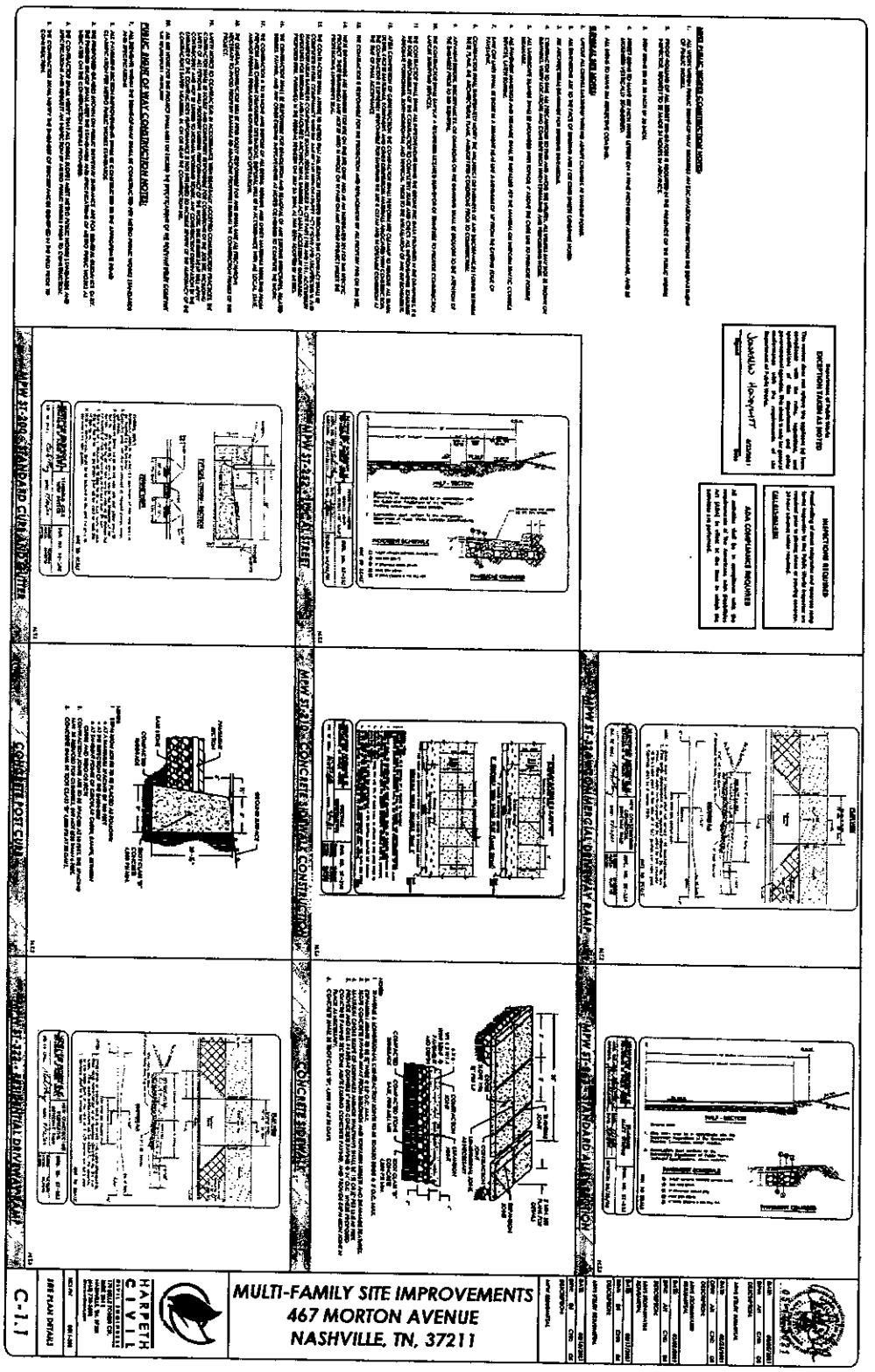

MULTI-FAMILY SITE IMPROVEMENTS
467 MORTON AVENUE
NASHVILLE, TN, 37211
HARPETH CIVIL
C-1.1

EXHIBIT "C"

BY-LAWS

OF

467 MORTON AVENUE TOWNHOMES

HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is 467 Morton Avenue Townhomes Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal address of the corporation shall be in care of 213 Properties, LLC, a Tennessee limited liability company, 26 Inveraray Drive, Nashville, Tennessee 37215, but meetings of Members and directors may be held at such places, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to 467 Morton Avenue Townhomes Homeowners' Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Master Deed and Declaration of Covenants, Conditions and Restrictions of 467 Morton Avenue Townhomes (the "Declaration") and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners, as described in the Declaration, .

Section 4. "Unit" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in the buildings, which enclosed space, is not owned in common with Unit Owners of other Units. Each Unit is numbered as shown on the Plat. The boundaries of each Unit shall be and are the unfinished interior surfaces of its perimeter walls, floors, and ceilings, and a Unit includes both the portion of the buildings so described and the air space so encompassed, excepting Common Elements. It is intended that the term Unit as used in this Declaration shall have the same meaning as the term "Apartment" as used in the Act.

Section 5. "Owner" (also referred to herein as the "Unit Owner" or "unit owner") shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to 213 Properties, LLC, a Tennessee limited liability company, its successors and/or assigns.

Section 7. "Declaration" shall mean and refer to the Master Deed and Declaration of Covenants, Conditions and Restrictions of 467 Morton Avenue Townhomes, as may be

supplemented and amended by instruments recorded in the Office of Register of Deeds for Nashville, Davidson County, Tennessee.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Eligible Mortgage Holders" shall mean those holders of a first mortgage on a Unit who have requested the Association to notify them on any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of the conveyance of the first Unit to a Unit Owner and each subsequent regular annual meeting of the Members shall be held within ten (10) working days of the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors or upon written request of the Members who are entitled to vote, by fifty-one (51%) percent of all of the votes of the Class "A" membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-quarter (1/4) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 6. Virtual or Electronic Meetings. . Upon the vote of a majority of the Board and subject to the same requirements within these By-Laws and Tennessee Law, meetings of the Board of Directors (or meeting of Members) may be conducted by virtual means to include but not limited to Zoom Video Communications, Go to Meeting, RingCentral or any other virtual or electronic

medium as long as the identity of each Board member (or each Member) may be authenticated and the vote of each Board member (or Member) at such meeting can be verified as being cast by such Board member (or Member).

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association. The initial directors shall be appointed by the Declarant and shall serve in said capacity until the selection of their successors.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect the respective replacement directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Units, common area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting right and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended and reasonable financial assessments levied for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by fifty-one (51%) percent of the Class "A" Members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period.

(2) Send written notices of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate casualty and liability insurance on property owned by the Association;

(f) Cause the common area and amenities to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the offices are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX
COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully described in the Declaration, each Member is obligated to pay to the

Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment paid more than fifteen (15) days after the due date shall be subject to and include a "late charge", as determined by the Association, to cover the extra expense involved in handling delinquent payments. In addition to the late charge hereinabove recited, any assessment not paid within thirty (30) days after the due date shall bear interest at the highest permissible rate of interest per annum allowed under the laws of the State of Tennessee. Any and all delinquent assessments shall constitute a continuing lien against the Unit and improvements thereon. The Association may bring an action at law or equity against the owner(s) personally obligated to pay the assessments and/or foreclose the lien against the property. Should enforcement be necessary, the owner(s) shall be obligated to pay costs and attorney's fees associated therewith. No owner(s) may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of the Unit.

ARTICLE XII
CORPORATE SEAL

The Association shall not have a seal.

ARTICLE XIII
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy .

Any proposed amendment in these By-Laws shall require written notice of the proposed amendment to be delivered to Members of the Association in writing at least fifteen (15) days prior to any meeting at which the subject amendment will be considered.

Section 2. The covenants, conditions and restrictions of the Declaration shall run and bind the land, for a term of twenty (20) years from the date of recording, after which time they shall be automatically extended for successive periods of ten (10) years. The said Declaration may be amended during the first twenty (20) year period by an instrument signed by not less that seventy-five (75%) percent of the Members and thereafter by an instrument signed by not less than sixty-seven (67%) percent of the Members; however, as long as there is a Class "B" membership, the Declarations may be amended by the Declarant without approval of the Class "A" members. Any amendment to the said Declaration must be recorded and shall be subject to Section 3 below.

Section 3. Condemnation. After the termination of the Class "B" membership, as recited in the Declaration, should the Unit Owners consider termination of the legal status of 467 Morton Avenue Townhomes Homeowners' Association, Inc., for any reason other than the substantial destruction or condemnation of the Association property, eligible mortgage holders, as heretofore defined, that represent at least sixty-seven (67%) percent of the votes of the mortgaged Units must agree to said termination of said legal status. Each eligible mortgage holder shall be given written notification of said intent to terminate the legal status of the Association and shall have thirty (30) days in which to respond to said notice. An eligible mortgage holder who fails to submit a response

to said written proposal for amendment within thirty (30) days after it receives proper notice of the proposal shall be deemed to assent to said amendment, providing that said notice was delivered by certified or registered mail, with a return receipt requested.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.