

ARTICLES OF INCORPORATION
OF
EDGEFIELD TOWNHOMES
ASSOCIATION

In compliance with the requirements of Tennessee Code Annotated Section 48-101 et seq, the undersigned, all of whom are residents of Tennessee and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Edgefield Townhomes Association, hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 219 5th Avenue, North, Nashville, Tennessee 37219

ARTICLE III

Carter Andrews, whose address is 26th Floor, First American Center, Nashville, Tennessee 37238, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to provide for maintenance, preservation and architectural control of the residence Lots and Common Areas within that certain tract of property described as:

LAND in Davidson County, Tennessee, being Lot Nos. 57, 58, 59, Barrow's Addition to Edgefield, Plan Book 1, page 13, Chancery Court, Davidson County, Tennessee, more particularly described according to a survey made by Barge, Waggoner and Sumner, dated April 23, 1971, as follows:

BEGINNING at an iron pin in the south margin of Russell Street, said pin being 150 feet east from the southeast intersection of Russell and South Ninth Streets; thence, North 65% 05' East, 150 feet to an iron pin; thence, South 24% 44' East, 170.81 feet to an iron pin in the north margin of Alley No. 260; thence, South 65% 20' West, 150 feet to an iron pin; thence, North 24% 44' West, 170.16 feet to the point of beginning.

BEING the same property conveyed to Edgefield Development Group by quitclaim deed from Steve Hays, Ron Gobbell, and Ralph Jones, of record in Book 6273, page 125, Register's Office for Davidson County, Tennessee.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Davidson County, Tennessee, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection

therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two thirds (2/3rds) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two thirds (2/3rds) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Tennessee by law may now or hereafter have or exercise.

ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI VOTING RIGHTS

The Association shall have two classes of voting membership:

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

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to have three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the votes outstanding in the Class B membership; or
- (b) two years after the Declarant conveys the first Lot to an Owner.

ARTICLE VII BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three Directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons

who are to act in the capacity of Directors until the selection of their successors are:
Steve Hays, Ralph Jones and Ron Gobbel.

STEVE HAYS

219 5th Avenue North
Nashville, Tennessee 37219

RALPH JONES

219 5th Avenue North
Nashville, Tennessee 37219

RON GOBBELL

219 5th Avenue North
Nashville, Tennessee 37219

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

ARTICLE VIII DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX DURATION

The corporation shall exist perpetually.

ARTICLE X AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Tennessee, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 2ND day of MAY, 1984.


RALPH JONES


STEVE HAYS


RON GOBBELL

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by Edgefield Development Group, a Tennessee Partnership, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Nashville, County of Davidson, State of Tennessee, which is more particularly described as:

LAND in Davidson County, Tennessee, being Lot Nos. 57, 58, 59, Barrow's Addition to Edgefield, Plan Book 1, page 13, Chancery Court, Davidson County, Tennessee, more particularly described according to a survey made by Barge, Waggoner and Sumner, dated April 23, 1971, as follows:

BEGINNING at an iron pin in the south margin of Russell Street, said pin being 150 feet east from the southeast intersection of Russell and South Ninth Streets; thence, North 65% 05' East, 150 feet to an iron pin; thence South 24% 44' East, 170.81 feet to an iron pin in the north margin of Alley No. 260; thence, South 65% 20' West, 150 feet to an iron pin; thence, North 24% 44' West, 170.16 feet to the point of beginning.

BEING the same property conveyed to Edgefield Development Group by quitclaim deed from Steve Hays, Ron Gobbell, and Ralph Jones, recorded in Book 6273, page 125, Register's Office for Davidson County, Tennessee.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and being binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Edgefield Townhomes Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to record owner, whether one or more persons or entities, of a fee simple title to any Lot 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 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

BEING part of the land in Davidson County, known as Lots Nos. 57, 58, and 59, Barrow's Addition to Edgefield, Plan Book 1, page 13, Chancery Court, Davidson County, Tennessee, more particularly described according to a survey made by Barge, Waggoner & Sumner, dated April 23, 1971, as follows:

BEGINNING at a point South 24% 44', 95.81 feet from an iron pin in the south margin of Russell Street, said pin being 150 feet east from the southeast intersection of Russell and South Ninth Streets; thence, North 65% 5' East 150 feet; thence, South 24% 44' East 75 feet; thence South 65% 20' West 150.0 feet; thence, North 24% 44' West 74.35 feet.

BEING part of the same property conveyed to Edgefield Development Group by quitclaim Deed from Steve Hays, Ron Gobbell, and Ralph Jones of record in Book 6273, page 126, Register's Office for Davidson County, Tennessee.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Edgefield Development Group, a Tennessee Partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

(d) the right of individual owners to the exclusive use of parking spaces as provided in this article.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Ownership of each lot shall entitle the owner or owners thereto to the use of not more than 3 automobile parking spaces, which shall be as near and convenient to said lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The association shall permanently assign 2 vehicle parking spaces for each dwelling.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting memberships:

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) two years after the Declarant conveys the first Lot to an Owner.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 3. Purpose of Assessments The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area and of the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be four hundred eighty dollars (\$480.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be increased by a percentage equal to the rise in the Consumer Price Index over the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased or decreased by a vote of 2/3rds of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related

thereto, provided that any such assessment shall have the assent of 2/3rds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 15 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceeding meeting. No such subsequent meeting shall be held more than 60 days following the preceeding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots of the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid by an Owner personally obligated to pay the same within thirty (30) days after the due date shall bear interest from the due date at the rate of 18 percent per annum. The Association shall have the right and duty to attempt to recover such assessments together with interest thereon, and the expenses of the proceeding, including attorney's fees in an action to recover the same brought against such Owner, or by foreclosure of the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosures or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be

made until the plans and specifications showing the nature, kind, shape, height, materials, and location of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces or the area between the improvements and the parking lots.

In the event that the need for maintenance or repair of a lot or the improvements thereon is caused through the willful or negligent acts of its owner, or through the willful or negligent acts of the family, guests or invitees of the owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VII PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the homes upon the Properties and placed upon the dividing lines between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such

arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII
GENERAL PROVISIONS

Section 1. 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.

Section 2. Severability. Invalidation of any one of those covenants or restrictions by judgment or court order shall in no ways affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of 2/3rds of each class of members.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this 2 day of May, 1984.

EDGEFIELD DEVELOPMENT GROUP

BY: Ralph Jones
RALPH JONES, PARTNER

BY: Steve Hays
STEVE HAYS, PARTNER

BY: Ron Gobbell
RON GOBBELL, PARTNER

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for County and State aforesaid, personally appeared STEVE HAYS, with whom I am personally acquainted (or proved to be on the basis of satisfactory evidence), and who acknowledged that he has executed the foregoing instrument for the purposes contained therein.

WITNESS my hand and official seal at Nashville, Tennessee, on this 2nd day of MAY, 1984.

William C. Memphis
NOTARY PUBLIC

My Commission Expires:

Jan 20, 1985

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for County and State aforesaid, personally appeared RON GOBBELL with whom I am personally acquainted (or proved to be on the basis of satisfactory evidence), and who acknowledged that he has executed the foregoing instrument for the purposes contained therein.

WITNESS my hand and official seat at Nashville, Tennessee, on this 2nd day of MAY, 1984.

William C. Memphis
NOTARY PUBLIC

My Commission Expires:

Jan 20, 1985

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned, a Notary Public in and for County and State aforesaid, personally appeared RALPH JONES, with whom I am personally acquainted (or proved to be on the basis of satisfactory evidence), and who acknowledged that he has executed the foregoing instrument for the purposes contained therein.

WITNESS my hand and official seal at Nashville, Tennessee, on this 2nd day of MAY, 1984.

William C. Memphis
NOTARY PUBLIC

My Commission Expires:

Jan 20, 1985

