

REGISTER OF DEEDS

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THIS INSTRUMENT PREPARED BY:
BOULT, CUMMINGS, CONNERS & BERRY (PHC)
222 Third Avenue North
Nashville, Tennessee 37219

DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
BRIDLE DOWNS

Formerly Known as
Forest Acres Section Three Phase

IDENTIFICATION
14 10 28 AM '88
DAVIDSON COUNTY, TN

97.318.

This Declaration of Covenants, Conditions and
Restrictions is made this 14th day of January, 1988, by the
undersigned (the "Developer");

W I T N E S S E T H:

WHEREAS, the undersigned is the owner in fee simple of
a certain tract of land in Davidson County, Tennessee, more
particularly described in Exhibit A hereto (the "Land").

NOW, THEREFORE, the undersigned hereby declares that
all of the Land described in Exhibit "A" shall be held, owned,
sold, and conveyed subject to the following easements,
restrictions, covenants, and conditions. Such easements,
restrictions, covenants and conditions are for the purpose of
protecting the value and desirability of the Land and future
improvements thereon, and shall run with the real property
submitted to this Declaration. They shall be binding on all
parties having any right, title, or interest in the described
Land or any part thereof, their heirs, successors, successors-in-
title, and assigns, and shall inure to the benefit of each owner
thereof.

FURTHER, the undersigned hereby revokes and declares
null and void those restrictive covenants of record in Book 6562,
page 93, Register's Office for Davidson County, Tennessee.

ARTICLE I
Definitions

Section 1. "Assessments" shall mean Assessments for
Common Expenses provided for herein or by any Subsequent
Amendment, which shall be used for the purposes of promoting the
recreation, health, safety, welfare, common benefit, or enjoyment
of the Owners and occupants of the Residential Units or for
maintaining the Land, all as may be specifically authorized from

time to time by the Board of Directors and as more specifically authorized below.

Assessments shall be levied equally against Owners of Residential Units for such purposes as are authorized by this Declaration or by the Board of Directors from time to time.

There shall be an "Annual Assessment," which shall mean the amount assessed yearly against such Owner as established from time to time by the Board. There may be "Special Assessments" assessed from time to time against each Owner, or a particular Owner, for construction, reconstruction, repair, or replacement of capital improvements to be established, collected, and used as provided herein.

Section 2. "Association" shall mean and refer to Bridle Downs Homeowners Corporation, a Tennessee nonprofit corporation, its successors and assigns.

Section 3. "Board of Directors" or "Board" shall be the elected board of directors of the Association responsible for managing the affairs of the Association. Action required of or permitted by the Board herein may be taken or fulfilled by a committee or other designee as may be established or appointed by the Board in accordance with the Charter or By-Laws of the Association.

Section 4. "By-Laws" shall mean the By-Laws of the Association.

Section 5. "Common Area" shall mean all real and personal property, included within the Land (but excluding Residential Units and components thereof and easements appurtenant thereto), now or hereafter owned by the Association for the common use and enjoyment of the Owners, including, but not limited to, any and all undedicated streets and roads, bridges, parking areas, lakes, waterways, fences, structures, sidewalks, curbs, tennis courts, signs, lights, common utilities, and other improvements thereon or with respect thereto.

Section 6. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Area, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Charter of the Association.

Section 7. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in Bridle Downs.

Section 8. "Easement Areas" shall mean those portions of the Properties designated on the Plat as being subject to or encumbered by an easement or right of way.

Section 9. "Land" shall mean and refer to the real property described in Exhibit "A" attached hereto.

Section 10. "Member" shall mean and refer to an Owner entitled to membership in the Association, as provided herein.

Section 11. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 12. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 13. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 14. "Owner" shall mean and refer to one or more Persons or entities who hold the record title to any Residential Unit which is part of the Land, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner. For the purpose of this Declaration, the Owner of a Residential Unit which is under lease shall be as follows: for the purpose of votes and assessments, the record owner of the Residential Unit; for the purpose of use and enjoyment of common facilities and amenities which are part of the Common Area, the tenant residing in the Residential Unit. The Board of Directors may promulgate reasonable regulations conditioning such use upon registration of the names of tenants with the Association.

Section 15. "Person" shall mean a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 16. "Plat" shall mean the recorded plan of the Land, which is of record in Book 6900, page 546, Register's Office for Davidson County, Tennessee, as the same may be supplemented, modified or amended from time to time hereafter.

Section 17. "Residential Unit" or "Unit" shall mean a portion of the Land intended for any type of independent ownership for use and occupancy as a residence by a single family, whether a residence is constructed thereon or not. All Residential Units are shown and identified as numbered lots upon the Plat. A Unit shall include those Easement Areas contiguous and appurtenant to such Unit which are intended for the exclusive use of each Unit.

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Section 18. "Subsequent Amendment" shall mean an amendment to this Declaration which adds additional property to that covered by this Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Amendment to the provisions of this Declaration.

ARTICLE II
Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area and the Easement Areas, subject to any restrictions or limitations contained in this Declaration or in any Deed or amendment thereto conveying to the Association or subjecting to this Declaration such property. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III
Membership and Voting Rights

Section 1. Membership. Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Residential Unit, and any transfer of a Residential Unit shall operate automatically to transfer to the new record owner thereof the membership in the Association appurtenant thereto. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. There shall be only one (1) Member per Residential Unit, regardless of the number of Owners or tenants thereof. In the event the Owner of a Residential Unit is more than one Person votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or a Member's spouse, but in no event shall more than one (1) vote for each class of membership applicable to a particular Residential Unit be cast for each Residential Unit.

Section 2. Voting. Members shall be entitled on all issues to one (1) vote for each Residential Unit in which they hold the interest required for membership by Section 1 hereof; there shall be only one (1) vote per Unit. Developer, however, shall be entitled to two (2) votes for each Residential Unit

owned by Developer until such time as two-thirds of the Residential Units are owned by Owners other than Developer. When more than one Person holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised as those Persons themselves determine and advise the Secretary of the Association prior to any meeting according to the procedures and other requirements set forth in the By-Laws. In the absence of such advice, the Residential Unit's vote shall be suspended in the event more than one Person seeks to exercise it.

Any Owner of Residential Units which are leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

ARTICLE IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Area.

Section 2. Owner's Responsibility. In accordance with this Declaration and Subsequent Amendments to this Declaration, all maintenance of the interior and exterior portions of structures on a Residential Unit; land, flora and landscaping within the boundaries of a Unit; all structural components of the Residential Unit; all patios, decks, balconies, and driveways; and other improvements not maintained by the Association shall be the sole responsibility of the Owner thereof, who shall maintain said portions of the Residential Unit in a manner consistent with the Community-Wide Standard of Forest Acres, Section Three Phase One, the applicable covenants set forth herein, and such rules and regulations as may be established by the Board of Directors from time to time.

ARTICLE V Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on

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the Common Area, if any, against loss or damage hazards, including extended coverage, vandalism, mischief. This insurance shall be in an amount cover the full replacement costs of any repair in the event of damage or destruction from any.

The Board may, if it deems prudent, a public liability policy covering the Common Area and its Members for all damage or injury caused of the Association or any of its Members or agents.

Premiums for all insurance as required Article V shall be Common Expenses of the Association. Any policy or policies may contain a reasonable deductible amount thereof shall be added to the face amount determining whether the insurance at least equal replacement cost. Cost of insurance coverage shall be in the Annual Assessment, as defined in Article

All such insurance coverage obtained by Directors shall be written in the name of the Association Trustee for the respective benefited parties, as identified in (b) below. Such insurance shall be provided hereinafter set forth:

(a) All policies shall be written by a company licensed to do business in Tennessee and holding a rating of A or better in the Financial Category as established by A.M. Best, Inc., if reasonably available, or, if not, the most nearly equivalent rating.

(b) All insurance policies shall be for the benefit of the Association, the Owners and the Mortgagees, and their interests may appear.

(c) Exclusive authority to adjust claims under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors. Provided, however, no Mortgagee having an interest in the Properties may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance be obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance obtained by individual Owners, occupants, or the Mortgagee.

(e) All casualty insurance policies shall be written by a company prudent, have an inflation guard endorsement, if available, and an agreed amount endorsement with by one or more qualified persons, at least one of

the real estate industry and familiar with construction in the Davidson County area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents and guests;

(ii) a waiver by the insurer of its right to repair, and reconstruct, instead of paying cash;

(iii) that no policy may be cancelled, invalidated or suspended on account of any one or more individual Owners;

(iv) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any director, officer, or employee of the Association or its duly authorized agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner, or mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

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

Mortgagee of a Residential Unit and may be enforced by such Mortgagee.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area, for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 2(a) hereof.

Section 3. Damage and Destruction.

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

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total eligible vote of the Members of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged portions of the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient

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to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners in proportion to the number of Residential Units owned by such Owners. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. In any fiscal year, the Board may not, without the vote or written consent of a majority of the voting power of the Association, levy such Special Assessments which in the aggregate exceed ten percent (10%) of the budgeted gross Common Expenses of the Association for that fiscal year.

ARTICLE VI
No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Land or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 3 of Article V in the case of damage or destruction, or unless the Land has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to participate in the proceedings incident thereto, unless otherwise prohibited by law. If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five percent (75%) of the total eligible vote of the Members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, if

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there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VIII
Annexation of Additional Property and
Further Development of Properties

Subject to the consent of the owner thereof, the Association may annex real property other than that shown on Exhibit "A" upon the written consent or affirmative vote of a majority of the Members of the Association. Such annexation shall be evidenced by the filing for record in the Davidson County, Tennessee Register's Office of a Subsequent Amendment in respect to the Properties being annexed. Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and the owner of the real estate being annexed, and any such annexation shall be effective upon filing, unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Members of the Association, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Association for regular or special meetings, as the case may be.

ARTICLE IX
Rights and Obligations of the Association

In addition to the powers ascribed to it by the Charter of the Association, the Association shall have the right, but not the obligation, to perform each of the following duties:

Section 1. Operation and Maintenance of Common Area.
To operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Area; to keep all improvements, if any, of whatever purpose from time to time located thereon in good order, condition, and repair. Any other provision of this Declaration, the Charter, or the By-Laws notwithstanding, the Association always shall maintain lien-free title to the Common Area, excepting only the lien of current taxes not yet due and payable.

Section 2. Water and Other Utilities. To acquire, provide, and/or pay for, water, sewerage, garbage disposal, electrical, telephone, gas, and other necessary utility services, if any, for the Common Area.

Section 3. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

Section 4. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, with a financial rating by Best's Insurance Reports of BBB+ or better, and maintain in force at all times such insurance as is required by Article V, Section 1 of this Declaration.

Section 5. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within Davidson County conveyed to it by the Declarant as permitted herein.

Section 6. Recoupment of Certain Costs. Should the Association be required to make any expenditure for the repair or replacement of any portion of the Common Area because of any damage, destruction or injury thereto (other than ordinary wear and tear) caused by one or more Owners, or the family members, animals, guests, tenants, agents or employees of one or more Owners, the Owner or Owners responsible for such damage, destruction or injury, or whose family members, animals, guests, tenants, licenses, agents or employees are responsible for such damage, destruction or injury shall, to the extent that the Association is not required to maintain insurance to cover the particular damage, destruction or injury, reimburse the Association for such expenditure.

Section 7. Rules and Regulations. The Association, through its Board of Directors or otherwise, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. The Board shall, in addition, have the power to seek relief in any court for

violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws. In addition, the Association, through the Board or otherwise, may, by contract or other agreement, enforce county ordinances or permit Davidson County to enforce ordinances on the Properties for the benefit of the Association and its members.

Section 8. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. The Annual Assessment shall be allocated equally among all Residential Units and shall be for expenses determined by the Board to be for the benefit of the Association as a whole. The initial Annual Assessment established hereunder shall be One Hundred and Twenty (\$120.00) Dollars per year. Special Assessments may be levied against all Residential Units or Residential Units in particular portions of the Land when the Special Assessments benefit less than the Association as a whole. Each Owner, by entering into this Declaration or by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. Assessments shall not be assessed against a Residential Unit until the same shall have been improved with the construction of a residence thereon and the initial occupation of the same. All such assessments, together with interest at the highest rate allowable under the laws of Tennessee from time to time relating to usury for residential real estate loans (or if no such rate is established, sixteen percent (16%) per annum), costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Residential Unit 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 Residential Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of enforcement.

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assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the Annual Assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in quarterly installments.

The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2. The Association is specifically authorized to enter into subsidy contracts with entities for the payment of some portion of the Common Expenses. Such contract or contracts shall be for the benefit of and enforceable by the Association and its members.

Section 2. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Board shall cause a copy of the budget, and the amount of the Assessments to be levied against each Residential Unit for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of both classes of the total Association membership.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Section 3. Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the Members, Special Assessments, applicable only to that year, to be used solely to defray, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto; provided, however that any Special Assessment shall be approved by vote or written consent of (a) fifty-one percent (51%) of the Members.

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meeting of the Members called for such purpose at which is present; and (b) fifty-one percent (51%) of the Units directly affected or benefited by the Special Assessment, in the opinion of the Board, if less than all of the Owners benefited.

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Section 5. Lien for Assessments. To secure payment of any Assessment or Special Assessment, a lien shall be expressly retained in favor of the Association on each Residential Unit. Such lien shall be prior and superior to all other liens, except (1) all taxes, bonds, assessments, levies which by law would be superior thereto, and (2) any charge of any Mortgage of record made in good faith prior to the date of the Assessment.

The Association, acting on behalf of the Owners, shall have the power to bring suit to foreclose the lien on any Residential Unit in the event of a default by an Owner in the payment of any Assessment or Special Assessment hereunder, to bid for and purchase the Residential Unit at the foreclosure sale and to acquire the same, subject to the payment of the purchase price, and to execute, mortgage, and convey the same. Where the purchase of a Residential Unit will result in a ten percent or greater increase in Assessments, the purchase shall require the vote or written consent of a majority of the total votes of the Association. During the period that the Unit is being foreclosed, the Association following foreclosure: (1) no right to vote shall be exercised on its behalf; (2) no Assessment shall be levied on it; and (3) each other Residential Unit shall be charged, in addition to its usual Assessment, its equal share of the Assessment or Special Assessment that would have been charged such Residential Unit had it not been acquired by the Association as a result of foreclosure. Suit to foreclose shall be maintainable without foreclosing or waiving the right to secure the same. The Board may temporarily suspend the rights of a Member who is in default of payment of an Assessment after notice and hearing.

Section 6. Capital Budget and Contribution. In Article K, Section 2, above, the Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected cost of each asset, and the expected repair or replacement cost of each asset. The Board shall set the required capital contribution, if any, for each Unit sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, over a period of ten years, both to amount and timing by Annual Assessments over the period of the budget. The capital contribution required shall be provided by the Board and included within the budget and assessments provided in Section 2 of this Article. A copy of the

budget shall be distributed to each member in the same manner as the operating budget.

Section 2. Certificate of Payment. The Board shall, upon request and for a reasonable charge not to exceed \$5.00, furnish to any Person a certificate, signed by an officer of the Association, setting forth whether or not all Assessments, whether Annual or Special, on a specified Residential Unit have been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

ARTICLE XI Architectural Standards

Without the prior written approval of the Association acting through the Board of Directors, no Person shall make any modifications, additions or alterations to the exterior of his Residential Unit or any structure thereon or improvement thereto. The foregoing shall include the erection of fences, retaining or other walls, and driveways. Plans and specifications or working drawings showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations shall be submitted to the Board of Directors for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved or existing color scheme, or to rebuild in accordance with originally approved or existing plans and specifications, including as-builts and builder field changes not included in the original plans and specifications. The right of an Owner to remodel and paint the interior of his residence is exempt from the conditions and limitations of this Article. In the event the Board fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

The Board of Directors may designate a committee to exercise its authority under this Article and shall promulgate detailed standards and procedures in implementing the requirements of this Article. The Board and any committee it may designate may not discriminate between Owners, and upon a written request for a hearing submitted to the Board, an aggrieved Owner shall have the right to a hearing before the Board in accordance with the applicable procedures set forth in Article XII, Section 3. The Board shall have the standing and authority to enforce in courts of competent jurisdiction its decisions in connection with this Article, with the prevailing party being

entitled to recover its costs and attorneys fees in connection with the same.

ARTICLE XII
Use Restrictions

In addition to all other covenants contained herein, the use of the Properties is subject to the following:

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

(b) Size of Certain Units. Each residence constructed on a Residential Unit shall contain at least 1,300 square feet of living area. For this purpose, the term "living area" shall exclude basements, garages, porches, breezeways, terraces, balconies, decks, and similar appurtenances.

(c) Maintenance of Units. Each Owner shall be responsible for the maintenance of, and shall maintain his Residential Unit, including landscaping, driveways, porches, decks, patios, walks, roofs, exterior and interior walls, glass, ceilings, floors, doors, windows, fences and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating.

(d) Easement to Make Repairs. Each Owner shall (1) keep his Residential Unit free from rubbish, litter, and noxious weeds; (2) maintain, cultivate, and keep in good condition and repair shrubs, trees, grass, lawns, plantings, and other landscaping located, or from time to time placed, within the bounds of his Residential Unit; and (3) replace dead plants, shrubs, trees, grass, or landscaping of the same or similar type. Each Residential Unit shall be subject to an easement for access to make necessary repairs; provided, however, that:

(1) Any damage caused by such entry shall be repaired at the expense of the Owner whose Residential Unit was the cause of the repair work that lead to such entry;

(2) Any such entry shall be made only at reasonable times and with as little inconvenience as possible to the Owner of the entered Residential Unit;

(3) In no event shall said easement be deemed to permit unauthorized entry into the interior portions of any residence.

(e) Association to Landscape Common Area. Except as otherwise provided herein, the Association shall have the right at any time to plant, replace, maintain, and cultivate shrubs, trees, grass, plantings, and other landscaping upon the Common Area and, subject to the conditions stated below, on all or any portion of a Residential Unit.

(f) Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any Residential Unit or portion of the Common Area, except for (1) directional or informational signs, established by the Association, and (2) signs not in excess of six (6) square feet per side erected by an Owner upon that Owner's Residential Unit to advertise the sale or lease of that Unit.

(g) Quiet Enjoyment. No noxious, offensive, or illegal activity shall be carried on, in or upon any Residential Unit or any part of the Properties, nor shall anything be done thereon that may be or may become an annoyance or nuisance to the neighborhood, that shall interfere in any way with each Owner's quiet enjoyment of his respective Residential Unit, or that shall increase the rate of insurance in any way.

(h) Temporary Structures. No structure of a temporary character, or other out-building shall be used on any Residential Unit or the Common Area at any time as a residence or otherwise, either temporarily or permanently.

(i) Animals. No animals, reptiles, rodents, livestock, birds, or poultry of any kind shall be raised, bred, or kept in or on any Residential Units, except that a maximum of two (2) dogs, cats or such other household pets (or a combination thereof not to exceed a total of two pets) may be kept in a Residential Unit, provided such pets are not kept, bred, or maintained for any commercial purposes. Notwithstanding the foregoing, no animals or fowl may be kept in or about any Residential Unit if such keeping results in an annoyance or is obnoxious to residents in the vicinity. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees and tenants and to the Association for any and all damage to person or property caused by any pets brought or kept in or upon any Residential Unit or on the Common Area by any Owner or by members of his family.

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invitees. The Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this Paragraph (i), a particular species of animal, bird, fowl, poultry, or livestock is a generally recognized house or yard pet, or a nuisance and therefore to be removed from the Land.

(j) Garage and Driveways. No detached garages and no carports are permitted to be erected on Units after the date hereof, except in the replacement of those in existence on such date. Every garage door shall be kept closed except when the garage is being entered or exited. All driveways shall be paved with a hard-surfaced material.

(k) Vehicles. No truck, trailer, camper, boat, van or similar equipment shall be permitted to remain upon or within the Common Area unless on a space designated for such use by the Association. No disabled or unregistered motor vehicle may be stored or kept within a Residential Unit for more than seventy-two (72) hours unless stored in an enclosed garage.

(l) Exterior Radio and Television Equipment. No towers, aerials, dishes, or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected and maintained or permitted to be erected and maintained on any portion of the Properties without the prior written consent of the Association.

(m) Garbage Collection. All rubbish, trash, and garbage shall be removed from the Properties regularly and shall not be allowed to accumulate thereon. All refuse containers, clothes lines, wood piles, storage areas, machinery, or equipment shall be kept in such a manner so as not to be unsightly. No incinerators shall be kept or maintained on any Residential Unit.

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

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

(p) Reasonable Inspection and Entry. The Board and its agents shall have the right of inspection and entry set forth in ~~Section 2~~ of this Article.

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(q) Trade or Business. No gainful profession, occupation, trade or other nonresidential use shall be conducted

in any Residential Unit or upon the Common Area or any portion thereof.

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

Section 1. Additional Restrictions. The Board of Directors shall be entitled to adopt additional reasonable rules and regulations from time to time for the operation, use, and maintenance of the Properties, including the Units and Common Area, provided such rules and regulations are not inconsistent with this Declaration.

Section 2. Inspection and Enforcement.

(a) During reasonable hours, any member or representative of the Board shall have the right to enter upon and inspect any portion of the Land and the improvements thereon (except the interior portion of a Unit) for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with. Such Persons shall not be deemed guilty of trespass by reason of such entry, provided 24 hours' prior written notice has been given to the Owner of any Residential Unit entered upon.

(b) In the event that an Owner fails to comply with the provisions of this Article or any other provisions of this Declaration, the Board shall notify such Owner in writing of such lack of compliance, which notice shall specify the nature of such lack of compliance. If, within ten (10) days following receipt of such notice, such Owner (1) fails to remedy such lack of compliance and (2) fails to deliver written notice to the Board requesting a hearing before the Board with regard to the matters of non-compliance set forth in such notice, the Association may enter in or upon such Owner's Residential Unit for the purpose of remedying the matters set forth in such notice and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall promptly hold a hearing and shall provide the Owner with at least seven (7) days' prior written notice concerning the date, time, and place thereof. At the hearing, the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Board's original notice of noncompliance and the Board will determine what action, if any, is to be taken by the Owner. The decision of a majority of the members of the Board present at the hearing will be binding on the Association and the Owner. In the event that it is

determined that the Owner has not complied with the provisions of this Article, the Board shall establish a reasonable time within which the Owner shall so comply. If the Owner fails or refuses to comply within such time period, the Association may enter in or upon the Owner's Residential Unit for the purpose of remedying such matters and shall not be liable for trespass in connection therewith. The cost of remedying an Owner's failure to comply with the provisions of this Article shall be assessed to the Owner by the Board. Such assessment shall be secured by the lien, due and payable thirty (30) days from the date of written notice thereof and shall be secured by the lien, collected and enforced in the manner provided in Article X of this Declaration.

ARTICLE XIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or by any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date of this Declaration set forth above, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded in the County Register's Office ~~within the year~~ ^{NEW} ~~preceding the beginning of each successive period of ten (10)~~ years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same. This Declaration may be terminated by an instrument in writing signed by at least two-thirds (2/3) of the then Owners, which instrument shall be recorded in the County Register's Office.

Section 2. Amendment. This Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing at least two-thirds (2/3) of the total Members of the Association. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Register's Office of Davidson County, Tennessee.

Notwithstanding the foregoing, the following amendments to this Declaration may be made by the Board of Directors, without the vote or consent of any other Member of the Association:

- (a) Change in the name of the development.

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(b) Change in the address of the principal place of business of the Association.

(c) Correction of a typographical or other nonsubstantive error in this Declaration.

Section 3. Indemnification. The Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director of the Association. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, gross negligence or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees, subject to such rules and regulations as the Board of Directors may adopt.

Section 5. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Residential Unit and such portion or portions of the Common Area, streets or property which is subject to this Declaration, adjacent thereto, or as between adjacent Residential Units, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (accordance with the terms of this Declaration) to a distance not more than three (3) feet, as measured from any point on a common boundary between each Residential Unit and the adjacent portion of the Common Area, street or property not subject to this Declaration, or as between said adjacent Residential Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to

villful or reckless conduct on the part of an owner, tenant, or the Association.

Section 6. Easements for Utilities, Etc.

(a) There is hereby reserved to the Association blanket easements upon, across, over, and under all of the Land (except for that portion upon which structures, improvements, shrubberies, trees or other amenities are located) for ingress, egress, installation, replacing, repairing, and maintaining master television antenna or cable systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, telephones, gas, and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development, maintenance or alteration of any portion of the Land, or that may be annexed in accordance with Article VIII of this Declaration.

(b) The Association is hereby granted such easements as are necessary to perform the duties and obligations of the Association as set forth in this Declaration, the Charter, By-Laws, and Association rules.

(c) Notwithstanding anything herein expressly or impliedly to the contrary, this Declaration and the conveyance of each Residential Unit shall be subject to all easements heretofore or hereafter granted by the Board or specified on the Plat for the installation and maintenance of utilities and drainage facilities necessary for the development of the Properties.

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

(e) Whenever sanitary sewer connections, water connections, or electricity, gas, or telephone lines are installed within the Land, which connections serve more than one Residential Unit, the owner of each Residential Unit served by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Residential Unit.

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

(g) Each of the easements provided for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Residential Units and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Land. In furtherance of the easements provided for in this Declaration, the individual deeds to Residential Units may, but shall not be required to, set forth said easements.

(h) Any Person making use of or installing utilities in any of the foregoing easements shall promptly repair any damage caused to any portion of the Residential Unit subject to such easement as a result thereof.

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 8. Right of Entry. The Association shall have the right to enter into any Residential Unit for emergency, security, and safety, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include the right of the Association to enter a Residential Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 9. Maintenance of Common Areas.

(a) The Association 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 Government of Nashville and Davidson County and the said dedication be approved by the

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EXHIBIT A

DESCRIPTION OF REAL PROPERTY:

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A tract of land in the Sixth Civil District of Davidson County, Tennessee, described according to a survey by James L. Murphy, Jr. & Co., dated September, 1975, as follows:

Beginning at a point in the northwesterly margin of an unnamed street, said point being the northeasterly corner of Lot No. 60 on the plan of Forest Acres Estates, Section 2, of record in Plan Book 4175, page 128, Register's Office for Davidson County, Tennessee; thence north 57° 40' west 175 feet to a point; thence north 51° 42' west 210 feet to a point; thence north 41° 14' 40" west 398.97 feet to a point; thence north 25° 07' west 198 feet to a point; thence north 16° 39' west 525 feet to a point; thence south 84° 32' 25" east 946 feet to a point; thence south 83° 00' 30" east 227.33 feet to a point; thence south 84° 16' east 192.36 feet to a point, said point being the northwesterly corner of Forest Acres Estates, Section 1, of record in Plan Book 3700, page 2, Register's Office for said County; thence with the westerly boundary line of said Subdivision south 02° 50' 50" west 907.58 feet to a point; thence south 37° 49' 30" west 220.51 feet to a point being the northerly corner of Lot No. 99 on the plan of Forest Acres Estates, Section 2; thence south 48° 12' 30" west 262.93 feet to a point; thence north 57° 40' west 170.03 feet to the point of beginning.

Being the same property conveyed to J. Marvin Hopper by deed from Land Management and Development Co. of record in Book 7034, page 74, Register's Office for Davidson County, Tennessee.

LEGAL DESCRIPTION

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Being a 5.15 more or less acre tract of land lying in the First Civil District of Davidson County, Tennessee, and being a portion of the Almal Associates Property as of record in Book 6843, Page 762, Register's Office Davidson County, Tennessee, and being more particularly described as follows:

Beginning at a point on the Westerly margin of Nolensville Pike, said point being the most Southeasterly corner of the afore-mentioned Almal Associates Property and the most Northeasterly corner of Lot 42 on the plan of Forest Acres Estates, Section One as of record in Book 3700, Page 1 Register's Office Davidson County, Tennessee; thence leaving the Westerly margin of Nolensville road and with the common line of the herein described tract and said Forest Acres Estates, Section One, North 87 degrees, 48 minutes, 38 seconds West a distance of 5.15 feet to a point on a proposed 5-foot right-of-way dedication line; thence continuing North 87 degrees, 48 minutes, 38 seconds West a distance of 469.36 feet to a point on the Easterly margin of Kinsdale Drive; thence continuing North 87 degrees, 48 minutes, 38 seconds West a distance of 250.70 feet to a point, said point being the most Northeasterly corner of the George T. Hicks, et. ux. tract as of record in Book 4975, Page 898 Register's Office Davidson County, Tennessee; thence leaving the Northerly line of the afore-mentioned Forest Acres Estates, Section One, and with the Northerly line of the said George T. Hicks Property North 86 degrees, 41 minutes, 26 seconds West a distance of 190.00 feet to a point; thence leaving the Northerly line of the said Hicks Property and severing the afore-mentioned Almal Associates Tract North 32 degrees, 11 minutes, 45 seconds East a distance of 484.56 feet to a point; thence continuing South 57 degrees, 27 minutes, 25 seconds East a distance of 315.77 feet to a point on the Northerly margin of a proposed extension of Barnes Road; thence with the Northerly margin of said extension of Barnes Road North 78 degrees, 32 minutes, 35 seconds East a distance of 209.80 feet to a point; thence continuing, and with a curve to the left having a radius of 25.00 feet, a delta angle of 90 degrees, 00 minutes, 00 seconds, a chord bearing of North 33 degrees, 32 minutes, 35 seconds East a chord distance of 35.36 feet to a point on a proposed 5-foot right-of-way dedication line; then continuing North 78 degrees, 32 minutes, 35 seconds East a distance of 5.00 feet to a point on the Westerly margin of Nolensville Pike; thence with said Westerly margin of Nolensville Pike South 11 degrees, 27 minutes, 25 seconds East a distance of 352.83 feet to the point of beginning, containing 5.15 acres, more or less.

Being the same property conveyed to Land Management and Development Co. by deed from Almal Associates of record in Book 7173, page 130, Register's Office for Davidson County, Tennessee.