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Cindy L Briley, Register
Sumner County Tennessee
Rec #: 1039229 Instrument #: 1361388
Rec'd: 535.00 Recorded
State: 0.00 4/23/2021 at 1:46 PM
Clerk: 0.00 in Record Book
Other: 2.00 5574
Total: 537.00 PGS 746-852

FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VINEYARD AT TWELVE STONES CROSSING, A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

(THIS IS A PLANNED UNIT DEVELOPMENT PURSUANT TO TENNESSEE CODE ANNOTATED §66-27-103)

The original Declaration of Covenants, Conditions and Restrictions adopted and recorded, dated October 13, 2005, is compliant with the provisions of Tennessee Code Annotated § 66-27-103 and this Fourth Amendment is made and entered into as of the 23rd day of April, 2021, and properly approved and executed by not less than sixty-seven (67%) percent of the unit owners of the Vineyard at Twelve Stones Crossing, a Horizontal Property Regime with Private Elements, with the intent to amend and restate said original Declaration, in compliance with said original Declaration and amendments One through Three thereof, and in compliance with the Tennessee Code with regard to Horizontal Property Regimes with Private Elements.

WITNESSETH:

WHEREAS, the Unit Owners of the Vineyard at Twelve Stones Crossing hereby amend, modify, replace and restate the original Declaration of Covenants, Conditions and Restrictions for the Vineyard at Twelve Stones Crossing, A Horizontal Property Regime with Private Elements, dated October 13, 2005 and recorded on October 17, 2005 in Record Book 2364, pages 146 through 198; and Amendment I thereto, recorded on November 7, 2007 in Record Book 2864, pages 391 through 418; and Amendment II thereto, recorded on March 22, 2011 in Record Book 3405, pages 332 through 392; and Amendment III thereto, recorded on February 17, 2017 in Record Book 4481, pages 569 through 625, all in the Register's Office for Sumner County, Tennessee; this Amendment and Restatement being expressly permitted in section 22 of the original instrument, and in accordance with those provisions; and

WHEREAS it is the express intention of the Unit Owners to amend and restate the declaration in a unified fashion and to remove references to the Developer which appear in the original documents, all of the lots and units which comprise the Vineyard at Twelve Stones Crossing now having passed out of the hands of the original developer and any of its successors and assigns,

Cannon
Ret - Collier

NOW THEREFORE, for the purposes set forth herein, it is hereby declared as follows:

DEFINITIONS:

The following terms shall be used as defined hereafter, unless the context of the term requires otherwise:

"Act" means the **"Horizontal Property Act"** of the State of Tennessee, Tennessee Code Annotated, Sections 66-27-101, et seq., as amended.

"Board" means the Board of Directors of the Corporation.

"Buildings" means the buildings from time to time located on the Parcel and forming part of the Property.

"By-Laws" means the By-Laws of the Corporation attached hereto as Exhibit B and by this reference made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be part of the By-Laws.

"Common Elements" means all of the Property except for the Units (which include the Private Elements within the units) which are now or hereafter owned by the Corporation. The Common Elements are all areas included in the Parcel which are not a part of the Private Elements shown on the plat and shall be held by the Corporation for the common use and enjoyment of the Unit Owners. The Common Elements shall include, but shall not be limited to, lawns (other than those within Private Elements), roadways, parking areas, drainage structures and facilities, ponds, waterways, fences, sidewalks, signs, lights, utilities and other improvements. The Common Elements shall be owned by the Corporation. "Common Elements" as used herein shall also mean "General Common Elements" as set forth in the Act.

"Common Expenses" has the meaning set forth in Paragraph 9.

"Corporation" means The Vineyard At Twelve Stones Crossing Townhouse Corporation, a Tennessee nonprofit corporation.

"Declaration" means this instrument, as amended from time to time.

"Delinquency Interest Rate" means an annual percentage rate equal to ten percent (10%) of any amounts due to the association by a Unit Owner for any reason under these Declarations or any portion thereof; provided, however, that in no event shall the Delinquency Interest Rate exceed the maximum contract rate of interest from time to time allowed to be charged under applicable law.

"Eligible Mortgagee" means any holder of a first deed of trust or mortgage encumbering a Unit who has submitted to the Corporation a written request to notify such holder of any proposed action requiring the consent of a specified percentage of all such holders who have submitted such a request, and who has received from the Corporation a written acknowledgment of receipt of the request.

"Lots" shall mean the numbered lots shown on the Plat of the Parcel on which the Buildings have been constructed. Lots, as referenced on the Plat, shall be deemed to refer to the Private Elements.

"Major Decisions" has the meaning set forth in Paragraph 21.

"Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the Units.

"Managing Agent" has the meaning set forth in paragraph 4 (b).

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

"Parcel" means the real estate in Sumner County, Tennessee, depicted on the Plat and more particularly described on attached Exhibit A as such Parcel may be modified pursuant to the provisions of Paragraph 28.

"Person" means a natural person, corporation, partnership, limited liability company, trustee or other legal entity capable of holding title to real property.

"Plat" means the site plan of the Parcel submitted to the provisions of the Act showing the number of each Unit, expressing its area, location and other data necessary for identification, said Plat being attached hereto on Exhibit C and made a part hereof.

"Private Elements" means the Lot upon which each Unit is located and the improvements located thereon, together with any other property and interests in property constituting "private elements" for such Unit pursuant to the Act or this Declaration, for which fee simple ownership and exclusive use is reserved only to that Unit as provided in this Declaration.

"Property" means all the land, property and space now or hereafter comprising the Parcel (as such Parcel may be modified pursuant to the provisions of Paragraph 28), and all buildings, structures and other improvements now or hereafter erected, constructed or contained therein or thereon, including the Buildings and all easements, rights, privileges and appurtenances belonging or in any way pertaining thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

"Proportionate Share" means the respective proportionate share of a Unit Owner in the aggregate membership in the Corporation, which shall be calculated as provided in Exhibit D.

"Record", "Recorded" or "Recording" refers to the record or recording in the Office of the Register of Deeds of Sumner County, Tennessee.

"Unit" means a portion of the Property as shown and designated on the Plat for separate ownership and shall include the Private Elements and the residence and other improvements now or hereafter located thereon. Each Unit is numbered as shown on the Plat and may be held and conveyed by reference to each such number. Conveyance of a Unit shall automatically convey the individual membership of the Unit Owner in the Corporation. 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, except that ownership shall include Private Elements as part of a planned unit development.

"Unit Owner" means, collectively if more than one, the Person(s) whose estate(s) or interest(s) aggregate fee simple ownership of a Unit and the undivided interest in the membership in the Corporation appurtenant thereto, and such term shall be deemed to have the same meaning as the term "co-owner" as used in the Act. The foregoing definitions shall apply equally to both the singular and plural forms of the terms defined.

PROVISIONS

1. **Submission of Property to the Act.** The original recorded Declaration dated October 13, 2005 and recorded on October 17, 2005 in Record Book 2364 pages 146 to 198, properly submitted the property described in these Declarations to the provisions of the Act and properly established a Horizontal Property Regime With Private Elements thereunder. This amendment expressly intends to retain that status for the property described herein which shall be known by and may be referred to collectively as the Vineyard at Twelve Stones Crossing.
2. **Plat.** The Plat sets forth the numbers, areas, and locations of each Unit and other data as required by the Act.
3. **Units.** The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage, deed of trust or other instrument shall describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

4. **Corporation as Governing Body for Unit Owners: Administration and Operation of the Property.**

(a) **Corporation.** The Corporation, which has been or will be incorporated, shall be the governing body for all of the Unit Owners, 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 Corporation shall be the By-Laws attached to this Declaration as Exhibit B and made a part hereof, as the same may be amended or modified from time to time pursuant to the provisions hereof and thereof. The Board shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Corporation shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Corporation shall not be deemed to be conducting a business of any kind. All activities undertaken by the Corporation shall be for the sole benefit of the Unit Owners, and all funds received by the Corporation shall be held and applied by it for the use and benefit of the Unit Owners in accordance with the provisions of the Act, this Declaration and the By-Laws. Each Unit Owner shall be a member of the Corporation and shall own a Proportionate Share of the total membership in the Corporation for so long as he is a Unit Owner. 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 and Proportionate Share of the total membership in the Corporation. The aggregate number of votes for all members of the Corporation shall be equal to the number of Units, and the Unit Owners' ownership of the total membership in the Corporation shall be pro-rata in accordance with the respective Proportionate Shares of each.

(b) **Management of Property.** The Board shall have the authority to engage the services of an agent (sometimes herein referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subparagraph (c) below. The cost of such services shall be a Common Expense.

(c) **Non-Liability of Directors. Board, Officers: Indemnity.** To the fullest extent permitted by law, the Board and the individual members thereof and the officers of the Corporation shall not be personally liable to the Corporation or the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Board, members, officers, directors, agents and employees, except for any acts or omissions found by a court to constitute gross negligence or willful misconduct. The Corporation shall indemnify and hold harmless each of the Board and the aforesaid members, officers, directors, agents and employees, and their respective heirs, executors, administrators, successors and assigns, in accordance with the provisions of Article VIII of the By-Laws.

5. **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 the By-Laws, the determination thereof by the Board shall

be final and binding on each and all such Unit Owners.

6. **Ownership of the Common Elements.** Ownership of the Common Elements shall be vested in the Corporation.

7. **Use of the Common Elements.** Subject to the provisions of the Act, this Declaration and the By-Laws, each Unit Owner shall have the unrestricted right to use the Common Elements (which does not include the Private Elements) in common with all other Unit Owners, as may be required for the purposes of access and ingress to, egress from and use, occupancy and enjoyment of the 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 agents, customers, guests, visitors, invitees and licensees. Such rights to use the Common Elements shall be subject to and governed by the provisions of the Act, this Declaration, the By-Laws and the rules and regulations of the Corporation. In the event of any dispute regarding use of the Common Elements, the Board's determination regarding such use shall be final and binding upon all interested parties, to the extent permitted by applicable law. In addition to the foregoing, the Corporation shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of this Declaration and the By-Laws. All income derived by the Corporation from leases, concessions or other sources shall be held and used for the benefit of the members of the Corporation, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

8. **Storage Areas and Parking.** Any storage areas located on the Property, except those inside the Units and those that are Private Elements, shall be part of the Common Elements and shall be allocated and re-allocated, from time to time, to the respective Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe, and storage areas not so allocated may be rented in such manner as the Board may prescribe. Parking spaces within the Parcel that are not Private Elements shall be part of the Common Elements, and shall be used by the Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe, and parking spaces not so used by Unit Owners may be rented or otherwise used in such manner as the Board may prescribe.

9. **Common Expenses.**

(a) **Common Expenses.** Each Unit Owner, to the extent hereinafter provided, shall pay his Proportionate Share of the expenses of the administration and operation of the Common Elements and the Corporation, including insurance premiums and the costs of operation, maintenance, repair and replacement of and additions to the Common Elements, together with any other expenses or liabilities incurred by the Corporation in accordance with this Declaration and the By-Laws and the establishment of appropriate reserves with respect to the foregoing pursuant to this Declaration and the By-Laws (collectively, "Common Expenses"). Payment of Common Expenses, including any prepayment thereof required by a contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his Proportionate Share of the Common Expenses by waiver of the use or

enjoyment of the Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of Common Expenses when due, the amount thereof, together with interest thereon at the Delinquency Interest Rate from the date that said Common Expenses become due and payable, plus reasonable attorney's fees incurred by the Corporation in the collection thereof or the enforcement of the lien herein provided, shall constitute a lien on the interest of such Unit Owner in his Unit and in the Property as provided in the Act. The sale or conveyance of a Unit shall in all cases be subject to all unpaid assessments against the Unit Owner thereof for his Proportionate Share of the Common Expenses, and if the same are not paid by the owner thereof prior to any sale or conveyance, shall be a lien against the Unit and shall be payable by the new Unit Owner thereof. Likewise, all taxes and other levies and assessments by governmental taxing bodies shall be a lien against individual Units.

(b) **Grant of Lien.** FOR AND IN CONSIDERATION OF the foregoing, the privileges and protections of this Declaration and the By-Laws and the mutual enjoyment and use of the Common Elements and the rest of the Property, the receipt of which is hereby acknowledged, and any assumption of the obligations by transferees as required hereunder, and to secure the payment of said Common Expenses, principal, interest and attorney's fees, a lien is expressly retained in favor of the Corporation on each and every Unit Owner's Unit and Proportionate Share of the membership in the Corporation.

(c) **Protection of Certain Mortgages and Deeds of Trust.** The lien for Common Expenses payable by a Unit Owner is and shall be subordinate to the lien of a first mortgage or deed of trust encumbering the corresponding Unit, except for the corresponding Proportionate Share of Common Expenses that 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. The lien for Common Expenses will not be affected by any sale or transfer of a Unit except in the case of a foreclosure of a first mortgage or deed of trust encumbering such Unit (or a conveyance in lieu thereof), in which event such foreclosure or conveyance will extinguish the lien for the amount of the corresponding Proportionate Share of Common Expenses that became due and payable prior thereto but will not relieve any subsequent owner from liability for the payment of assessments arising thereafter. Any delinquent Common Expense assessments that are extinguished by virtue of the foreclosure of or other exercise of remedies under any such mortgage or deed of trust may be reallocated and assessed to all of the Units as a Common Expense.

10. **Mortgages and Deeds of Trust.**

(a) Each Unit Owner shall have the right, subject to the provisions hereof, to make separate mortgages and deeds of trust for his respective Unit together with his respective membership interest in the Corporation. No Unit Owner shall have the right or authority to grant, make or create, or cause to be granted, made or created, any mortgage, deed of trust or other lien on or affecting the Property or any part thereof, except only to the extent of his own Unit and the respective membership interest in the Corporation corresponding thereto.

(b) Any holder, insurer or guarantor of a deed of trust or mortgage on a Unit may file with the Corporation a written request for the information listed below in this subparagraph (b). Such request shall state the requesting party's identity and address and the Unit number or address of the Unit encumbered by the corresponding deed of trust or mortgage. Such request shall be effective only upon delivery to such holder, insurer or guarantor, at the address specified in the request, of the Corporation's written acknowledgment of receipt of the request, and upon the effectiveness of such request such holder, insurer or guarantor shall be entitled to timely written notice of:

- (1) any condemnation or casualty loss that affects a material portion of the Property or the Unit encumbered by the corresponding deed of trust or mortgage,
- (2) any sixty (60) day delinquency in the payment of any assessments or charges owed by the Unit Owner who owns the Unit encumbered by the corresponding deed of trust or mortgage,
- (3) a lapse, cancellation or material modification of any insurance policy maintained by the Corporation, and
- (4) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

11. Separate Utility and Tax Assessments.

(a) Utility services for Units shall be separately metered, and all utility charges for Units shall be assessed to and constitute the sole responsibility of the respective Unit Owners thereof. In the event that any utility services are not separately metered, the charges for such utility services shall be paid by the Unit Owners served thereby pro rata in accordance with their relative Proportionate Shares.

(b) Real estate taxes shall be separately assessed to each Unit Owner for his Unit, including the corresponding percentage of membership in the Corporation, as provided in the Act. In the event that such taxes for any year are not separately assessed to each Unit Owner, but rather are assessed on the Property as a whole, then such taxes shall be treated as a Common Expense and each Unit Owner shall pay his Proportionate Share thereof.

12. Insurance - Damage, Destruction, and Reconstruction. Fire and extended coverage (H03) insurance shall be obtained and maintained upon each Unit by the respective Unit Owner as provided by this section.

(a) All Unit Owners must furnish fully paid policies of such insurance issued by companies and in form satisfactory to the Board, which policies must insure against loss or damage

by fire and such other hazards as are covered under standard "all risk" coverage, for the full insurable replacement cost of the Property, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed to be the cost of restoring the Units or any part thereof, to substantially the same condition which existed prior to damage or destruction.

In addition, the following requirements must be satisfied and/or rights must be afforded to the Board and the Corporation with respect to such individual Unit policies:

- (1) Such policies must show the Corporation as an additional Loss Payee and in the event of an insurable loss, all proceeds thereof shall be paid to the Loss Payees to be held and used by the Corporation with respect to such loss as hereinafter provided. Each Unit Owner hereby assigns all such proceeds to the Corporation. All drafts or checks made by any insurer jointly to all Loss Payees shall be endorsed over to the Corporation.
- (2) Each such Unit policy must provide that the Corporation shall be given thirty (30) days' written notice prior to termination of any such policy.
- (3) Each such Unit policy shall be for a term of not less than one (1) year, the premium for such policy shall be paid annually in advance and each Unit Owner shall furnish to the Corporation a paid receipt for the annual renewal premium, a notice from the insurer that said policy has been renewed, and a then current replacement cost calculation as to the insured Unit from the insurer or a licensed real estate appraiser, at least thirty (30) days in advance of the termination date of the policy.
- (4) In the event any Unit Owner fails to provide or maintain such insurance on such Unit Owner's Unit as set forth herein, or in the event any Unit Owner fails to comply with any of the requirements set forth herein, then the Corporation may place substitute coverage on such Unit and the cost of any such coverage together with all other costs and expenses incurred by the Corporation in connection therewith, including attorney fees and court costs, shall be assessed against such Unit Owner, shall be added to and deemed a part of such Unit Owner's respective share of the Common Expenses and the Corporation shall have a lien for all of the same upon the Unit and the ownership interest in the Corporation of such defaulting Unit Owner, as provided in Section 20 and otherwise in this Declaration, and the Corporation may exercise all rights and remedies allowed in Section 20 and otherwise in this Declaration arising out of such default.
- (5) In the event of damage to or destruction of any Units, then the Board shall have full authority and responsibility concerning reconstruction of the entire Unit in accordance with the requirements and provisions of the remaining

subsections (b) through (h) of this Section 12. In such event, each Unit Owner shall pay to the Corporation any cost of reconstruction or repair of such Unit Owner's Unit which is not covered by such insurance.

The Board shall continue to provide fire and extended coverage insurance for the Common Elements in accordance with the requirements set forth herein by separate policy.

(b) In the event of damage to or destruction of any part of the Buildings or any other structures or improvements constituting a part of the Property as a result of fire or other casualty covered by insurance, (unless more than two-thirds of all the Buildings and Common Elements 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 and Common Elements substantially in accordance with the original plans and specifications therefore; provided that the Board will give opportunity to the affected Unit Owners to provide input as to reconstruction of the interior of their Unit prior to beginning reconstruction and at reasonable times during reconstruction. The interior of the Unit will be reconstructed to substantially the same condition as the interior of the Unit prior to damage or destruction, provided that if insurance proceeds are not available to reconstruct the interior to such condition, then prior to commencement of work, the affected Unit Owner must deposit the amount necessary to pay the uninsured amount with the Corporation to be used to pay any uninsured costs. Unit Owners must act reasonably in providing input and otherwise in interacting with the Board and all other parties in connection with reconstruction hereunder. Where the insurance proceeds are insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all Unit Owners directly affected by the damage, pro rata in accordance with their relative Proportionate Shares. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering or furniture, furnishings, fixtures, appliances or equipment installed in, on or about the Unit by a Unit Owner or Occupant or any other personal property located on the Property owned by a Unit Owner or Occupant unless insurance therefore is specifically provided for in the insurance policy obtained by the Unit Owner. The Board in its sole discretion shall determine which Unit Owners are directly affected by the damage.

(c) If the whole or more than two-thirds (2/3) of any Buildings or Common Elements are destroyed or damaged by fire or other casualty, as determined by the Board, and if not less than sixty-seven percent (67%) of the Unit Owners, together with Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject, to deeds of trust, or mortgages held by Eligible Mortgagees, determine that reconstruction shall not take place, then reconstruction shall not be required. In such event, the Board, as soon as is reasonably practicable and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale and of all insurance policies shall thereupon be distributed to the Unit Owners and their mortgagees, as their interests may appear. If and to the extent requested by the Board, the Unit Owners shall join in any conveyance necessary to facilitate such sale. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent or the Board shall, or if it does not, any Unit Owner or mortgagee may, Record a sworn declaration setting forth such fact and reciting that under the provisions of this Declaration

the prohibition against is judicial partition provided for in this Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

(d) Reconstruction also shall not be compulsory where the whole or more than two-thirds (2/3) of any one of the Buildings is destroyed, as determined by the Board; provided, however, that unless more than two-thirds of all the Buildings and Common Elements require reconstruction, the destroyed Building shall be reconstructed as hereinabove provided if any one or more of the Unit Owner(s) directly affected or an Eligible Mortgagee thereof so directs. If such Building is not to be reconstructed, the net proceeds of insurance policies shall be divided among all the Unit Owners directly affected by the casualty and their mortgagees prorata in accordance with the relative Proportionate Shares of the affected Unit Owners, after paying from the share of each such affected Unit Owner (1) the costs of removing debris and returning the site to a condition compatible with the overall appearance of the Property, including landscaping, and (2) the amount of any unpaid liens on the Unit, of such Unit Owner, in the order of priority of such liens. Notwithstanding the foregoing, no such disbursement of the aforesaid insurance proceeds shall occur unless simultaneously with such disbursement each affected Unit Owner delivers to the Board a recordable deed quitclaiming his interest in his Unit or the affected portion thereof to the remaining Unit Owners, prorata in accordance with their relative Proportionate Shares, and also delivers to the Board a recordable release of any liens on his Unit or the affected portion thereof. Upon the Recording of the aforesaid deeds and releases, each such Unit or affected portion thereof shall be deemed withdrawn and thereafter to be Common Elements. Upon the withdrawal of any Unit or portion thereof, the percentage interest in the Common Elements allocable to such Unit shall be reallocated among the remaining Units on the basis of the relative percentage interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, as determined by the Board. After the Board has effected any such withdrawal, the responsibility for the payment of assessments for any such withdrawn Unit or portion thereof shall cease.

(e) The Board also shall have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable (but in no event less than \$1,000,000), and worker's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, the mortgagee(s) of Record, if any, the Corporation, the Board, Developer, any Managing Agent and their respective members, officers, directors, agents and employees, from (1) liability in connection with the Common Elements, and (2) liability arising out of legal proceedings relating to employment contracts to which the Corporation is a party (to the extent such insurance is reasonably available). 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 shall be separately billed to each Unit Owner in amounts corresponding to such Unit Owner's Proportionate Share. The Board shall retain in safekeeping any such public liability policy for twenty-three (23) years after the expiration date of the policy.

(f) If any portion of the Property is located in an area designated by the Department of Housing and Urban Development as having special flood hazards, then the unit owner or owners of those portions of the property located in designated flood areas shall purchase at the unit owner's expense a policy of insurance against damage or destruction occasioned by floods in an amount equal to 100% of the insurable value of the affected portion of the property or, if less, the maximum amount of insurance coverage available. The premiums for such insurance shall be considered a Unit Owner expense and each affected Unit Owner shall bear all costs associated with such coverage for their affected unit or units. The Board, however, shall have the authority to, in the absence of a sufficient policy of flood insurance purchased by the Unit Owner or owners of such affected property, obtain insurance in an amount deemed sufficient by the Board. The premiums for any such insurance obtained by the Board shall be a Unit Owner expense, and all costs associated with such coverage shall be assessed against the Unit Owner or owners of the affected units. Any Unit Owner required to purchase coverage under the terms of this paragraph shall be required to furnish the Board with a copy of the flood policy applicable to their unit in order to allow the Board to assess sufficiency of coverage. If any area which is not a Private Element but is a Common Element maintained for the use and benefit of all Unit Owners, shall be located in such an area then the Board may purchase as a Common Expense, insurance against damage or destruction occasioned by floods to such Common Element(s) in an amount equal to 100% of the insurable value of the affected portion of the Common Element(s), or the maximum amount of insurance coverage available.

(g) The Board also shall have authority to and may obtain such other insurance and bonds, including fidelity insurance and bonds, 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 Corporation, and each member of any committee appointed-pursuant to the By-Laws of the Corporation, from liability arising from the fact that said person is or was director or officer of the Corporation, or a member of any such committee. The premiums for such insurance and bonds shall be a Common Expense.

(h) Each Unit Owner shall be responsible for obtaining his own insurance on his possessions within and any other contents of his own Unit, the Private Elements within his Unit as well as his additions and improvements thereto, all decorations, furnishings and personal property therein and any personal property stored elsewhere on the Property. 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 the benefit of 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.

13. Maintenance. Repairs and Replacements.

(a) Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within the interior of his own Building. Maintenance of, repairs to and replacements of the exterior of each Building, the foundations, bearing walls and

columns, roofs, yards, windows, exterior doors, utility lines, pipes and service (except those located entirely within a Unit and serving only such Unit), and maintenance and repair of the Common Elements shall be the responsibility of and shall be furnished by the Corporation. The cost of maintenance of, repairs to and replacements of the foregoing shall be part of the Common Expenses, subject to the provisions of this Declaration, the By-Laws and the rules and regulations of the Corporation. If, in order to maintain, repair or replace the electrical wiring, plumbing or other utilities of a Unit, it shall become necessary to gain entry to another Unit, it shall be the responsibility of the Corporation 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.

(b) If, due to the act or neglect of a Unit Owner, or of his agent, invitee or licensee, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required that otherwise would be a Common Expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacement, as may be determined by the Corporation, to the extent not covered by the Corporation's insurance or sufficient proceeds are not collected from the insurance carrier.

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

14. **Alterations, Additions or Improvements.** Except as provided in Paragraph 15, no alteration of any Building or the Private Elements or Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written consent of the Board. The Board may authorize and charge as Common Expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make non-structural alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damages to other Units, the Common Elements, the Property or any part thereof resulting from such alterations, additions or improvements.

15. **Decorations and Cleaning.** Each Unit Owner, at his own expense, shall furnish and be responsible for all decorations and cleaning within his own Unit and as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorations. Each Unit Owner shall be entitled to the exclusive use of his Unit, and such Unit Owner, at his sole expense, shall maintain said Unit, including the corresponding Private Elements, in good condition, as may be required from time to time. Said maintenance and use of the Unit shall be subject to the rules and regulations of the Corporation, but each Unit Owner shall have the right to decorate the interior of his Unit from

time to time as he may see fit and at his sole expense. Decorations of the Common Elements and any redecoration of Units, to the extent such redecoration of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Corporation, shall be furnished by the Corporation as part of the Common Expenses. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit.

16. Easements and Encroachments.

(a) 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 by the Plat, due to engineering errors, errors in original construction, reconstruction or repair, settlement or shifting of a Building or movement of any portion of any other improvements on the Property or any similar cause, 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; provided, however, that in no event shall an easement for encroachment be created in favor of a Unit Owner if said encroachment occurred due to the willful act of said Unit Owner, and further provided that the physical boundaries of a Unit following construction or any reconstruction or repair thereof will be in substantial accord with the description of those boundaries in this Declaration.

(b) Each Unit Owner shall have a perpetual and non-exclusive easement for ingress and egress to his Unit, in, upon, over, under, across and through the Common Elements, which easement shall be appurtenant to the Unit of such Unit Owner and shall pass with the Unit estate as and when a transfer or conveyance of ownership of the Unit occurs.

(c) A perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, under, across and through the Common Elements, Private Elements and Units is hereby reserved to the Corporation for the purpose of maintaining, repairing and replacing the Common Elements or any equipment, facilities or fixtures affecting or servicing the Common Elements or any of the Private Elements for which the Corporation has maintenance responsibility, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner or Occupant, except that, in the case of an emergency, such right of entry shall be immediate and absolute, regardless of whether the Unit Owner or Occupant is present at the time or whether request is made.

17. Transfer of a Unit.

(a) **Leases.** Unless the approval of the Board is first obtained, no Unit or interest therein shall be leased by a Unit Owner. Any lease made by a Unit Owner without first obtaining Board approval shall be voidable at the Board's option upon five (5) days' written notice to the Unit Owner. Any lease or rental agreement with respect to a Unit must be in writing and subject to

applicable requirements of the Act, this Declaration, the By-Laws and the rules and regulations of the Corporation.

(b) Corporation's Right to Purchase. The Board shall have the power and authority to bid for and purchase, for and on behalf of the Corporation, any Unit, or interest therein, that is offered for sale by the Unit Owner or pursuant to a deed of trust or mortgage foreclosure, a foreclosure of the lien for Common Expenses under the Act or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of not less than a Majority of the Unit Owners. Such consent shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for said Unit.

(c) Financing of Purchase by Corporation. The Board shall have authority to make such mortgage arrangements and special assessments proportional among the respective Unit Owners, and such other financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase of a Unit, or interest therein, by the Corporation. Notwithstanding the foregoing, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased and the membership interest in the Corporation appurtenant thereto.

(d) Miscellaneous.

- (1) The Corporation shall hold title to any Unit, pursuant to the terms hereof, in the name of the Corporation, or a nominee thereof designated by the Board, for the sole benefit of all Unit Owners. The Board shall have the authority at any time to sell, lease or sublease said Unit on behalf of the Corporation upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold for less than the amount paid by the Corporation to purchase said Unit unless not less than a Majority of the Unit Owners first authorize the sale for such lesser amount.
- (2) The Board may adopt rules and regulations from time to time, not inconsistent with the provisions of this Paragraph 17 for the purpose of implementing and effectuating said provisions.

18. Use and Occupancy Restrictions.

(a) Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than for single family residences and the related common purposes for which the Property was designed and as allowed by applicable zoning laws. Each Unit or any two or more adjoining Units used together shall be used as a single family residence or for such other use as is permitted by this Declaration, and for no other purpose. The foregoing restrictions as to residential

use shall not be construed to prohibit a Unit Owner from: (1) maintaining his personal professional library within his Unit, (2) keeping his professional or personal business records or accounts within his Unit, or (3) handling his professional or personal business telephone calls, other electronic communications or correspondence within his Unit; such uses being hereby expressly declared to be incident to the principal residential use and not in violation of said restrictions.

(b) The Property is intended and will be operated for occupancy by persons 55 years of age or older as contemplated by, and in compliance with applicable requirements of, the Housing for Older Persons Act of 1995, as codified at 42 U.S.C. § 3607(b)(2)(C), which requires, among other things, that at least eighty percent (80%) of the occupied Units be occupied by at least one person who is 55 years of age or older (subject to certain regulatory exceptions and exclusions). The Board, on behalf of the Corporation, shall publish and adhere to policies and procedures that demonstrate this intent, and shall cause the Property to be operated in compliance with applicable rules issued by the Secretary of Housing and Urban Development for verification of occupancy. In order that the Corporation may assure compliance with all applicable legal and regulatory requirements under or pursuant to the Housing for Older Persons Act of 1995 relating to occupancy of a specified percentage of the Units by persons 55 years of age or older, each Unit Owner, by acceptance of a conveyance of his Unit, shall be deemed to have agreed as follows:

- (1) Unless otherwise specifically approved in writing by the Board, each occupied Unit shall be occupied by at least one Occupant 55 years of age or older.
- (2) Upon the request of the Board, each Unit Owner will provide any information or documentation reasonably requested by the Board in order to verify the extent to which the Units are occupied by persons 55 years of age or older, including any information or documentation specified in applicable regulations promulgated by the United States Department of Housing and Urban Development. The Unit Owners will cooperate with any periodic occupancy surveys conducted by the Board.

(c) The Common Elements shall be used only by the Unit Owners and their family members, agents, invitees, guests and licensees for access and ingress to and egress from the respective Units and for such other purposes as are incidental to the ownership, use and enjoyment of the Units; provided, however, that receiving rooms, storage areas and other areas designed for a specific use shall be used only for purposes approved by the Board. 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 hereafter entered into by the Board at some future time, affecting any part or all of said Common Elements.

19. **Lot and Building Restrictions.** The following restrictions shall apply to Lots as indicated. The term "Lots" indicates applicability to all Buildings and Units constructed thereon.

(a) **Floor Area.** Minimum square footage of each Unit shall be as follows:

(1) **General.** The calculation of square footage shall not include: garages, covered walks, open and/or screen porches and patios, but may include bonus areas above the garages. Square foot measurements shall be taken from outside walls of Units. All Units shall contain a minimum of One Thousand Seven Hundred Fifty (1,750) square feet.

(2) **Two Story Residences.** All two story single family residences shall contain a minimum of Two Thousand One Hundred (2,100) square feet total, including at least One Thousand Four Hundred (1,400) square feet making up the first story of the residence.

(b) **Exteriors.** All Buildings shall be constructed with a minimum of 75% of the exterior, excluding doors and windows, containing brick, stone, hardiplank or other approved material.

(c) **Foundations.** Unless built on slabs, all Buildings shall have foundations made of brick or stone to ground grade, with no foundations containing exposed blocks or stucco.

(d) **Garages.** Each Unit shall have sufficient enclosed garage space for any and all family owned or leased vehicles, and each garage shall contain at least two (2) spaces for said vehicles. Garage doors shall generally be kept in closed position. The Board may waive the requirements of this Section where the topography of the particular Lot make compliance therewith impracticable.

(e) **Temporary Structures.** No structure or object of a temporary character, such as, but not limited to, trailers, construction trailers, tents, shacks, sheds and garages, barns, or other temporary or other outbuildings shall be erected, kept or maintained on any Lot for any use whatsoever, either temporarily or permanently.

(f) **Fences, Walls and Hedges.** The composition, location and height of any fence, wall or hedge to be constructed on any Lot shall be approved in advance by the Board. The Board shall require the fence to be in conformity with the standards adopted by the Board from time to time. Any wall or hedge shall be consistent with the material used in the surrounding Buildings. All fences shall be located behind the Unit. Fencing location must accompany the final working drawings submitted to the Board for any proposed Unit. The Board reserves the right to disapprove any and all fencing.

(g) **Swimming Pools.** Any swimming pool or hot tub or jacuzzi to be constructed on any Lot by a Unit Owner shall be constructed in the ground and shall be subject to the requirements of the Board which shall include, but not be limited to, the following:

- (1) Composition to be of material thoroughly tested and accepted by the industry for such construction.
- (2) Swimming pools, pool decks, fencing, screen enclosures, patio and terrace slabs may not extend into the minimum yard setback areas or across the Unit line on any Lot.
- (3) Landscape, pool, recreation and security lighting shall be designed so as to not be an annoyance to the surrounding residents. Such lighting shall not be controlled by light sensitive switches. Time clock controls may be used but in no event shall such lighting (other than low level lighting) be permitted to be on after ten-thirty (10:30) p.m. Central Standard or Daylight Savings (whichever shall then be in effect) Time.

THE CORPORATION SHALL NOT BE RESPONSIBLE FOR ANY MAINTENANCE, UPKEEP, REPAIR, OR REPLACEMENT OF ANY FENCE, WALL, HEDGE, POOL, HOT TUB OR JACUZZI OR FOR LAWN CARE, SHRUBBERY CARE OR MAINTENANCE OR ANY LAWN CARE WITHIN ANY FENCED ENCLOSURE. ALL SUCH MAINTENANCE SHALL BE PERFORMED BY THE UNIT OWNER, AT THE UNIT OWNER'S SOLE COST AND SHALL BE MAINTAINED TO STANDARDS OF THE REMAINDER OF THE PROPERTY.

(h) **Driveway.** All driveways and parking areas shall have hard impervious, dustless surface of exposed aggregate or brushed concrete. Driveways may connect to Streets at only two (2) points for each Lot and such connection shall provide continuity of any drainage swale or curb and shall blend into Street pavement. No curbside parking areas may be created by extending any portion of Street pavement.

(i) **Utilities.** Each Unit shall be connected to the public water line and sewer line providing such service for the Lots. No water shall be obtained from any lake, stream or water body.

(j) **Clotheslines and Basketball Goals.** No clothesline or outside drying area shall be located on any Lot. No basketball goals shall be installed or erected on any Lot. Further, no painted nor unpainted sculptures or statues, including but not limited to statues depicting animals, human-like figures, or plant life, shall be permitted on any Lot without Board approval.

(k) Garbage and Trash Containers. No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. Each Unit shall keep all trash, garbage and other waste in sanitary containers and except as required during trash collection, all containers shall be kept within the garage of the residence.

(l) Antenna and other rooftop accessories. No radio, television or other electronic antenna, aerial or satellite receiving dish, or other reception or transmission device may be erected or maintained anywhere on a Building without the prior written approval of the Board. In no event shall any satellite-receiving dish be larger than the largest current industry standard for high definition home television satellite receiving dishes, and such dish shall not be visible from any adjoining lot, if possible.

(m) Nuisances. No use or practice which is either an annoyance to Unit Owners or an interference with the peaceful possession and use of the Property by Unit Owners shall be allowed. No Unit Owner shall commit or permit any nuisance or illegal activity on or about the Property. For greater clarification, no Unit Owner shall knowingly or willfully make or create any unnecessary, excessive or offensive noise or disturbance which destroys the peace, quiet and/or comfort of the Owners, or allow any such noise or disturbance to be made on or about his Unit. Without limiting the generality of the foregoing, no go-carts or recreational all-terrain vehicles shall be operated at anytime on the Property.

(n) Boats, Trailers and Motor Vehicles. Except as specifically allowed and approved in advance by the Board, no commercial vehicles, boats, boat trailers, buses, house trailers, motor homes, trucks, camping trailers, vans, motorcycles, motor scooters, go-carts, motorbikes or other similar vehicles ("Nonpermitted Vehicles"), whether of a recreational nature or otherwise, with the exception only of four-wheel passenger automobiles and pickup trucks, shall be placed, parked or stored upon any Lot. The Association may grant an Owner permission to bring onto the property a Nonpermitted Vehicle upon application by the Unit Owner if the Board finds, in its sole and absolute discretion, that a Board approved garage is available for storage of the Nonpermitted Vehicle and the Nonpermitted Vehicle is owned by the Unit Owner. Upon showing written evidence of such approval at the entry, the Owner may bring such Nonpermitted Vehicle onto the property and park it inside the approved garage. The Owner shall be permitted to have a boat outside for up to, but no more than twenty-four (24) hours preparing it for storage.

(o) Single-Family Occupancy. The residence of each Unit shall be limited to the members of one (1) family. For purposes of this section, "family" shall mean and refer to a group of persons, each of whom is related to each other member of the group through blood or marriage either as siblings or in direct lines of ancestry or descent; or each of whom is related to another member of the group by virtue of a domestic partnership with that other member. An Improvement occupied by a single family as defined above is a "Single Family Residence."

(p) Home Occupation. Home occupations may be practiced on any Lot subject to the following limitations:

- (1) The home occupation shall be located and conducted inside dwelling units only;
- (2) The principals and any other persons employed on the property in furtherance of the home occupation shall be residents of the dwelling unit in which it is located; provided, however, that where the Board finds that a hardship exists, one (1) nonresident of the property may be employed on the property in furtherance of the home occupation on a temporary basis for a period not to exceed twelve (12) months;
- (3) Not more than ten percent (10%) of the total floor area in the dwelling unit shall be devoted to the home occupation;
- (4) The dwelling unit shall not be used as a primary or incidental storage facility for a business, industrial, commercial, or agricultural activity conducted elsewhere;
- (5) No articles, materials, goods or equipment indicative of the home occupation shall be visible from any street or stored outside the dwelling unit;
- (6) The home occupation shall not be advertised by the display of goods or signs on the Lot on which it is located;
- (7) The proposed uses shall not generate noise, odor, fumes, or smoke, nor create a nuisance of any kind which would adversely affect the residential character of the Development;
- (8) No traffic shall be generated by the home occupation in greater volume than would normally be expected in a residential neighborhood;
- (9) Teaching, including but not limited to tutoring and art, music and dance lessons, shall be permitted provided that it is limited to two (2) pupils at any given time;
- (10) Barber shops, beauty shops, gift shops, gun sales, florist shops or other retail activities that are traditionally conducted in a commercial zoning district shall not be permitted under any circumstances.

20. **Remedies.** In the event of any violation of the provisions of the Act or any of the covenants, conditions, restrictions or provisions of this Declaration or the By-Laws or any of the rules and regulations of the Corporation by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit or any family member, invitee, guest or licensee thereof) the Corporation, or its successors or assigns, or the Board, or its agents, shall have each and all of

the rights and remedies that may be provided for in the Act, this Declaration, the By-Laws or said rules and regulations, or that may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner or other Occupant 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 for any combination of remedies or for any other relief. All expenses of the Corporation, or its successors or assigns, or the Board, or its agents, in connection with any such actions or proceedings, including court costs and attorneys fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the Delinquency Interest Rate 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 Corporation shall have a lien for all of the same, as well as for non-payment of his respective share of the Common Expenses, upon the Unit and ownership 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 first mortgage or deed of trust on the interest of such Unit Owner, except for the amount of the corresponding Proportionate Share of said Common Expenses that become due and payable from and after the date on which the beneficiary of said mortgage or deed of trust either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security) or forecloses its mortgage or deed of trust. In the event of any such default by any Unit Owner, the Board and the 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 and secured by the lien herein-above provided. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. A violation of the Act or any of the covenants, conditions, restrictions or provisions of this Declaration or the By-Laws or any of the rules and regulations of the Corporation shall give the Corporation, acting through the Board, the right, in addition to any other rights provided for in this Declaration: (a) to enter (either peaceably or forcibly without liability to such 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 summarily to (i) 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 (provided that an appropriate civil action shall be instituted before any items of construction may be altered or demolished), or (ii) take any other action reasonably required to remedy such violation, 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 the conduct of any other Occupant of his Unit or any family member, agent, invitee, guest or licensee thereof) shall violate the Act or any of the covenants, conditions, restrictions or provisions of this Declaration or the By-Laws or any of the rules and regulations of the Corporation, 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 from the Board to cure such violation, then the Board shall have the power to issue to said defaulting Unit Owner a notice in writing terminating the rights of the said defaulting Unit 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 Corporation, acting through the Board, against said defaulting Unit Owner for a decree of mandatory injunction against such defaulting Unit Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all right, title and interest of said defaulting Unit 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 Unit Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of such proceeding and sale, and all such items shall be assessed against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or liens hereunder, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser thereupon shall be entitled to a deed to the Unit and the Unit Owner's corresponding membership interest in the Corporation, 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.

21. Amendment.

(a) Except as otherwise provided in this Declaration, the provisions of this Declaration may be changed, modified or rescinded only by an instrument in writing, setting forth such change, modification or rescission, signed by not less than Sixty Percent (60%) of the Unit Owners and acknowledged.

(b) Notwithstanding the foregoing, the approval of Eligible Mortgagees representing at least Fifty-one Percent (51%) of the votes of Units subject to deeds of trust or mortgages held by Eligible Mortgagees shall be required for (i) the amendment of any provision of this Declaration that relates to any of the following (sometimes referred to herein as "Major Decisions") or (ii) the approval by the Unit Owners of any matter that is submitted to a vote of the Unit Owners pursuant to this Declaration and that relates to any Major Decision:

- (1) voting rights,
- (2) increases in assessments that raise the previously assessed monthly amount by more than twenty-five percent (25%) or the lien for assessments or the priority thereof,
- (3) reductions in reserves for maintenance, repair and replacement of the

Common Elements,

- (4) responsibility for maintenance and repairs,
- (5) reallocation of interests in the Common Elements or rights to their use,
- (6) except as provided in subparagraph (d) below, redefinition of any Unit boundaries,
- (7) convertibility of Units into Common Elements and vice versa,
- (8) expansion or contraction of the Property, or the addition, annexation or withdrawal of property from the Property,
- (9) hazard or fidelity insurance requirements,
- (10) imposition of any restrictions on the leasing of units,
- (11) imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit,
- (12) restoration or repair of the Property (after damage or partial condemnation) in a manner other than as specified by this Declaration or the By-Laws, or
- (13) the protection or benefit of holders, insurers or guarantors of deeds of trust or mortgages on Units.

(c) Notwithstanding the foregoing, an amendment to this Declaration solely for the purpose of setting forth a modification of or amendment to the By-Laws, as provided in Article VIII, Section 3 of the By-Laws, need only be executed on behalf of the Corporation by the President (or other duly authorized officer) of the Corporation and accompanied by the affidavit of such officer to the effect that such amendment or modification was approved in accordance with the provisions of Article VIII, Section 3 of the By-Laws and that such officer was duly authorized to execute and deliver such amendment.

(d) Notwithstanding the foregoing, any termination of this Declaration by the Unit Owners other than as provided in Paragraphs 12 and 27 may not be effected without the concurrence of Eligible Mortgagees representing a Majority of the votes of Units subject to deeds of trust or mortgages held by Eligible Mortgagees.

(e) Whenever pursuant to this Declaration or the By-Laws the agreement,

concurrence or approval of an Eligible Mortgagee is required or otherwise sought, such Eligible Mortgagee's agreement, concurrence or approval may be assumed if it fails to submit a response to a written proposal for an amendment or other action within thirty (30) days after it receives proper notice of the proposal by certified or registered mail, return receipt requested.

(f) Notwithstanding the foregoing, if the Act, this Declaration or the By-Laws requires the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration or the By-Laws, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Unit Owners or all lien holders or both as required by the Act, this Declaration or the By-Laws. The change, modification or rescission, whether accomplished under either of the provisions of this Paragraph 22. shall be effective upon the Recording of such instrument; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

22. **Notices.** Notices provided for in the Act, this Declaration or the By-Laws shall be in writing, and shall be addressed as follows:

- (a) to the Corporation or the Board, as the case may be,
P. O. Box 546
Goodlettsville, Tennessee 37070
OR thevineyardhoa@gmail.com
- (b) to each Unit Owner at his Unit, or at any mail or electronic address that the Unit Owner may designate.

Notwithstanding the foregoing, the Corporation or the Board may designate a different address or addresses for notices to them, respectively, 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 Corporation. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

23. **Severability.** If any provision of this Declaration or the By-Laws, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and 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 or the By-Laws shall be construed as if such invalid part was never included therein.

24. **Perpetuities and Restraints on Alienation.** If any of the options, privileges, covenants or rights created by this Declaration otherwise would be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one

(21) years after the death of the survivor of the now living descendants, of Elizabeth II, Queen of England.

25. **Rights and Obligations.** Each unit owner, by the acceptance of a deed of conveyance with respect to any part of the Property, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges of, and the jurisdiction, rights and powers created or reserved by, this Declaration. All future 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 that are more than administrative in nature, are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any Person having at any time any interest or estate in the Property, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every such deed of conveyance or contract for conveyance. All present and future Unit Owners, tenants and occupants of a Unit shall be subject to, and shall comply with, the provisions of this Declaration and the By-Laws, as they may be amended from time to time. The acceptance of a deed of conveyance, devise of or lease to a Unit, or the entering into occupancy of any Unit, shall constitute an agreement that the provisions of this Declaration and 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, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any Person having at any time any interest or estate in such 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 this Declaration, the By-Laws and the rules and regulations promulgated thereunder may be incorporated by reference in, and become part of, any agreement between any first mortgagee and any Unit Owner who enters into such agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of this Declaration, the By-Laws or the said rules and regulations may be considered as a default by the first mortgagee, whereupon said first mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Unit Owner.

26. **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 beneficiary or beneficiaries thereunder shall be considered the Unit Owner for all purposes and 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 created hereunder, and such trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien 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.

27. **Condemnation.**

(a) In the event of a taking of a part of the Private Elements, Units or Common Elements through condemnation or by exercise of the power of eminent domain, the award made for such taking shall be payable to the Corporation. The Corporation is hereby designated to represent the Unit Owners in any such proceedings and any related negotiations, settlements or agreements, and is hereby appointed the agent and attorney-in-fact of the Unit Owners for such purposes. If a majority of the Board in their sole and absolute discretion approve the repair and restoration, the Board shall arrange for the repair and restoration, and the Board shall disburse the proceeds of such award to the contractor(s) engaged in such repair and restoration in appropriate progress payments. In the event that the Board does not approve the repair and commence restoration within one hundred twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of each Unit's percentage of ownership in the Common Elements.

(b) If the whole or more than two-thirds (2/3) of all the Buildings and Common Elements are taken through condemnation or by exercise of the power of eminent domain, as determined by the Board, and if not less than Sixty Percent (60%) of the Unit Owners, together with Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject to deeds of trust or mortgages held by Eligible Mortgagees, determine that restoration of the affected portion(s) of the Property is not feasible or otherwise shall not take place, then such restoration shall not be required. In such event, the Board, as soon as is reasonably practicable and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale and of all condemnation awards shall thereupon be distributed to the Unit Owners and their mortgagees, as their interests may appear. If and to the extent requested by the Board, the Unit Owners shall join in any conveyance necessary to facilitate such sale. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent or the Board shall, or if it does not, any Unit Owner or mortgagee may, Record a sworn declaration setting forth such fact and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in this Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

28. **Rights Reserved.** The Unit Owners rights of enjoyment in the Common Elements shall be subject to:

(a) The right of the Corporation, as provided in the By-Laws, to suspend the enjoyment rights of any member in utilities, ingress and egress, and all other rights in the Common Elements for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations; and

(b) The right of the Corporation to charge reasonable fees for the use of designated parts of the Common Elements; and

(c) The right of the Corporation to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution or dedication or transfer, nor any determination as to the purposes or conditions thereof, shall be effective unless a Majority of the Unit Owners have approved such dedication, transfer, purpose or condition; and

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

29. **Interpretation of Terms.**

(a) All references herein to the preamble, the recitals or paragraphs, subparagraphs or exhibits are to the preamble, recitals, paragraphs, subparagraphs and exhibits of or to this Declaration unless otherwise specified. All references in the By-Laws to articles, sections, paragraphs or subparagraphs are to articles, sections, paragraphs and subparagraphs of the By-Laws unless otherwise specified. The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Declaration, refer to this Declaration as a whole and not to any particular provision of this Declaration.

(b) When used herein and in the By-Laws, (1) the singular shall include the plural, and vice versa, and the use of the masculine, feminine or neuter gender shall include all other genders, as appropriate, (2) "include", "includes" and "including" shall be deemed to be followed by "without limitation" regardless of whether such words or words of like import in fact follow same, and (3) unless the context clearly indicates otherwise, the disjunctive "or" shall include the conjunctive "and"

(c) Any reference herein to any law shall be a reference to such law as in effect from time to time and shall include any rules and regulations promulgated or published thereunder and published interpretations thereof.

30. **Legal Opinion.** The Legal Opinion required in Tennessee Code Annotated §66-27103 (b) to create a Planned Unit Development under said statute is attached hereto as Exhibit E.

IN WITNESS WHEREOF, the undersigned whose signatures are affixed to the attached signature pages, being at least sixty-seven percent (67%) of the Unit Owners, have executed this instrument to be effective as of the date of recording of the instrument with the Register's Office for Sumner County, Tennessee.

I, Larry S. Collier, duly elected Secretary of the Board of Directors of The Vineyard at Twelve Stones Crossing Homeowners Association, hereby certify that the affixed signatures constitute a Majority of the Unit Owners and that this Amendment has been duly approved and passed pursuant to Section 22 of the Declaration of Covenants, Conditions and Restrictions for The Vineyard at Twelve Stones Crossing, a Horizontal Property Regime with Private Elements.

This the 21 day of April, 2021.

THE VINEYARD AT TWELVE STONES
CROSSING HOMEOWNERS ASSOCIATION

Larry S. Collier
Secretary

4-21-22
Bonnie S. Graves
Notary

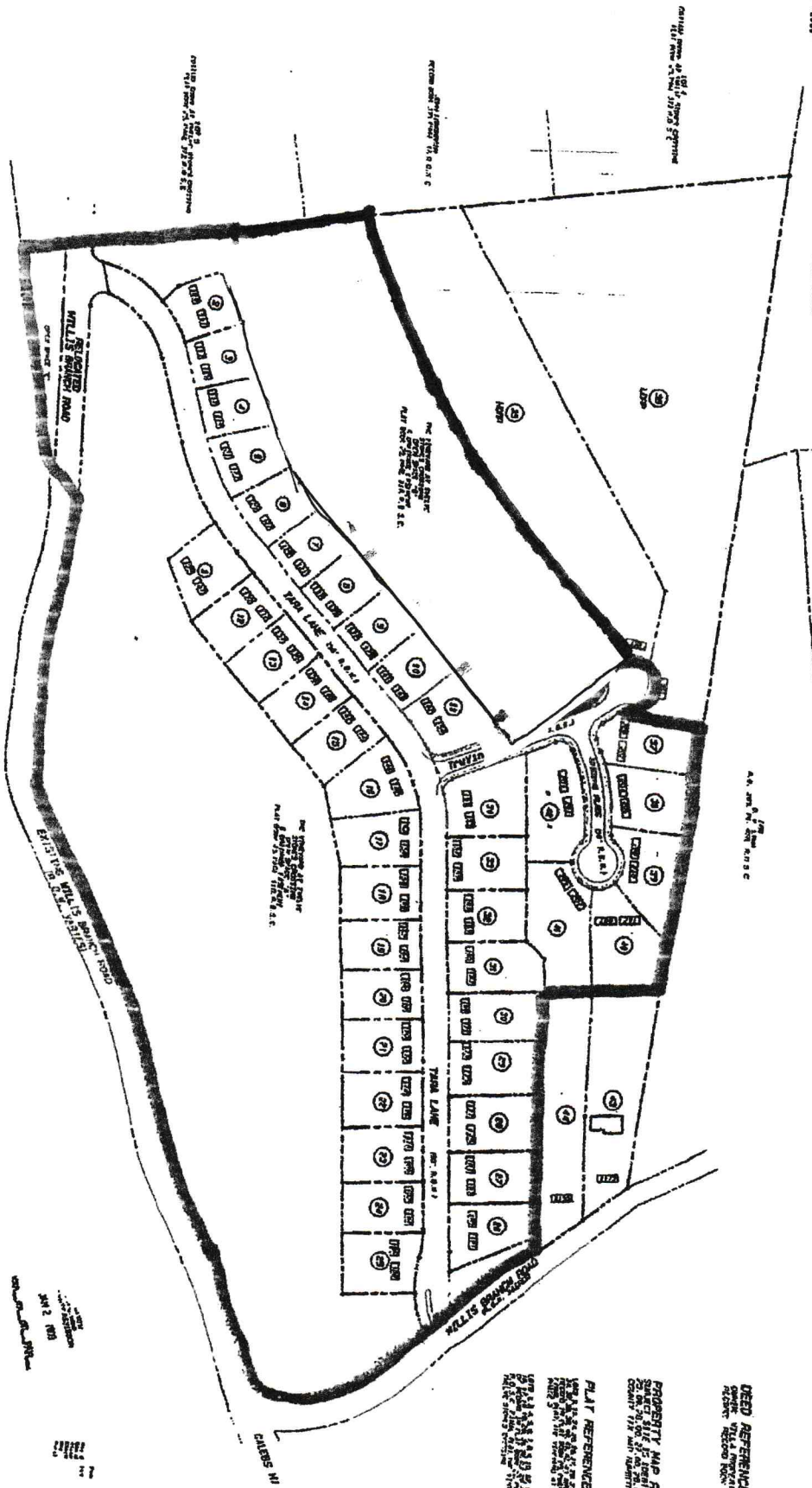
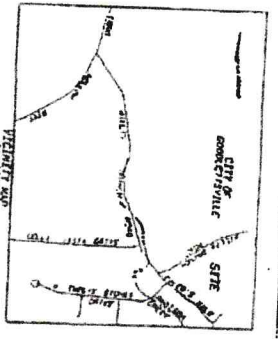


EXHIBIT A
[Description of Parcel]

Land located in the 6th Civil District of SUMNER County, Tennessee, and being all the property shown, including but not limited to units, open spaces, common areas and common elements on the Final Plat of THE VINEYARD AT TWELVE STONES CROSSING, of record in Plat Book 22, page 129, (copy attached hereto as Exhibit "C"), Register's Office for Sumner County, Tennessee, excluding Lot 35 as shown thereon.

Being the same property conveyed to Villa Property, LLC by deed from Richard F. McHan, Trustee of the Margaret Wood Melton Revocable Trust date of April 29, 1993, of record in Record Book 1922, page 797, Register's Office for Sumner County, Tennessee, and by deed from Arthur Steve Russell, dated October 19, 2004, and of record in Record Book 2118, page 518, said Register's Office, a portion of the Property having been conveyed to McPherson Shaw, Inc. by Special Warranty Deed from Villa Property, LLC of record in Record Book 2184, page 78, and reconveyed to Villa Property, LLC, by Quitclaim Deed of record in Record Book 2364, page 136, Register's Office for Sumner County, Tennessee; and a portion of the property having been conveyed to Southern Classic Builders, LLC by Special Warranty Deed from Villa Property, LLC of record in Book 2189, page 158, Register's Office for Sumner County, Tennessee, and reconveyed to Villa Property, LLC, by Quitclaim Deed of record in Record Book 2364 page 138, Register's Office for Sumner County, Tennessee.

EXHIBIT C



GRAPHIC SCALE: 1" = 100'



- NOTES:
1. SEE ATTACHED MAP FOR PROPERTY TO BE BOUNDARY SURVEY.
 2. THIS PLAN IS SUBJECT TO ALL APPLICABLE ZONING ORDINANCES AND REGULATIONS.
 3. THIS PLAN IS SUBJECT TO ALL APPLICABLE STATE AND FEDERAL LAWS.

DEED REFERENCE
 DEED NO. 12345
 COUNTY OF WASHINGTON
 STATE OF TENNESSEE

PROPERTY MAP NO. 1
 SUBJECT TO ALL APPLICABLE
 ZONING ORDINANCES AND
 REGULATIONS

PLAT REFERENCE
 PLAT NO. 12345
 COUNTY OF WASHINGTON
 STATE OF TENNESSEE

CONTRIBUTOR OF LAND AND SERVICES
 THE VINE TWELVE STONE
 GOODLETTSVILLE, TENNESSEE

CONTRIBUTOR OF LAND AND SERVICES
 THE VINE TWELVE STONE
 GOODLETTSVILLE, TENNESSEE

DATE: 12-11-01

DATE: 12-11-01

EXH1
 THE VINE
 TWELVE STONE
 GOODLETTSVILLE,
 TENNESSEE

EXHIBIT D

PROPORTIONAL SHARE; PLAT

Each Unit Owner is allocated a percentage undivided ownership interest in the total membership in the Corporation ("Proportional Share") in an amount equal to the product obtained by multiplying (a) the fraction obtained by dividing (i) the number of Units owned by such Unit Owner by (ii) the total number of Units constituting a part of the Property, by (b) one hundred percent (100%) .

LAW OFFICES

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MARY BETH HAGAN
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October 14, 2005

JOSEPH MARTIN, JR.
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B. B. GULLETT
1905-1992
VALERIUS SANFORD
1923-2001

Villa Property, LLC
109 Castle Heights Avenue, North
Lebanon, TN 37087

Re: The Vineyard at Twelve Stones Crossing, a Horizontal Property Regime with
Private Elements

Gentlemen:

We have reviewed the following:

1. Declaration of Covenants, Conditions and Restrictions for The Vineyard at Twelve Stones Crossing, a Horizontal Property Regime with Private Elements, dated October 13, 2005, for filing with the Register's Office for Sumner County, Tennessee.
2. Bylaws of The Vineyard at Twelve Stones Crossing Townhouse Corporation attached as Exhibit B to the above Declaration, for filing with the Register's Office for Sumner County, Tennessee.
3. Plat of The Vineyard at Twelve Stones Crossing, attached as Exhibit C to the above Declaration, for filing with the Register's Office for Sumner County, Tennessee.
4. Charter of The Vineyard at Twelve Stones Crossing Townhouse Corporation, a Tennessee not for profit corporation, dated October 13, 2005, for filing with the Secretary of State of Tennessee and the Register's Office for Sumner County, Tennessee.
5. Certificate of Robert E. Porter, professional engineer, State of Tennessee, to the effect that construction of the apartments, as defined in Tenn. Code. Ann. §66-27-102 (a)(1), will be in substantial compliance with applicable local building codes for planned unit developments.

Each of the foregoing documents are by reference attached hereto.

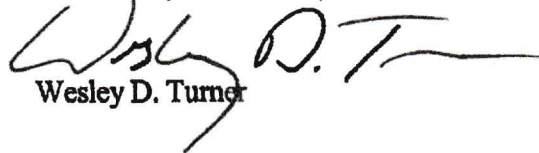
EXHIBIT E

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

Based solely on our review of these documents, we are of the opinion that all legal documents required pursuant to Tenn. Code. Ann. §66-27-103 (b) for the creation of a planned unit development under said statute are attached and that, upon recording with the Register's Office for Sumner County, Tennessee, and issuance of the Charter by the Secretary of State of Tennessee, a planned unit development shall have been created pursuant to this statute.

Very truly yours,

GULLETT, SANFORD, ROBINSON & MARTIN PLLC


Wesley D. Turner

WDT/cgt
Enclosures

EXHIBIT B
BYLAWS OF
THE VINEYARD AT TWELVE STONES CROSSING TOWNHOUSE CORPORATION

ARTICLE I
OFFICE

Section 1. Principal Office. The principal office of the Corporation shall be maintained at such place as may be designated by the Board of Directors from time to time.

Section 2. Place of Meetings. All meetings of the Corporation shall be held at the place stated in the call for such meeting, which place shall be determined by the Board of Directors, or designated by the Secretary when sending out notice of a called meeting.

ARTICLE II
UNIT OWNERS; MEETINGS

Section I. Annual Meeting. The annual meeting of the Corporation shall be held during the first week of the fourth calendar month following the close of the Corporation's fiscal year or as near thereto as is practicable.

Section 2. Special Meetings. Special meetings may be held at any time upon the call of the President or upon the call of not less than ten percent (10%) of the Unit Owners. Upon receipt of such call, the Secretary shall send out notices of the meeting to all members of the Corporation.

Section 3. Notice of Meetings. A written or printed notice of every meeting of the Corporation, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place, day and hour thereof and the purpose therefor, shall be given by the Secretary or the person or persons calling the meeting at least three days before the date set for such meeting. Such notice shall be given to each member in any of the following ways: (a) by any manner permitted under the Declaration, or (b) by leaving the same with him personally, or (c) by leaving the same at the residence or usual place of business of such member, or (d) by mailing it, postage prepaid, addressed to such member at his address as it appears on the records of the Corporation, or (e) by electronic means to a text or email address designated by a member for communications from the Corporation, or (f) if such member cannot be located by reasonable efforts, by posting said notice in a common area visible to the members. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings at such meeting.

Section 4. Waiver of Notice. The presence of all the members, in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of such meeting, object to the holding of the same for noncompliance with the provisions of Section 3 of this Article II. Any meeting so held without objection shall, notwithstanding the fact that no notice thereof was given, or that the notice given was improper, be valid for all purposes, and at such meeting any general business may be transacted and any action may be taken; provided, however, that where a member has pledged his vote by mortgage, deed of trust or agreement of sale, only the presence of the pledgee will be counted in determining whether notice is waived with regard to business dealing with such matters upon which the member's vote is so pledged.

Section 5. Quorum: Voting. At any meeting of the Corporation, more than fifty percent (50%) of the Unit Owners, present or by proxy, shall constitute a quorum and, except as otherwise provided herein, in the Declaration or in the Act, the concurring vote of a Majority of the Unit Owners shall be valid and binding upon the Corporation. In the event a member has pledged his vote by mortgage, deed of trust or agreement of sale, the member's vote will be recognized in computing a quorum with respect to any business conducted concerning such matters upon which said member's vote is so pledged or mortgaged unless the mortgage, deed of trust or agreement of sale provides otherwise, in which event such instruments shall control. In the event of such mortgage or pledge, the Unit Owner shall provide the Corporation with a copy of the pledging or mortgaging instrument.

Section 6. Membership: Voting. Any Person or combination thereof owning any Unit duly Recorded in his or its name, the ownership of which shall be determined by the records of the Register's Office for Sumner County, Tennessee, shall be a member of the Corporation, and either in person or by proxy entitled to a vote equivalent to one vote for each Unit so owned at all meetings of the Corporation. Any provision of the Declaration or these By-Laws to the contrary notwithstanding, co-owners or joint owners shall be deemed one Unit Owner and one member. The authority given by a member to another person to represent such member at meetings of the Corporation shall be in writing, signed by such member (or if a Unit is jointly owned then by co-owners or joint owners, by all such co-owners or joint owners; or if such member is not a natural person, by the proper representative(s) thereof), and shall be filed with the Secretary, and unless limited by its terms, such authority shall be deemed good until revoked in a writing filed with the Secretary. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Corporation with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly Recorded conveyance. In case such Unit shall not have so been transferred to his name, he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee holding such Unit in such capacity. Whenever any such Unit is owned by two or more persons jointly according to the Record, the vote therefor may be exercised by any one of the owners present in the absence of protest by the other or others; provided, however, that when the vote of an owner or owners has been pledged by mortgage or deed of trust of Record, only the vote of the pledgee will be recognized upon those matters upon which the owner's or owners' vote is so pledged except as otherwise provided in Section 5.

To the fullest extent permissible under applicable law and any applicable rules or regulations of the

Federal National Mortgage Corporation, a Unit Owner who is delinquent in the payment of any assessments or other amounts owed to the Corporation by such Unit Owner, and any representative of any such Unit Owner, shall not be entitled to exercise the privilege of voting on matters submitted to a vote of the Unit Owners although such Unit Owner may be counted for the purpose of determining whether a quorum is present at a meeting of the Corporation.

Section 7. Adjournment. Any meeting of the Corporation may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted by a quorum at the meeting originally called.

ARTICLE III BOARD OF DIRECTORS; MEETINGS

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by a board of directors (the "Board of Directors" or the "Board") composed of five (5) persons, and all such directors shall be Unit Owners (or owners of an interest in a Unit).

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties granted thereto in the Declaration and all other powers and duties necessary for the administration of the affairs of the Corporation, and may do all such acts and things as are not by law, by the Declaration or by these By-Laws directed to be exercised and done by the Unit Owners.

Section 3. Other Powers and Duties. In addition to duties imposed by the Declaration, these By-Laws or by resolutions of the Corporation, the Board of Directors shall have the following powers and duties:

- (a) to elect and remove the officers of the Corporation as hereinafter provided;
- (b) to administer the affairs of the Corporation and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that any management agreement relating to the Property shall be terminable for cause without penalty upon not more than thirty (30) days' notice and shall have a term of not less than one (1) year nor more than three (3) years, which term shall be renewable upon approval of the Board.
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

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

(f) to provide for the surveillance, maintenance, repair and replacement of the Common Elements and the Buildings and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or The Managing Agent.

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, to engage or contract for the services of others, to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board as provided in the Declaration and these By-Laws;

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

(j) to determine, review and approve the annual budget for the Corporation and to provide the manner of assessing and collecting from the Unit Owners their respective shares of the expenses of the Corporation and the Property, as hereinafter provided;

(k) to provide for the preparation of financial statements for the Corporation from time to time;

(l) unless otherwise provided herein or in the Declaration, to comply with the instructions of a Majority of the Unit Owners as expressed in a resolution duly adopted at any annual or special meeting of the Corporation;

(m) to obtain and maintain insurance policies as required by the Declaration and these By-Laws, and in this regard, annually to review the amounts of coverage afforded by such policies;

(n) to borrow money for the purposes of repair or restoration of the Common Elements without the approval of the members of the Corporation; and

(o) to exercise all other powers and duties of the board of administration or Unit Owners as a group that are provided in the Act, and all powers and duties of a board of managers or a board of directors referred to in the Declaration or these By-Laws.

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

Section 5. Election and Term of Office. The directors of the Corporation shall be elected by the affirmative vote of a Majority of the Unit Owners to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Corporation shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Corporation.

Section 7. Removal of Directors. At any regular meeting or special meeting duly called, any one or more of the elected directors may be removed with or without cause by not less than fifty percent (50%) of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A director may not be an employee of the Corporation.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place and in such manner as shall be determined, from time to time, by not less than fifty percent (50%) of the directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, addressed to his residence, or by telephone or by electronic means, at least three days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, given personally or by mail, addressed to his residence, or by telephone or by electronic means, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of not

less than two (2) directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Directors' Quorum. At all meetings of the Board of Directors, fifty percent (50%) of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting to a different time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Bonds of Officers and Employees. The Board of Directors shall require that all officers and employees (including any management agent) of the Corporation handling or responsible for corporate funds shall be covered by blanket fidelity bonds naming the Corporation as obligee, which bonds shall be in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Property. Each such bond shall contain an agreement to notify the Board, the holder of a first mortgage or deed of trust on a Unit and every other person in interest who shall have requested such notice at least thirty (30) days prior notice of any cancellation or material alteration of such bond. The premiums on such bonds shall be paid by the Corporation as a Common Expense of the Corporation.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an assistant treasurer, an assistant secretary and such other officers as in their judgment may be necessary. An officer may serve in more than one capacity; provided, however, that there shall be no less than two (2) persons serving as officers; and further provided that no one person shall serve as both President and Secretary simultaneously.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors

for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the Board of Directors. He shall have all of the general powers and duties that are usually vested in the office of president of an association of property owners, including the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President also shall perform such other duties as from time to time shall be imposed upon him by the Board of Directors.

Section 6. Treasurer. The Treasurer shall have the responsibility for Corporation funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Corporation in such depositories as from time to time may be designated by the Board of Directors.

Section 7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors or of the Corporation, shall give all notices as provided by these By-Laws and shall have other powers and duties as may be incidental to the office of Secretary, given him by these By-Laws or assigned to him from time to time by the directors. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose.

ARTICLE V OBLIGATIONS OF THE UNIT OWNERS

Section I. Expenses and Assessments. As provided in the Declaration, the Unit Owners shall contribute, pro rata on the basis of their respective Proportionate Shares, to the expenses of administration and operation of the Common Elements, the Property and the Corporation, including insurance premiums and the costs of operation, maintenance, repair and replacement of and additions to the Buildings and Common Elements, together with any other expenses or liabilities incurred by the Corporation in accordance with the Declaration and these By-Laws and the establishment of appropriate reserves with respect to the foregoing pursuant to this Declaration and the By-Laws. The Board shall fix a monthly charge for each Unit in an amount sufficient to provide for the Unit Owner's Proportionate Share of all such current expenses, reasonable reserves for future expenses of administration, reasonable reserves for the expenses of utilities, periodic maintenance, repair and replacement associated with the Property and Common Elements and such other expenses as the Board may deem proper, subject to adjustment from time to time as the Board may deem necessary.

Such monthly charge shall be due and payable in advance on the first day of every month, shall bear interest at the Delinquency Interest Rate from the date due until paid, and such charges, together with interest as aforesaid and reasonable attorney's fees of the Corporation (all as provided in the Declaration) shall be a lien on the Unit, assessed prior in right to all other charges whatsoever except assessments, liens and charges in favor of the State of Tennessee, Sumner County or the City of Goodlettsville for taxes past due and unpaid on such Unit, and amounts and liabilities secured by first mortgage instruments duly Recorded. In the event any Unit Owner is delinquent in the payment of any monthly assessment for a period in excess of thirty (30) days, the Corporation is authorized to sever or disconnect all utility connections to his Unit, provided such severance or disconnection does not invalidate the Corporation's fire and casualty insurance, and to take such other actions as are authorized by the Declaration.

Section 2. Working Capital and Reserve Funds.

(a) A working capital fund shall be maintained by the Corporation to insure that the Corporation will have funds available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or advisable by the Board. The working capital fund shall be maintained in an account for the use and benefit of the Corporation, and disbursements from such fund shall be made as directed by the Board. Developer shall establish the initial working capital fund in an aggregate amount equal to two months' estimated assessments for each Unit. Each Unit's share of the working capital fund will be collected and transferred to the Corporation at the time of the closing of the sale of such Unit. Amounts paid into the working capital fund shall in no event be considered advance payment(s) of regular monthly assessments.

(b) A reserve fund shall be maintained by the Corporation to insure that the Corporation will have funds available for the replacement of and any necessary additions to the Common Elements. The reserve fund shall be funded from the regular monthly assessments for Common Expenses and shall be maintained in an account for the use and benefit of the Corporation. Disbursements from such fund shall be made as directed by the Board.

Section 3. Maintenance and Repair.

(a) Every Unit Owner must perform promptly all maintenance and repair work within or with respect to his Unit that, if omitted, would affect the Property in its entirety or a part belonging to other Unit Owners, and is responsible for the damages and liabilities that his failure to do so may cause.

(b) All internal installations of a Unit including water, light, power, sewage, telephone and sanitary installations and lamps and all other accessories constituting a part of such Unit shall be maintained at the Unit Owner's expense.

(c) A Unit Owner shall reimburse the Corporation for any expenditure incurred in repairing

or replacing any Common Elements or other portions of the Property damaged through his fault.

Section 4. Use of Units. All Units shall be used in accordance with the provisions of the By-Laws, the Declaration and the Rules and Regulations.

Section 5. Rules and Regulations. In order to assure the peaceful and orderly use and enjoyment of the Buildings, Private Elements and Common Elements of the Property, the Board from time to time may adopt, modify and revoke in whole or in part such reasonable rules and regulations, to be called Rules and Regulations, governing the conduct of persons in said Property as it may deem necessary. The Rules and Regulations also shall be subject to any additions, modifications and revocations adopted by a vote of not less than fifty percent (50%) of the members of the Corporation at any meeting duly called for that purpose. The Rules and Regulations, upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each Unit Owner and shall be binding upon all members and occupants of the Property.

The initial Rules and Regulations shall be these:

- (1) Units shall be occupied in a manner consistent with rules and regulations promulgated by the Secretary of Housing and Urban Development for 55-or-older housing pursuant to Housing for Older Persons Act of 1995, as codified at 42 U.S.C. § 3607(b) (2) ©.
- (2) No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Unit Owner in any manner without prior consent of the Board.
- (3) No furniture, equipment or other personal articles shall be placed in the entrances, stairwells or other Common Elements.
- (4) No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the Occupants of any of the Units in the Property or do or permit anything to be done therein that will interfere with the rights, comfort or convenience of other Unit Owners.
- (5) Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
- (6) No shades, awnings, window guards, ventilators, fans or external air conditioning devices shall be used in or about the Buildings or Common Elements except such as shall have been approved by the Board.
- (7) No window shutters shall be used in or about the Buildings or Common Elements except as shall have been approved in writing by the Board.

(8) No sign, notice, lettering or advertisement shall be inscribed or exposed on or at any window, door or other part of the Property, except such as shall have been approved in writing by the Board, nor shall anything be projected out of any window of the Buildings without similar approval.

(9) All garbage and refuse from the Buildings shall be deposited only in sanitary containers, and disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

(10) No animals shall be raised, bred or kept in any Unit, except for dogs, household cats and small birds owned as household pets by a Unit Owner, provided that said pets are not kept for any commercial purpose, that said pets shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and that said pets shall not, in the judgment of the Board, constitute a nuisance to others.

All dogs owned by Unit Owners and kept in a Unit shall be on leash while outside the Unit. All such dogs shall be exercised by the owner in the area(s) designated by the Board for such purposes. The Board in its discretion may limit the number of dogs and cats per Unit to not more than two (2) dogs or two (2) cats or one (1) cat and one (1) dog.

(11) No radio or television aerial or antenna shall be attached to or hung from the exterior of the Buildings or otherwise located on any of the Property without written approval of the Board.

(12) All damage to the Buildings or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

(13) No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning or lighting apparatus constituting part of the Common Elements and not part of the Unit Owner's Unit.

(14) Garage doors shall generally be kept fully closed except when opened for the purposes of ingress and egress.

(15) Any damage to the Buildings or equipment caused by Unit Owners or their family members, agents, invitees, guests or licensees shall be repaired at the expense of the Unit Owners responsible.

(16) Unit Owners shall be held responsible for the actions of their family members, agents, invitees, guests and licensees.

(17) Complaints regarding the management of the Buildings and grounds or regarding the actions of other Unit Owners shall be made in writing to the President of the Corporation.

(18) Supplies, goods and packages of every kind are to be delivered in such manner as the Board may prescribe, and the Board is not responsible for the loss or damage of any such property, notwithstanding such loss or damage that may occur through the carelessness or negligence of the employees of the Buildings.

(19) No Unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of Occupants or other residents of adjoining Units, nor shall any nuisance or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

(20) The Common Elements are intended for use for the purpose of affording movement within and among the Buildings and of providing access to the Units. No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the Common Elements (except the maintenance storage room(s)) be used for general storage purposes after the completion of the construction of the Buildings by Developer, nor shall anything be done therein or thereon in any manner that may increase the rate of hazard and liability insurance covering said area and the improvements situated thereon.

(21) The use of the Units, the Buildings and the Common Elements by the Unit Owners and their family members, agents, invitees, guests and licensees at all times shall comply with all applicable laws, ordinances and regulations, including any restrictions on use imposed by applicable building codes.

(22) The use of any part of the Property for the parking of vehicles of any kind must comply with the applicable provisions of the Goodlettsville City code, which includes but is not limited to the following restrictions: no parking across sidewalks and no overnight parking on any street; no parking in front of or blocking access to any mail receptacle during the working hours of the U. S. Postal Service. Vehicles shall be parked inside the garage appurtenant to each Unit wherever possible but if not, then directly in front of the garage doors on the paved driveway for that Unit. Garage doors shall generally be kept fully closed except when in use for ingress or egress. Recreational vehicles such as boats, trailers and camping vehicles may be parked or stationed in a Unit's driveway for no more than twenty-four (24) consecutive hours for the purpose of loading and unloading.

(23) These Rules and Regulations may be added to, amended or repealed at any time by the Board of Directors.

Section 6. Remedies. In the event of any violation of the provisions of the Act, the Declaration, these By-Laws or the Rules and Regulations by any Unit Owner (either by his own conduct or by the

conduct of any occupant of his Unit), the Corporation, or its successors or assigns, shall have each and all of the rights and remedies that may be provided for in the Act, the Declaration, these By-Laws or the Rules and Regulations, or that may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner 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 for the right to take possession of the Unit and to sell the same as provided hereinafter, or for any combination of remedies or for any other relief. All expenses of the Corporation in connection with any such actions or proceedings, including court costs, attorney's fees, other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the Delinquency Interest Rate 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 Corporation 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 his additions and improvements thereto, all as provided in the Declaration; provided, however, that such lien shall be subordinate to the lien of a first mortgage or deed of trust on the Unit as provided in the Declaration. In the event of any such default by any Unit Owner, 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 and be secured by the lien hereinabove provided. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board, on behalf of the Corporation. 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, condition, rule or regulation adopted by the Board or the breach of any covenant or provision contained in the Act, the Declaration, these By-Laws or the Rules and Regulations shall give the Board, acting on behalf of the Corporation, the right, in addition to any other rights provided for in these By-laws: (a) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, or (b) 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 the Declaration, these By-Laws or the Rules and Regulations, 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 from the Board to cure such violation, then the Board shall have the power to issue to said defaulting Unit Owner a notice in writing terminating the rights of said defaulting Unit 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, on behalf of the Corporation, against said defaulting Unit Owner for a decree of mandatory injunction against such defaulting Unit Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Unit Owner's right to occupy, use or control the Unit owned by him on account of

said violation, and ordering that all right, title and interest of said defaulting Unit 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 Unit 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 taxed against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or liens hereunder, shall be paid to said defaulting 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 ownership interest 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. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take title to the Unit sold subject to the Declaration and these By-Laws.

Section. 7. Right of Entry. Every Unit Owner and Occupant shall permit the Managing Agent or his representatives to enter his Unit at reasonable times for the purpose of performing authorized installations, alterations or repairs to any Common Elements therein for central services provided that requests for entry are made in advance.

Section 8. Title. Every Unit Owner shall promptly cause to be duly Recorded in the Register's Office for Sumner County, Tennessee, the deed, lease, assignment or other conveyance to him of his Unit or other evidence of his title thereto and file such evidence of his title with the Board through the Secretary, and the Secretary shall maintain such information in the record of ownership of the Corporation.

Section 9. Deeds of Trust and Mortgages. Any holder, insurer or guarantor of a deed of trust or mortgage with respect to a Unit may file a copy of such instrument with the Board through the Secretary, or otherwise identify to the Board through the Secretary the name and address of such holder, insurer or guarantor and the number or address of the corresponding Unit, and the Secretary shall be required to notify such holder, insurer or guarantor of:

- (a) Any condemnation loss or any casualty loss that affects a material portion of the Property or the Unit covered by such mortgage or deed of trust;
- (b) Any delinquency in the payment of expenses or charges owed relating to the Unit encumbered by such mortgage or deed of trust that remains uncured for sixty (60) days, and that the holder or mortgagee may, at its option, pay such delinquent expenses;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Corporation;
- (d) Any proposed action that would require the consent of a specified percentage of deed of

trust or mortgage lien holders.

Any holder of a deed of trust or mortgage with respect to a Unit may, upon written request to the Board through the Secretary, receive a copy of the Corporation's financial statement for the immediately preceding fiscal year.

Section 10. Insurance. The Unit Owners shall at all times keep their Units insured as provided in the Declaration. In every case of loss or damage, all insurance proceeds shall be applied as set forth in the Declaration. If reasonably available, every, such policy of insurance shall contain such provisions and conform to the requirements set forth in the Declarations.

The Board, on behalf of the Corporation, as a Common Expense, also shall effect and maintain comprehensive general liability insurance as provided in the Declaration, and from time to time upon receipt thereof cause to be deposited promptly with the Unit Owners and mortgagees of the Units or interests therein, current certificates of such insurance, without prejudice to the right of any Unit Owner to maintain additional liability insurance with respect to his Unit.

If any Unit is located in an area designated by the Department of Housing and Urban Development as having special flood hazards, then the Unit Owner also shall effect and maintain flood hazard insurance as provided in the Declaration.

ARTICLE VI EXECUTION OF INSTRUMENTS

Section 1. Instruments Generally. All checks, drafts, notes, bonds, acceptances, contacts and other instruments, except conveyances, shall be signed by such person(s) as shall be designated by general resolution applicable thereto.

ARTICLE VII LIABILITY OF OFFICERS, DIRECTORS AND MEMBERS; INDEMNIFICATION; INSURANCE

Section 1. Exculpation. No director or officer of the Corporation shall be liable for acts or defaults of any other officer or member or for any loss sustained by the Corporation or any member thereof, unless the same has resulted from his own willful misconduct or gross negligence.

Section 2. Indemnification. The Corporation shall indemnify and advance expenses to each director and officer of the Corporation and to each member of any committee appointed by the Board pursuant to these By-Laws (and, in either case, his or its heirs, executors, administrators, successors and assigns, as the case may be), to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Corporation may indemnify and advance

expenses to any employee or agent of the Corporation who is not a director or officer (and his or its heirs, executors, administrators, successors and assigns, as the case may be) to the same extent as to a director or officer, if the Board determines that to do so is in the best interests of the Corporation. The Corporation also may indemnify and advance expenses to any employee or agent of the Corporation who is not a director or officer (and his or its heirs, executors, administrators, successors and assigns, as the case may be) to the extent, consistent with public policy, that may be provided by the charter of the Corporation, these By-Laws, general or specific action of the Board or contract.

Section 3. Non-Exclusivity of Rights. The indemnification and advancement of expenses provisions of Section 2 of this Article VII shall not be exclusive of any other right that any person (and his or its heirs, executors, administrators, successors and assigns, as the case may be) may have or hereafter acquire under any statute, provision of the charter of the Corporation, provision of these By-Laws, resolution adopted by the members, resolution adopted by the Board, agreement or policy of insurance, purchased by the Corporation or otherwise, both as to action in his official capacity and as to action in another capacity.

Section 4. Insurance. The Corporation at its expense may maintain insurance to protect itself, and any individual who is or was a director, officer, employee or agent of the Corporation, or who, while in the capacity of a director, officer, employee or agent of the Corporation, is or was serving at the request of the Board or its President as a director, officer, partner, manager, trustee, employee or agent of another corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise against any expense, liability, loss or damage, regardless of whether the Corporation would have the power to indemnify such person against such expense, liability, loss or damage under this Article, the Act or the Tennessee Nonprofit Corporation Act.

Section 5. Miscellaneous. The Corporation and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge the Corporation's obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, officers, members of such committees, employees or agents, or out of the aforesaid indemnity in favor of the directors, officers, members of such committees, employees or agents, shall be limited to such Unit Owner's Proportionate Share of the total liability thereunder or hereunder. Every agreement made by the directors, officers, members of such committees, employees, agents, or the Managing Agent on behalf of the Unit Owners shall provide that the directors, officers, members of such committees, employees, agents, or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such Unit Owner's Proportionate Share of the total liability thereunder.

ARTICLE VIII
MISCELLANEOUS

Section 1. Books and Records. Current copies of the Declaration, the charter of the Corporation, these By-Laws, other rules and regulations concerning the Property and the books, records and financial statements of the Corporation shall be available for inspection by any Unit Owner or by any holder, guarantor or insurer of any first mortgage or deed of trust covering a Unit at the principal office of the Corporation. For purposes of this paragraph, "available" shall mean available for inspection, upon request, during normal business hours. Copies may be purchased by such persons at reasonable cost, to be established from time to time by the Board.

Section 2. Financial Statements. A statement of assets and liabilities and a statement of revenues and expenses for the Corporation shall be prepared for each fiscal year of the Corporation. These statements shall be reviewed by an independent certified public accountant selected by the Board. Said financial statements shall be available within one hundred eighty (180) days of the Corporation's fiscal year-end, and shall be provided to any holder, insurer or guarantor of any first mortgage or deed of trust on a Unit who submits a written request therefor.

Section 3. Amendment of By-Laws. Except as otherwise specifically provided in the Declaration or these By-Laws, these By-Laws may be amended, modified or revoked in any respect from time to time only by the vote of not less than fifty-one percent (51%) of the Unit Owners; provided, however, that (a) the approval of Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject to deeds of trust or mortgages held by Eligible Mortgagees shall be required for the amendment of any provision of these By-Laws that relates to any Major Decision, (b) the contents of these By-Laws always shall contain those particulars that are required to be contained herein by the Act, and (c) no modification of or amendment to these By-Laws shall be valid unless set forth in an amendment to the Declaration.

Section 4. Conflict. In the event of any conflict between the provisions of these By-Laws on the one hand and the provisions of the Declaration or the Act on the other hand, the latter shall govern and apply.

Section 5. Terminology. When used herein, the singular shall include the plural, and vice versa, and the masculine, feminine or neuter gender shall include all other genders, as the context requires.

Section 6. Terms Defined in Declaration. Capitalized terms not defined herein shall have the meaning given them in that certain Declaration of Covenants, Conditions and Restrictions for The Vineyard At Twelve Stones Crossing, a Horizontal Property Regime with Private Elements, executed by Villa Property, LLC, to which these By-Laws are attached and of which these By-Laws are a part.

Section 7. Miscellaneous Provisions.

- (a) This instrument shall be construed in accordance with and governed by the laws of the

State of Tennessee.

(b) The use of defined terms herein and in the By-Laws is for convenience of reference and shall not be deemed to be limiting or to have any other substantive effect with respect to the Persons or things to which reference is made through the use of such defined terms. Paragraph headings herein and in the By-Laws are included for convenience of reference only, shall not constitute a part hereof for any other purpose and in no way define, limit or describe the scope or intent of any provision hereof or thereof.

(c) Any reference herein or in the By-Laws to any instrument, document or agreement, by whatever terminology used, shall be deemed to include any and all amendments, to any such instrument.