

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, & RESTRICTIONS

DURHAM MANOR

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, & RESTRICTIONS (the "Declaration") is executed this _____ day of _____, 2006 by UCR, LLC, a _____ limited liability company.

WHEREAS _____, Developer Is the owner of certain real estate in Williamson County, Tennessee as more particularly described on Exhibit "A" attached hereto and as shown upon the Final Plat for Durham Manor, Section One of record in Book _____, page _____ Register's office for Williamson County, Tennessee (said real estate being referred to herein as the "Development" and

WHEREAS, Developer desires to provide for the protection and preservation of the values, amenities, desirability and attractiveness of the development; and,

WHEREAS, Developer desires to establish and provide a system of administration, operation and maintenance of the open space of the Development; and,

WHEREAS, Developer further desires to establish for Developer's benefit and for the mutual benefit, interest and advantage of each and every person and other entity hereafter acquiring any portion of the Development, certain rights, easements, privileges, obligations, restrictions, covenants, liens, assessments, and regulations governing the use and occupancy of the Development and maintenance, protections and administrations of the common use facilities thereof, all of which are declared to be in furtherance of a plan to promote and protect the operative aspects of residency or occupancy in the Development and on all portions thereof, and are intended to be covenants running with the land which shall be binding on all parties having or acquiring in the future any right, title or interest in and to all or any portion of the development, and which shall inure to the benefit of each present and future owner, thereof.

NOW, THEREFORE, Developer, as legal title holder of the Development, and for the purposes set forth above, declares as follows:

ARTICLE I.

DEFINITIONS

The following words when used in this Declaration or any supplemental declaration hereto (unless the context shall prohibit) shall have the following meanings:

1. "Annual Assessments" shall mean and refer to the assessments described in Article IV, Section 1.
 2. "Association" shall mean and refer to Durham Manor Homeowners Association, Inc, a not for profit corporation to be organized and existing under the laws of the State of Tennessee, its successors and assigns
 3. "Board" shall mean and refer to the Board of Directors of the Association.
 4. "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as Exhibit "B" and made a part hereof as the same may be amended from time to time.
 5. "Committee" shall mean the Architectural Control Committee established pursuant to Article V hereof.
 6. "Common Area" shall mean and refer to all facilities within the Development used in common by the owners, including without limitation, all roads, footpaths, bicycle paths, jogging trails, recreational facilities, gated, boundary walls and fences, median areas, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The Open Space may be owned by the Association in fee for a term of years, but for the non-exclusive use, benefit and enjoyment of the owners subject to the provisions of this Declaration, and will be shown as Open Space on the plats of the Development placed of record now or in the future.
 7. "Declaration" shall mean and refer to this Declaration of Protective Covenants, Conditions and Restrictions applicable to the Development and which is recorded in the Office of the Register of Deeds for Williamson County, Tennessee.
 8. "Developer" or "Declarant" shall mean and refer to UCR, LLC, a Tennessee limited liability company having its principal place of business in Franklin, Tennessee, its successors and assigns.
- "Development" shall mean and refer to the property described on Exhibit "A." attached hereto and made a part hereof.

10. "Engineer" shall mean the architect or engineer engaged by the Committee to review Plans pursuant to Article V hereof.
11. "Impositions" shall mean and refer to any Annual Assessments, Special Assessments, Supplemental Landscape Assessments, or any other charges by the Association against one or more Lots owned by an owner together with costs of enforcement and reasonable attorneys fees in connection therewith, and shall additionally include, to the extent authorized by the provisions herein, interest thereon.
12. "Improvements" shall mean any building, building addition, outbuilding, garage, detached structure, swimming pool, recreational facility, driveway, parking area, walkway, wall, fence, or utility service or such other improvement or structure constructed or located upon all or any portion of the Development. It is intended that this definition of "Improvements" be broad in scope and is intended to encompass any man-made alteration of the condition of the Lot or Open Space from and after the date of this Declaration.
13. "Lot" shall mean and refer to any plot of land within the Development to be used for single family residential purposes and so designated on the Plat.
14. "Majority of Owners" shall mean and refer to the holders of more than seventy-five (75%) percent of the total Votes of the members.
15. "Member" shall mean and refer to any person or persons who shall be an Owner, and as such, shall be a Member of the Association. "Class A Members" shall mean and refer to any owner other than the Developer. "Class B Member" shall mean the Developer.
16. "Mortgage" shall mean and refer to any holder of a first priority deed of trust encumbering one or more Lots.
17. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot within the Development, excluding however those parties having such interest merely as a security interest for the performance of an obligation.
18. "Plat" shall mean and refer to the Final Plat of Durham Manor, Section One, of record in Book _____, page _____, Register's Office for Williamson County, Tennessee, as the same may be amended or supplemented from time to time.
19. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.
20. "Plans" shall mean the detailed plans prepared for construction of any improvement which shall comply with the provisions of Article V, Section 4, hereof.
21. "Special Assessments" shall mean additional assessments of Owners made from time to time by the Board pursuant to Article IV, Section 2.
22. "Vote" or "Votes" shall mean the vote or votes in the affairs of the Association to which each Member is entitled.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

1. Definition of Property Subject to this Declaration. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Williamson County, Tennessee, and is more particularly described on Exhibit "A" and shown on the recorded Final Plat of Durham Manor, Section One consisting of Lot Numbers 1 through 49 and the Open Space shown thereon, and all subsequent phases and any dedicated Open Space associated herewith. The Lots and Open Space shown on the Plat are made subject to this Declaration. The Developer, as the legal title holder in fee of the Development, hereby submits and subjects the Development to the provisions of this Declaration and By-Laws. The covenants and restrictions contained herein constitute covenants running with the land and binding on all parties now owning or hereafter having or acquiring any right, title or interest in any Lots or any portion of the Development, and shall inure to the benefit of each Owner hereof. Every person hereafter acquiring a Lot or any portion of the Development, by acceptance of a deed thereof, shall accept such interest subject to the terms and conditions of this Declaration, and by acceptance of the same shall be deemed to have consented to and be bound by the terms, conditions and covenants of this Declaration.
 - a. Developer reserves the rights for as long as Developer owns any property within the Development to amend the Development plan or change the configuration of Lots or number of Lots and increase or decrease the Open Space accordingly in its sole and absolute discretion without the approval by any Owners other than Developer.
 - b. Developer may, at any time and from time to time, subject additional property to this Declaration (the "Additional Property") by recording in the Register's office of the County an amendment to this

Declaration, describing such Additional Property, provided, however, that all such Additional Property is developed in a manner compatible with the Development. Any additional property added to the Development must be approved by all applicable governmental authorities, specifically including, but not limited to, the Williamson County Planning Commission or successor entity. Except as otherwise provided herein, such amendments may be made by Declarant in its sole and absolute discretion without the approval of any Owners or the joiner of any entity or individual.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

1. **Members** Every person who is an Owner of record of a fee interest in any Lot' which is included in the Development, shall be a member of the Association. Membership in the Association is appurtenant to and may not be separated from ownership of any Lot.
2. **Classes of Membership.** The Association shall have two (2) classes of membership:
 - a. Class A Members shall be all Owners and the Developer after the termination of its Class B Membership. If, however, Developer owns one or more Lots upon or after the termination of its Class B Membership, then Developer shall become a Class A member.
 - b. The Class B Member shall be the Developer, its successors or assigns. The Class B Membership shall terminate and cease on the first to occur of (I) specific written termination by Developer or its successor or assigns, (II) Developer owns fewer than five (5) Lots, or (III) December 31, 2016.
3. **Voting and Voting Rights.** The voting rights of the Members shall be appurtenant to their ownership of Lots. The two classes of Members shall have the following voting rights:
 - a. Each Lot owned by a Class A Member shall have one (1) vote allocated to said lot. Each Class A Member shall be entitled to cast the Vote allocated to the Lot owned by such a member. When two or more persons hold an interest (other than a leasehold or security interest) in a Lot, all such Persons shall be Members, but the Vote attributable to such Lot shall be exercised by one of such Personas as proxy and nominee for all such Members and in no event shall more than one (1) Member be entitled to cast the Vote attributable to one Lot. Furthermore, neither the Developer nor any other person or individual dealing with the Development shall have any duty to inquire as to the authorization of the Member casting the Vote for any such Lot, but shall be entitled to rely upon the evidence of voting as conclusive evidence of such member's authority to cast the Vote attributable to such Lot.
 - b. The Class B Member shall be entitled to cast the greater of (I) five (5) times the number of Votes for each of the Lots to which it holds title; or (II) two (2) times the number of Votes to which all Class A Members are then entitled.
 - c. Any Member who is delinquent in the payment of any charges or assessments duly levied by the Association against a Lot owned by such Member shall not be entitled to vote until all such charges, together with reasonable penalties and interest thereon as the Board may impose, have been paid to the Association
4. **Manner of Voting.** Except as specifically provided elsewhere herein, the Board shall have the authority to regulate the procedural rules governing the voting of Members, the acceptance of proxies from Members, the validity of voice votes, ballot votes, or other manners of voting, and any regulation of the solicitation of votes or proxies.

ARTICLE IV

ASSESSMENTS

1. **Annual Assessments.** The Board shall have the power and authority to levy to provide funds for such purposes as the Board shall determine to be for the benefit of the Development, including, without limitation, the improvement, maintenance, operation and security of the Development and Open Space, maintenance of the storm drainage detention areas, payment of taxes and insurance thereon, payment of utility bills thereon (including water for sprinkler system), payment of reasonable costs to provide attractive seasonable landscaping of the Open Space, street maintenance costs, the repair, replacement

and additions that may be necessary to the Open Space and the cost of labor, equipment, materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual Assessments to provide supplemental landscaping, maintenance within Lots, and to provide garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the Services to be provided by the Association in the coming year, and, except as to Lots owned by Developer as elsewhere provided in this Declaration, allocating said amount among the Lots with each Lot being assessed a pro-rate portion of the budgeted amount as determined by the Board.

2. Special Assessments. In addition to the Annual Assessments authorized herein, the Board may levy a Special Assessment applicable to a particular year, provided that any such Special Assessment shall have the affirmative Votes of not less than seventy-five (75%) percent of the total Votes within the Association at a meeting of all Members, which shall be held after not less than five (5) days' written notice of the date, time and purpose for said meeting, at which a quorum shall be present. Special Assessments shall be due and payable on the date which is fixed by the resolution authorizing such assessment.
3. Exempt property. The Impositions and liens created under this Article shall not apply to the Open Space. All property within the Development which is dedicated to and accepted by a local public authority, which is granted to or used by a utility company, or is designated as part of the Common Area shall be exempt from such Impositions.
4. Property Owned by Developer. It is understood that the Developer shall only pay those Impositions assessed and that shall become due upon the Lots it owns after the Class B membership has been terminated.
5. Payment of Annual Assessments. The Board shall have the power and authority to determine the payment method for Annual Assessments. Unless provided otherwise by the Board, each Owner shall pay its Annual Assessment on or before the first of April of the calendar year to which said assessment relates, and the Board shall fix the amount of the Annual Assessment and send a notice thereof to each Owner on or before the first of February of each such year. The Board shall have the power and authority to require quarterly or monthly payments of installments of the Annual Assessments from such Owners as the Board deems suitable, or may require all Annual Assessments to be paid on a quarterly or monthly basis, as its determination.
6. Commencement. The eligibility for Annual Assessments for a Lot shall commence upon purchase of the Lot from Developer, or Developer may hereafter set a date for assessments to commence for all Lots which have been purchased from the Developer. Assessments on Lots that first become subject to assessments during a calendar year shall be prorated on a calendar year basis for the remainder of such calendar year.
7. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all Lots and Impositions applicable thereto which shall be open to inspection by any Owner. Written notice of any Imposition shall be mailed to every Owner of the Lot subject to assessment. The Association shall, upon demand and payment of a reasonable charge, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether the Impositions against the Owner's Lot have been paid, and if not, the amount then due and owing. Absent manifest error, such certificate shall be deemed conclusive evidence to third parties as to the status of Impositions against any Lot within the Development.
8. Creation of Lien and Personal Obligations for Assessments. Each Owner of any Lot shall, by its acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and conditions of this Declaration and promises to pay the Association all Impositions which may be due from an Owner from time to time. All Impositions, together with the interest thereon and cost of collection thereof shall be a continuing lien upon the Lot against which such Impositions is levied as of the effective date of each such Imposition. Each such Imposition, together with such interest thereon and cost of collection therefore as are hereinafter provided, shall also consist of the personal obligation of the Person who was Owner of such Lot at the time when the same fell due. In the event a Lot is owned by more than one Member, all of such Members shall be jointly and severally liable for the entire Imposition then due.
9. Effect of Non-Payment of Imposition. If any Imposition hereunder is not paid upon the due date, or if any similar charge otherwise agreed to be paid by Owners in this Declaration is not paid when due, then such Imposition shall be delinquent and shall accrue interest thereon at the highest rate then permissible under the laws of the State of Tennessee commencing upon the due date. If such Imposition is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally, and/or at its option, foreclose the lien against the Lot by court action or trustee sale as

hereinafter provided, and there shall be added to the amount of such Imposition, all reasonable attorney's fees and costs incurred by the Association in any such action, and in the event a judgment is obtained, such judgment shall include interest on the Imposition as indicated above.

10. Enforcement of Lien by Trustee's Sale For and in consideration of the privileges and protections granted in this Declaration, and the mutual enjoyment and use of the Open Space, and for the express purpose of securing the payment of the Impositions described above, and in order to avoid unnecessary court proceedings or delays for the enforcement of the liens described above, each Owner by accepting a deed to a Lot for their heirs, successors and assigns, does hereby transfer and convey unto DSH his successors and assigns ("Trustee"), each such Lot deeded to such Owner with the appurtenances, estate, title and interest thereto belonging to the Trustee for the following uses in trust:

Each Owner agrees to pay all Impositions provided herein when due and upon demand of said Trustee or the Association, to pay, discharge, or remove any and all liens except a first mortgage or deed of trust lien which may hereafter be placed against said Lot which would adversely affect the lien granted herein, and in case the Trustee or his successors or the Association shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, all costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed and be payable by said Owner upon demand of the Trustee or the Association, and upon failure to do any of these things then said Trustee or Association may do any or all of said things, and the amounts so paid shall bear interest from the date of payment at the highest rate then permitted by the laws of the State of Tennessee and shall be and become a part of the indebtedness secured hereby.

If any Imposition, together with interest thereon, is not paid promptly when due or within a period of cure allowed above, or if it after said Owner fails to pay any other sums due as above provided, or further, fails to reimburse the Trustee or Association within thirty days from the date of the Trustee's or Association's payment of such sums, this trust conveyance shall remain in full force and effect, and the said Trustee or his successor in trust is hereby authorized and empowered, upon giving twenty (20) days' notice by three publications in any daily or weekly newspaper published in Williamson County, Tennessee, to sell said Lot at the front door of the Courthouse in said County to the highest bidder for cash at public outcry, free from the equity of redemption, statutory rights of redemption, homestead, dower, and all other exemptions of any kind which are hereby expressly waived; and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser at such foreclosure sale. The Association may bid at any sale under this trust conveyance. The Trustee may at any time after default and the payment of any of the above described indebtedness enter and take possession of said Lot and shall only account for the net rents actually received by said Trustee. It is further agreed that in the event the Trustee fails, before selling said Lot as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession of said Lot upon delivery to him by the Trustee of a deed for said Lot. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

- (a) to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien, as herein provided, together with reasonable attorney's fees for advice or for instituting and defending any litigation which may arise on account of the execution of this conveyance of the enforcement of said lien, together with the expenses and costs of any such litigation.
- (b) To the payment of all taxes which may be unpaid upon said Lot,
- (c) To the payment of all unpaid Impositions herein secured,
- (d) The residue, if any, to be paid to the order of said Owners or their representatives or assigns

In the event of the death, absence, inability, or refusal to act of said Trustee at any time when action of the foregoing powers and trusts may be authorized, or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor in trust to execute this trust by an instrument in writing to be recorded in the Register's Office for Williamson County, Tennessee, and title therein conveyed to the above named Trustee shall be vested in said Successor Trustee. The Trustee is authorized to appoint an attorney-in-fact to conduct in his stead and on his behalf and with the same power possessed by said Trustee as granted herein any and all foreclosure sales authorized above.

11. Priority of Lien. The lien described in this article shall be subordinate to the lien of any Mortgagee under a recorded first mortgage or deed of trust encumbering any such Lot. In the event any Mortgagee becomes the Owner of such Lot after foreclosure thereof, or conveyance by deed in lieu of foreclosure,

trustee's deed, or the like, such Mortgagee shall become subject to the lien reserved herein for the purpose of securing all Impositions becoming due from and after the date such Mortgagee accepts a deed to said Lot.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

1. Designation of Committee. The Association shall have an Architectural Control Committee (the "Committee") which shall consist of not less than three nor more than five members who shall be natural persons and who need not be Owners. The members of the committee shall be appointed and be subject to removal at any time by the Developer until the termination of the Class B membership, and thereafter by the Association's Board of Directors. The Committee shall designate an individual as its Secretary, and all communications with the committee shall be conducted through the Secretary. The Committee shall employ an architect or engineer (the "Engineer") who shall be responsible for technical review of plans for the account of the committee.
2. Function of Architectural Control Committee. No Improvements shall be erected, constructed, placed, maintained or permitted to remain on any Lot until the plans therefore (the "Plans") shall have been submitted to and approved in writing by the Committee, which shall determine in its sole discretion whether or not the proposed Improvements, and all features thereof, are acceptable to the Committee and are compatible with other improvements constructed within the Development. The Committee shall be the sole judge and arbiter of such acceptability and compatibility.
3. Design Criteria. In carrying out the functions of the Committee, and in order to insure uniformity of quality of the Improvements located within the Development, the Committee has prepared, and shall make available to all Lot Owners, a statement of design criteria which shall be observed in the construction of all Improvements within the Development (the "Design Criteria"). The Developer and, after the termination of the Class B Membership, the Association, reserves the right to modify and amend the Design Criteria from time to time as it deems appropriate based upon changes and innovations in construction methods and techniques.
4. Improvement Plans. Any Owner desiring to construct Improvements, or to modify existing Improvements, upon any Lot shall first have detailed plans prepared for such Improvement (the "Plans"), which shall be prepared by a licensed architect, or by a qualified residential designer professional approved by the Committee, and shall include, as a minimum, the following:
 - a) A plot plan drawn on a scale of one inch equals 20 feet, reflecting the following information:
 - (i) A survey of the Owner's Lot showing the dimensions of the Lot and Lot area, all set back requirements, the location of all existing Improvements, the location of any utilities crossing the Lot, and contours of the land drawn, at two (2') foot intervals,
 - (ii) The relationship of the proposed Improvement to each side Lot line, to the rear property line and to the front property line,
 - (iii) If the Improvement involves an addition to an existing building, the addition shall be shown in a shaded area with the existing building left unshaded,
 - (iv) Finished floor elevations of the first floor, garage and basement, if any of all Improvements, together with all exterior color schemes and/or building materials,
 - (v) Any detached structures, swimming pools, walls and/or fences on the site,
 - (vi) A landscaping plan of the entire Lot, including all driveways, sidewalks and terraces, and
 - (vii) Such other information as may be necessary to evidence compliance by the Plans with the Design criteria
 - b) A floor plan indicating existing walls and, if the plan is for an addition or modification to an existing building indicating any walls to be removed and any proposed walls to be installed.
 - c) Elevation drawings of the front, sides and rear of any new or modified Improvement, together with the overall height of any new buildings to be constructed, measured from the average grade at the front elevation.
5. Preliminary Submission. In the course of the preparation of his Plans, the Owner shall first submit a Preliminary Site Plan disclosing the proposed location of all Improvements to be placed upon the site, which shall be reviewed by the Committee and either approved or disapproved by it. If the Preliminary Site Plan is approved by the Committee, the Owner shall proceed with the completion of his Plan. If, on the other hand, the Preliminary Site Plan is disapproved, the Owner shall cause such modifications to be made to the same as shall be necessary in

order to obtain the approval of the Committee. Once the Preliminary Site Plan has been approved by the Committee, it shall be strictly complied with the development of the Owner's Plans for the Improvement of the Lot.

6. Submission of Plans. The Owner shall then submit the Plans for the proposed Improvement to the Secretary of the Committee, who will refer the same to the Engineer. The Engineer shall then examine the Plans and determine whether or not they comply with the Design Criteria. The Engineer shall use his best efforts to complete this examination of the Plans within 10 business days after the date on which the Plans are referred to him. If he shall determine that the Plans do not comply with the Design Criteria, the plans shall be returned to the Owner for revision, without consideration by the Committee. If the Owner shall desire to have the plans revised to comply with the Design Criteria, he may do so and resubmit the same to the Secretary for review again by the Engineer.

Upon the determination by the Engineer that the proposed Improvement complies with the Design Criteria, the Plans shall be referred to the Committee for its final approval, which shall review the same for their architectural and aesthetic approval and for their compatibility with the overall Development and with the community at large. The Committee shall certify its approval or disapproval of the plans to the Owner within 10 days after the final referral of the Plans to it. The Committee may grant or withhold its approval of the Plans in its uncontrolled discretion. The Committee's final approval of the Plans for any Improvement shall be effective for a period of three (3) years only and if construction of the proposed Improvement shall not have commenced within that time period, the approval will no longer be valid.

The Committee may impose upon the Owner a reasonable charge to defray all expenses in the consideration of any submission or resubmission of the Plans for any proposed Improvement.

7. Construction of Improvements. If the Committee approves the Plans, the Owner shall construct the Improvements in strict conformity with the same. Actual construction shall be the responsibility of the Owner and shall commence before the expiration of the Committee's final approval. Upon the completion of construction of the Improvements, however, and prior to occupancy, the Owner shall notify the Committee which shall have the Improvements inspected by the Engineer to insure that construction was completed in accordance with the Plans. If construction has not been carried out in accordance with the Plans, or if changes in the Plans have been made without the approval of the Committee, occupancy of the Improvements shall be delayed until the necessary corrections are made or the Plans, as modified, are approved; provided, nevertheless, that if the Owner shall fail to make the necessary corrections, or to have the Plans, as modified, approved within ninety (90) days after the date on which the Owner is notified that the Improvements have not been constructed in accordance with the approved Plans, the Developer, or the Association after the termination of the Class B Membership, may, at its option, make the necessary corrections, or remove the Improvement in question, at the expense of the Owner.

8. Limited Effect of Approval of Plans. The approval by the Committee of an Owner's Plans for the Construction of Improvements upon any Lot is not intended to be an approval of the structural stability, integrity or design of a completed improvement or the safety of any component therein, but is required solely for the purpose of insuring compliance with the covenants contained herein and further to insure the harmonious and orderly architectural and aesthetic development and improvement of the Lots contained within the Development. Notice is hereby given therefore to any future occupant of any completed Improvement and all invitees, visitors, and other persons who may from time to time enter or go on about such completed Improvements, that no permission or approval granted by the Committee, the Developer, or the Association with respect to the construction of Improvements pursuant to this Declaration shall constitute or be construed as an approval of the structural stability of any building, structure or other Improvement and no liability shall accrue to the Developer, the Committee or to the Association in the event that any such construction shall subsequently prove to be defective.

ARTICLE VI

IMPROVEMENT, SETBACK AND USE RESTRICTIONS

I. Improvement Restrictions. In addition to the requirements of Article V above concerning compliance with the architectural review authority of the Committee, the following restrictions apply to Improvements:

- a) Minimum setback requirements on the Plat shall be observed, but are not intended to create uniformity of appearance, but rather to avoid overcrowding and monotony. Therefore, to the extent possible, it is intended that the setbacks of Improvements to be

staggered and be used to preserve trees and assure vistas of open areas. The Developer reserves the right to approve the location of each residence upon the Lot and to relocate the same, within the setback lines and/or building areas established by the Plat, in such manner as it shall be deemed, in its sole discretion, to be in the best interests of the overall Development and in furtherance of the goals set forth herein.

- b) No residence upon any Lot may be occupied prior to (i) the issuance of a final use and occupancy permit for the same by Williamson County or its successor and (ii) approval of the Committee.
- c) The total floor area of the main residential structure upon any Lot, exclusive of open porches, patios, garages, and breezeways, shall not be less than three thousand four hundred (3,400) square feet with the first floor area of any full two story house being a minimum of two thousand (2,000) square feet exclusive of garages, porches, patios, and breezeways.
- d) So long as the Committee approves, boundary walls or fences for individual Lots may be erected, No walls other than retaining walls may be constructed along the street or the front of any Lot unless approved by the Committee, and no retaining wall shall extend to a height greater than three (3) feet above the earth being retained, and no boundary wall or patio or courtyard wall shall extend to a height greater than eight (8) feet from ground level unless the Committee and the adjoining Lot owners so consent. All boundary and retaining walls must be of materials approved by the Committee.
- e) Developer reserves the right to establish a uniform mailbox and mailbox location system.
- f) Incinerators for garbage, trash, or other refuse shall not be used or permitted to be erected on any Lot. Any and all equipment, air conditioner condensers, garbage cans, woodpiles, refuse or storage piles on any Lot, whether temporary or permanent, shall be walled in to conceal the same from the view of neighboring Lots, roads, or Open Space, with the plans for any such concealing walls being approved in advance by the Committee.
- g) No building materials may be stored on any Lot except for the purpose of on-going construction on such Lot, and then only for such length of time as is reasonably necessary for the construction of the Improvements then in progress.
- h) No utility meters, air conditioning compressors, and other equipment shall be visible from neighboring Lots, roads or Open Space. No outdoor television and dish antennas may be installed upon any Lot.
- i) No Owner shall excavate or extract earth from any of the Lots for any business or commercial purpose, and no elevation changes will be permitted which could materially affect the surface grade of a Lot without the consent of the Developer or the Committee.
- j) There shall be no outside clotheslines, clothes hanging devices, or the like upon any Lot. Eve lights may not be installed on the fronts of Improvements without the consent of the Committee and eve lights installed on the sides and rears must be adjusted so that the rays of any beam or floodlight shall not interfere with the neighboring Lots and shall be directed to the rear of the residence.
- k) No garages may face the street in front of a residence without the prior approval of the Committee.
- l) No tree in excess of eight (8) inches in diameter may be removed from a Lot without the consent of the Committee. Also, lots marked with a "Y" as shown on the Final Plat for Durham Manor, Section One may not remove any trees beyond the platted building envelop and any necessary drive way improvements to achieve access from the street to the building envelop.
- m) If one or more contiguous Lots are owned by the same Owner, they may be combined upon the consent of the Developer and approval of Williamson County Planning Department or its successors for the purpose of placing approved Improvements thereon, but individual Lots may not be resubdivided so as to create a smaller area than originally deeded to an Owner and as shown on the Plat without the consent of the Developer and the approval of the Williamson County Planning Department or its successor.

- n) No playground equipment, basketball goals, etc. can be placed a Lot without the approval of the Committee as to both type of building material and location.

2. Maintenance.

- a) All Lots, together with the exterior of all Improvements located thereon, shall be maintained in a neat and attractive condition by their respective Owners.
- b) In the event any Owner shall fail to maintain its Lot or the Improvements situated upon his Lot in a manner satisfactory to the Association, the Association may upon the vote of at least two-thirds of the Board of Directors and after ten (10) days notice in writing to the offending Owner during which time said Owner has continued to fail to commence the correction of the matter in question, may enter upon said Lot and perform the maintenance of the Improvements itself. The cost of such maintenance shall be added to and become a part of the assessment to which such Lot is subject and the Owner of such Lot shall be personally liable for the cost thereof.

3. Use Restrictions.

- a) No owner shall use its Lot in such a manner as to create a nuisance. No Owner shall commit waste upon any Lot within the Development.
- b) A minimum of two (2) fully enclosed and attached off-street parking spaces for each residence must be provided on each Lot by each Owner unless waived by the Developer or the Committee. No carports will be permitted. Guest parking shall be limited to the areas designated as such upon the Plat or by the Developer. No vehicle or vehicles in a wrecked, non-operational, or non-functional condition or vehicles without proper registration shall be parked on any Lot or upon any of the Open Space. No house trailers, travel trailers, pre-engineered structures, or portable buildings shall be erected, stored, maintained, or permitted on any Lot or within the Development.
- c) No animals, livestock, or poultry of any kind shall be raised, bred, pastured, or maintained on any Lot except household pets which shall be kept in reasonable numbers as pets for the sole pleasure of the occupants, but not for any other purpose or use. No such household pets shall be permitted to the extent they become, in the opinion of the Committee, a nuisance to neighboring Lot Owners. No pets shall be permitted outside the boundaries of the Owner's Lot unless accompanied by their owners and on a leash. The Board, or any individual Lot Owner, may take appropriate measures to insure compliance with this provision, including without limitation, having the animal picked up by the appropriate governmental authorities.
- d) No Owner shall cause or allow any use of his Lot that results in noise which disturbs the peace and quiet of the Development. This restriction includes, without limitation, dogs whose loud and frequent barking, whining, or howling disturbs other Lot Owners, exterior music systems or public address systems, and other noise sources which disturb other Owners' ability to peacefully possess and enjoy their Lots.
- e) No Owner shall permit or cause the escape of such quantities of dense smoke, soot, cinders, noxious acids, fumes, dust, or gasses as to interfere with the use and enjoyment by other Owners of their Lots.
- f) No house or other structure on any Lot shall be used for any business purpose except for home occupations, which may be practiced on any Lot subject to the following limitations:
 - 1. The home occupation must be in compliance with all governing zoning ordinances and subdivision regulations. The home occupation shall be located and conducted inside dwelling units only;
 - 2. The principals and any other persons engaged or employed in furtherance of the home occupation shall be residents of the residence located on the Lot upon which it is located; provided, however, that where the Committee finds that a hardship exists, one (1) nonresident of the residence may be employed on the Lot in furtherance of the home occupation on a temporary basis for a period not to exceed twelve (12) months;
 - 3. Not more than ten (10%) percent of the total floor area in the residence shall be denoted 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, good, or equipment indicative of the home occupations shall be visible from any street, adjoining Lot, Common Area, or stored outside the residence;

6. The home occupation shall not be advertised by the display of goods or signs on the Lot on which it is located; or within the Development or Open Space;
 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. Each owner shall refrain from any use of his Lot which could cause embarrassment or discomfort or annoyance to the neighborhood;
 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 one (1) pupil 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;
 11. The following home occupations, when deemed to be non-traffic generating uses posing no threat to the health, safety and welfare of the residents of Durham Manor shall be permitted subject to application by the occupant and approval by the Committee:
 - a. artist, sculptor, author and song writer; and
 - b. designer, planner, architect, engineer, draftsman, and graphic artist; and
 - c. accountant, lawyer, information processing, traveling salesperson, manufacturer's representative, insurance agent, real estate agent, and financial consultant.
 - d. Minister, ministry or church business, however, no worship gatherings or church meetings are allowed that would violate items 5 or 7 above.
 12. No business transaction shall occur on any Lot other than through telecommunications devices.
 13. No noxious, offensive or illegal activity shall be carried out upon any Lot.
- g) Boats must be stored in enclosed areas and must not be visible from neighboring Lots, streets or Open Space.
 - h) Each Owner shall observe all governmental building codes, health restrictions, zoning restrictions and other regulations applicable to his Lot. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.
 - i) Any vehicle moving in excess of 25 miles per hour on any street within the Development shall be considered speeding and the owner or operator thereof shall be subject to any fine levied by the Association.
 - j) The pursuit of hobbies or other inherently dangerous activities including without limitation the assemble and disassemble of motor vehicles or other mechanical devises, the shooting of firearms, fireworks, or other pyrotechnic devices of any type or size, and other such activities shall not be allowed upon any Lot.

ARTICLE VII

EASEMENTS

1. Developer. Before and after termination of the Class B Membership, Developer reserves an easement for ingress and egress generally across the Development at reasonable places thereon and across each of the Lots for the purpose of completing Developer's intended development. Said ingress and egress easement shall in any event be reasonable and shall not interfere with the construction of Improvements on a Lot nor the use and enjoyment of a Lot by Owner.
2. General. There is hereby reserved without further assent or permit, a general easement to all police and security guards employed by Developer or Association, firefighters, ambulance personnel, garbage collectors, mail carriers, utility personnel, delivery service personnel and all similar persons to enter upon the Development, or any portion thereof which is now or hereafter made subject to this Declaration in the performance of their respective duties.

3. Easements Over Open Space. The Plat designates certain areas for roads, utilities, drainage, Open Space, and recreational areas. The easements so designated on the Plat encumber the Lots as shown on the plat and are hereby established as perpetual and irrevocable easements. Said easements are granted and reserved for the use and benefit in common of all owners in the Development and their agents, servants, family members and invitees. No owner shall have the right to restrict, impede or take any action in any way to prohibit or limit the use in common by all owners of said easements; however, use of the easements and Open Space shall be subject to and governed by the provisions of this Declaration and the by-laws, rules and regulations of the Association.

ARTICLE VIII

SALE OR LEASE OF LOTS

Sales, Resales, and Advertising. No sign of any kind shall be displayed on any Lot or Improvement or within any Improvement, except no more than one (1) non-illuminated signs of not more than six (6) square feet advertising the property for sale.

ARTICLE IX

GENERAL PROVISIONS

1. Duration. The covenants, conditions and restrictions contained in this Declaration shall be appurtenant to and run with the land and shall be binding upon all Owners and parties hereinafter having an interest in any of the Development, and all parties claiming under them, until December 31, 2036 at which time they shall be automatically extended for successive periods of ten (10) years each, unless a majority of the votes attributable to Lots in the Development are cast in favor of a proposition to change, amend or revoke the restrictions in whole or in part at a duly called meeting of the Association within the final year of the then current term of this Declaration, as it may have been extended. Each purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance therefore, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this Article IX, Section 1.
2. Amendment. The covenants and restrictions contained in this Declaration may be amended unilaterally by the Developer, without joinder of any Owner, for a period of thirty (30) years from the date hereof. Thereafter, any amendment of this Declaration will require the affirmative vote of at least two-thirds (2/3) of the Votes entitled to be cast by the then Members of the Association, (all Class A and Class B Members) at a duly called meeting of the Association at which a quorum is present. To the extent then required by applicable laws and/or regulations, all amendments of this Declaration must be approved, or its successor governmental entity. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record in the R.O.W.C., TN. Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration by acceptance of a deed or other conveyance therefore, thereby agrees that the covenants and restrictions of this Declaration may be amended as provided herein.
3. Enforcement. All restrictions herein may be enforced by Developer, its successors and assigns, until the termination of the Class B Membership, or by the Association acting by and through its Board, by proceeding at law or in equity against the Person violating or attempting to violate any covenant or covenants, either to restrain the violation thereof or to recover money damages, together with reasonable attorneys' fees and court costs. Furthermore, after the termination of the Developer's Class B Membership in the Association, in the event the Association fails to act to enforce any restriction contained herein, any Owner of any Lot may enforce the restrictions as aforesaid against any other Owner.
4. Partial Invalidity. Any invalidation of any one or more of these restrictions by judgment, court order, or statute, for failure on the part of Developer or its successors or assigns to enforce any of said restrictions, shall in no way affect any of the other provisions hereof or be deemed as a waiver of the right to enforce such restrictions at any time after the violations thereof. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void nor the provisions so void in circumstances or applications other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.
5. Abatement. In the event that any Owner violates any of the terms or conditions of this Declaration and fails to cure the same within ten (10) days after written notice thereof, then Developer or the Association, in addition to any

other rights and remedies provided for herein, shall have the express right, privilege and license to enter upon any Lot to take any reasonable action to cure such violation, and all reasonable costs thereof shall be at the expense of the Owner of such Lot and shall be payable upon demand by Developer or the Association.

6. Notice. All notices required or permitted hereunder shall be in writing and effective when deposited in the U.S. Mail, postage prepaid, addressed to any Owner at the address of the Lot owned by such Owner, or addressed to the Developer as follows:

UCR,LLC
c/o Tim Unger
3117 Boxley Valley Road
Franklin, TN 37064

or such other address as Developer may, by notice to each of the Owners, designate.

7. Headings and Binding Effect Headings have been inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Developer and all persons claiming by, through or under Developer.
8. Exoneration of Developer. Each Owner of any Lot in the Development, or any other party having an interest in any portion of the Development, expressly agrees that no duty or obligation is imposed upon Developer to enforce or attempt to enforce any of the covenants or restrictions contained herein, nor shall Developer be subject to any liability of any kind or nature whatsoever resulting out of any claim by any third party asserting that Developer failed to enforce the same.

IN WITNESS WHEREOF, the Developer has caused this Declaration of Protective Covenants, Conditions and Restrictions to be duly executed this ____ day of _____, 2006.

UCR, LLC

By: _____

Title: _____

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

Before me, _____, a Notary of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal this ____ day of _____ 2006.

Notary Public

EXHIBIT B

By-Laws of Durham Manor Homeowners Association

Article I – Name

The affairs of the Association shall be conducted using the Durham Manor Home Owners Association or such other name or names as the Board of Directors may from time to time authorize.

Unless otherwise herein to the contrary expressly provided, all capitalized terms used but not defined herein shall be deemed to have those meanings assigned thereto in the Declaration of Covenants, Conditions, and Restrictions for Durham Manor of record in Book _____, Page _____, Register's Office for Williamson County, Tennessee (the "Declaration").

Article II – Offices

The principal office of the Association shall be located in 3117 Boxley Valley Road, Franklin, TN, 37064. The Association may also maintain offices at such other places as the Board of Directors may from time to time designate or as the affairs of the Association may from time to time require.

Article III – Association Membership and Purpose

3.01 Membership – Every Owner of a Lot shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and the ownership of a Lot shall be the sole qualification for such membership. In the event that legal and equitable fee title to a Lot is transferred or otherwise conveyed, that membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagee or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member or member's spouse, but in no event shall more than one vote be cast or more than one office be held by each Lot. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot shall be suspended in the event more than one person seeks to exercise it. The voting weight appurtenant to each Lot is equal and each Lot shall have one vote, except as provided in Article 3.3 of the Declaration. Such voting weight shall continue to be equal upon the addition of all or a portion of the Additional Property to the Development as defined in the Declaration, and each Lot therein shall have one vote, except as provided in Article 3.3 of the Declaration. Each Owner, by acceptance of a deed or other conveyance for a Lot consents and agrees to the dilution of his voting interest in the Association by virtue of the submission from time to time of the Additional Property of any portion thereof to the terms of the Declaration as provided therein.

3.02 Purpose of the Association. The Association is formed to own the Open Space of Durham Manor, provide for the maintenance, control and preservation of Durham Manor and promote the health, safety and welfare of the Owners of the Lots in Durham Manor.

Article IV – Meeting of Members

4.01 Notice of meeting and Quorum. Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized under Sections 7.01 and 7.02 hereof, shall be sent to all members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meeting. With respect to annual meetings, the presence of members or proxies entitled to cast over fifty percent (50%) of all the votes of the Association shall constitute a quorum. In the event of the absence of a quorum at such meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of members having one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than

sixty (60) days following the preceding meeting. The first annual meeting of the Association shall be held within sixty (60) days after the closing of sales of one-half (1/2) of the Lots located within the Development.

4.02 Special Meetings. Special meetings of the Members may be called by the President, a majority vote of the Board of Directors, or by written request of fifteen (15%) percent or more of the Members entitled to vote. Notices of a special meeting must contain a statement of the purpose for which such meeting is called, and no other business may be transacted at that meeting.

4.03 Informal Action. Any action required by law to be taken at a meeting of the members, or any action that may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof.

4.04 Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy.

4.05 Voting by Mail. As to any matter requiring approval and vote of the Members, including but not limited to the election of Directors or officers, such election or vote may be conducted by mail, using absentee ballots, or in such other manner as the Board of Directors shall determine.

Article V – Board of Directors

5.01 Composition. The affairs of the Association shall be governed by the Board of Directors of not less than three nor more than five directors. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Property and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean attractive and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the laws of Tennessee relating to non-profit corporations, the Declaration, the By-Laws, or the Articles of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association, without any further consent or action on the part of the Owners. Declarant shall have the right to appoint a majority of the Board of Directors so long as Declarant is a Class B Member as defined in Article III of the Declaration or owns any unimproved Lot in Durham Manor. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association.

5.02 Election of Board of Directors. Subject to the rights of the Declarant, Directors shall be elected annually by the Members at the annual meeting of Members for one (1) year terms.

5.03 Removal of Directors. Any director may be removed, without cause by the Declarant so long as Declarant is a Class B Member or by a vote of two-thirds of the directors then in office.

5.04 Resignation. Any director may resign at any time by giving a written notice to the Board of Directors, the Chairman of the Board, or the Association. A resignation shall be effective when notice thereof is so delivered, unless the notice specifies a later effective date.

5.05 Powers and duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or the Articles of Incorporation of the Association or by these By-Laws may not be delegated to the Board of Directors by the Owners. The powers and duties to be exercised by the Board of Directors shall include but shall not be limited to the following:

- a. Operation, care, upkeep and maintenance of the Common Property;
- b. Determination of the amount of funds required for operation, maintenance and other affairs of the Development;
- c. Collection of the assessments and common charges from the Owners;
- d. Employment and dismissal of personnel necessary for the efficient maintenance and operation of the Association;
- e. Adoption and amendment of rules and regulations covering the details of the operation of the Association;

- f. Opening of bank accounts on behalf of the Association and designating the signatories required therefore;
- g. Obtaining insurance for the Association property, pursuant to the provisions of the Declaration and these By-laws;
- h. Making repairs, additions and improvements to, or alterations of, the Association property, in accordance with the provisions of the Declaration; and
- i. Appointment and dismissal of members of the Architectural Control Committee which shall be composed of at least three members, as provide din Article 5 of the Declaration; provided, however that the initial Architectural Review Committee shall consist of at least five members designated by Declarant under the Declaration who shall each serve at the pleasure of Declarant; and provided further that the authority to appoint and dismiss members of the Architectural Control Committee shall be subject to the rights of the Declarant as provided in the Declaration.

5.06 Manager – The Board of directors may employ for the Association a manager at a compensation established by the Board of Directors. The Board of Directors may delegate to the manager or managing agent all of the powers granted to the Board of Directors by the Declaration and by these By-Laws other than the powers set forth in subdivisions (b), (e), (g), and (i) of Section 5.05 of this Article V.

5.07 Regular Meeting Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or facsimile, at least three (3) business days prior to the day named for such meeting.

5.08 Special Meetings Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given by mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Secretary in like manner.

5.09 Notice Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each Directors at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

If the Board of Directors changes the place, date, or time of a regular meeting, notice of such action shall be given to each Director who was not present at the meeting at which such action was taken. Any Board action to remove a Director; amend the by-laws; amend the charter (other than a charter amendment to: (a) delete the name and address of the initial registered agent or registered office, if a statement of chance is on file with the Secretary of State (b) change the address of the principal office of the Association; or (c) change the corporate name by substituting the word "corporation," "incorporated," "company," "limited," or the abbreviation "corp.," "inc.," or "ltd.," or a similar word or abbreviation in the name, or by adding a geographical attribution to the name); approve a transaction in which a Director or officer of the Association has a conflict of interest; authorize the indemnification of a Director, employee or agent of the Association; approve a plan of merger; approve a sale, lease, exchange or other disposition of all or substantially all of the Association's assets other than in the regular course of activities; or approve a dissolution of the Association requires that each Director be given at least seven (7) days written notice that the matter will be voted upon at a Directors' meeting. The notice of any meeting at which a by-law amendment, charter amendment, plan of merger, plan for the sale, lease, exchange or other disposition of all or substantially all of the Association's assets, or plan of dissolution is to be voted upon must state that the purpose, or one of the purposes of the meeting is to consider such proposed amendment or plan and contain or be accompanied by a copy or summary of such amendment or plan.

Where reasonable under the circumstances, notice may be either written or oral, and may be communicated in person, by telephone, telegraph, teletype, or other form of wire or wireless communication, or by mail or private carrier. Written notice in a comprehensible form is effect at the earliest of the following:

1. when received;
2. five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon;
3. on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee; or
4. twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first class, registered or certified postage affixed.

Notice of an adjourned meeting need not be given if the time and place to which such meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting.

5.10 Waiver of notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice.

5.11 Quorum of Board of Directors. If two-thirds (2/3) or more of the directors are represented at a meeting of the Board of Directors, a quorum shall be considered present. A majority vote of the directors represented at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting to a specific future time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.12 Fidelity bonds. The Board of Directors may obtain adequate fidelity bonds for such officers and employees of the Association handling or responsible for Association funds. The premiums of such bonds shall constitute a common expense.

5.13 Telephone Board and Committee Meetings. Members of the Board of Directors, or of any committee of the Board of Directors, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in such a meeting shall constitute presence in person at such a meeting.

5.14 Reliance Upon Information, Opinions, Reports, or Statements. To the full extent allowed by law, a member of the Board of Directors, or a member of any committee of the Board of Directors, shall, in the performance of his duties, be protected in relying on good faith upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters present, (ii) legal counsel, public accountants, or other persons as to matters the Director reasonable believes are within the person's profession or expert competence, or (iii) a committee of the Board of Directors of which he is not a member if the Director reasonable believes the committee merits confidence.

Article VI – Officers

6.01 Designation. The principal officers of the Association shall be the President, the Vice-President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect such other officers as in its judgment may be necessary.

6.02 Election of officers. Officers shall be elected annually by the Board of Directors. In the event of the death, resignation, or disability of an Officer, his successor may be appointed by the Declarant or elected at any regular meeting of the Board of Directors called for such purpose, as the case may be.

6.03 Removal of Officers. Any Officer may be removed by a vote of the majority of the Board of Directors, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

6.04 Resignation. Any officer may resign at any time by delivering notice to the Association. Such a resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

6.05 Reliance Upon Information, Opinions, Reports, or Statements. To the full extent allowed by law, an officer of the Association shall, in the performance of his duties, be protected in relying on good faith upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (i) one or more officers or employees of the Association whom the officer reasonably believes to be reliable and competent in the matters present, (ii) legal counsel, public accountants, or other persons as to matters the officer reasonable believes are within the person's profession or expert competence, or other persons as to matters the officer reasonable believes are within the person's professional or expert competence.

6.06 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Lot Owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to his office and shall perform all of the duties assigned by the Board of Directors.

6.07 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 of Directors to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors or by the President.

6.08 Secretary. The Secretary shall keep the minutes of all meetings of the Owners and of the Board of Directors. He shall be in charge of such books and papers as the Board of Directors may direct, shall give notice in conformity with these By-Laws of any and all meetings, and shall also perform all other duties assigned to him by the Board of Directors.

6.09 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account and for the preparation of all required financial statements, including an itemized record of all receipts and expenditures, as well as separate account for each Lot which shall indicate the name and address of the Owner, the amount of each assessment for expenses against such Lot, the date when due, the amount paid thereon, and the balance remaining unpaid. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all other duties assigned to him by the Board of Directors.

6.10 Agreements, contracts, deed, checks, et cetera. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors.

6.11 Compensation of directors and officers. No director or officer shall receive any compensation from the Association for acting as such.

Article VII – Operation of Property

7.01 Computation of annual assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual assessments to be levied against Lots for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The total annual assessments shall be divided among the Lots equally, so that each Lot shall be subject to equal annual assessments. Upon the addition of the Additional Property or any portion thereof to the Development, assessments shall continue to be equal and the Lots being added to the development shall pay assessments which are equal to those imposed upon Lots previously in the Development, subject to the terms and provisions of Article 4 of the Declaration. In such event, the Association's budget shall be accordingly revised by the Board, without the necessity of approval by the Owners, to include Common Expenses and assessments related to such additional Lots. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (i) Declarant, for so long as Declarant has the authority to appoint a majority of the directors of the Association, or (ii) after the Declarant shall no longer exist, such authority to appoint a majority of the directors of the Association by a vote of a majority of the votes of the Owners who are voting in person or by proxy at such meeting (provided that it shall require a vote of at least fifty-one percent (51%) of the total membership to disapprove the budget). Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessments in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1982-84 = 100), or

its successor index, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association or the approval of a special assessment as provided in Section 7.02 hereof. The Common Expenses to be funded by the annual assessments may include, but shall not necessarily be limited to, the following:

- a. Management fees and expenses of administration, including legal and accounting fees and insurance premiums;
- b. Utility charges for utilities serving the Open Space and charges for other common services for the Development, including trash collection and security services, if any such services or charges are provided or paid by the Association;
- c. The expenses of maintenance, operation, and repair of those portions of the Open Space including roads and streets, as well as perimeter fencing, which are the responsibility of the Association under the provisions of the Declaration;
- d. The expenses of maintenance, operation, and repair of other amenities and facilities serving the Development, the maintenance, operation, and repair of which the Board from time to time determines to be in the best interest of the Association;
- e. The expenses of the Architectural Control Committee which are not defrayed by plan review charges;
- f. *Ad valorem* real and personal property taxes assessed and levied against the Open Space, if any;
- g. The expenses of recreational, cultural, or other related programs for the benefit of the Owners and their families, tenants, guests, and invitees;
- h. Such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including without limitation taxes and governmental charges not separately assessed against Lots; and
- i. The establishment and maintenance of a reasonable reserve fund (i) for inspections, maintenance, repair, and replacement of those portions of the Open Space which are the responsibility of the Association and which must be inspected, maintained, repaired, or replaced on a periodic basis, (ii) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (iii) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters all as may be authorized from time to time by the Board of Directors.

7.02 Special Assessments In addition to the annual assessments authorized above, the Association, acting through its Board of Directors, may levy in any assessment year special assessments for Common Expenses, applicable to that year only. Subject to the provisions of Article 4.2 and 4.3 of the Declaration, any such assessment shall be approved by (i) Declarant, for so long as Declarant is a Class B Member or owns any Lot primarily for the purpose of sale or resale or has an unexpired option to add the Additional Property or any portion thereof to the Development, or (ii) after Declarant shall cease to be a Class B Member or shall not own any Lot for the purpose of sale or resale by sixty (60%) percent of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose in accordance with the provisions of Section 4.01 hereof. The Board of Directors may make such special assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special assessments are to be pro-rated among the Lots equally as provided with respect to annual assessments.

7.03 Individual Assessments Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, guests, or invitees of any Owner shall be specially assessed against such Owners and their respective Lots. The individual assessments provided for in this Section 7.03 shall be levied by the Board of Directors and the amount and due date of such assessment so levied by the Board shall be specified by the Board.

7.04 All sums assessed against any Lot pursuant to the Declaration, together with court costs, reasonable attorney's fees, late charges, and interest as provided herein shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association.

7.05 Effect of nonpayment; remedies of the Association Any assessments or portions thereof which are not paid when due shall be delinquent. Once any assessment or any portion thereof has become delinquent, the Association may file a notice of lien in the records of the Register's Office of Williamson County, Tennessee. Any assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate to be determined by the Board of Directors. A lien and equitable charge as herein provided for each assessment shall attach simultaneously as the same shall become due and payable, and if an assessment has not been paid within thirty (30) days, the entire unpaid balance of the assessment may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such assessment shall include the late charge established by the Board of Directors, interest on the principal amount due, all costs of collection (including reasonable attorneys'

fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the assessment remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided herein shall be in favor of the Association, and each Owner by his acceptance of a deed or other conveyance to a Lot vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such assessments as a debt and/or to foreclose the aforesaid lien in the manner provided in the Declaration. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration but not without limitation, non-use of the Open Space or abandonment of his Lot, and an Owner shall remain personally liable for assessments, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot.

7.06 Certificate. The Treasurer, any assistant Treasurer, or manager of the Association shall, within ten (10) days of a written request and upon payment of such fee as is from time to time determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee, a certificate in writing signed by said Treasurer, Assistant Treasurer, or manager setting forth whether the assessments for which such Owner is responsible have been paid, and if not paid, the outstanding amount due and owing, together with all fines, accrued interest, and other penalty charges. Such certificate shall be conclusive evidence against all but such Owner of payment of any assessments stated therein to have been paid.

7.07 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot as set forth in Article 4.6 of the Declaration and shall be due and payable in such a manner and on such schedule as the Board of Directors may provide. Annual assessments and any outstanding special assessments shall be adjusted for such Lot according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such Lot is first conveyed. Annual and special assessments for Lots in portions of the Additional Property hereafter submitted to the terms of this Declaration shall commence as provided in Article 4.6 of the Declaration, and annual and special assessments for each such Lot shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such assessments commence.

Article VIII – Arbitration

8.01 Arbitration. Any disputes or controversies among Owners arising under these By-Laws or under the Declaration shall be submitted to the Board of Directors for decision. The Board of Directors is required to issue its decision on such matters within thirty (30) days after the controversy or dispute is submitted by any Owner. The submission of any such dispute or controversy to the Board of Directors shall be an express condition precedent to the institution of any legal action or proceeding.

Article IX – Record

9.01 Records and Audits. The Board of Directors shall keep detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Lot Owners, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Lot which shall indicate the name and address of the Lot Owner, the amount of each assessment for common expenses against such Lot, the date when due, the amounts paid thereof, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the Association shall be rendered by the Board of Directors to all Lot Owners, and to all Mortgagees of Lots who have requested such annual report, promptly after the end of each fiscal year.

Article X – Miscellaneous

10.01 Notices. All notices to the Board of Directors or to the Association shall be sent registered or certified mail to such address as the Board of Directors may hereafter designate from time to time. All notices to any Lot Owner shall be sent registered or certified mail to such address as shall be designated by him in writing to the Board of Directors. All notices to Mortgagees of Lots shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time in writing to the Board of Directors.

10.02 Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity or enforceability, or affect the remainder of these By-Laws.

10.03 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

10.04 Gender. All provisions herein include the male, female and neuter gender and include the singular and plural numbers as the case may be.

10.05 Waiver. No restriction, condition, obligation, or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce it, irrespective of the number of violations or breaches thereof which may occur.

Article XI – Amendments to By-Laws

11.01 Amendments to By-Laws. These By-Laws may be modified or amended by the Declarant as long as he is a Class B Member and thereafter by the vote of two-thirds (2/3) of the total authorized votes for all Lots at a meeting of Lot Owners called for such purpose. The notice of such a meeting must be mailed to all Lot Owners at least ten (10) days prior to the scheduled date for the meeting and the notice must set forth the proposed amendment. No such amendment shall be effective until recorded in the office of the Register of Deeds of Williamson County, Tennessee.

Article XII – Indemnification of Officers, Directors, Employees, and Agents

12.01 General. The Association shall have the power to indemnify any person authorized by the Tennessee Nonprofit Corporation Act, as the same may be amended from time to time, in the manner prescribed therein, to the full extent allowed thereby.

12.02 Indemnification Not Exclusive. To the extent permitted by the Tennessee Nonprofit Corporation Act, as amended, the rights of indemnification provided in this Article XII shall be in addition to any rights to which any such director, officer, employee, or other person may otherwise be entitled by contract or as a matter of law.

12.03 Insurance. The Association shall have the power by action of the Board of Directors to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or who, while a director, officer, employee, or agent of the Association, is or was serving at the request of the Association as a director, officer, employee or agent of another corporation because of the Association's interest in such other corporation, from and against any liability asserted against him or incurred by him in any such capacity or arising out of his status as a director, officer, employee, or agent, whether or not the Association would have the power to indemnify him against such liability.