

2009

Prepared by:
Mark Moore
144 Uptown Sq
Memphis, TN 37114

AMENDMENT TO BY-LAWS

Rules and Regulations
of

Natchez Trace Condominiums Homeowner's Association, Inc.

These Rules and Regulations are made pursuant to the By-Laws of Natchez Trace Condominiums Homeowner's Association, Inc. of record in Deed Book 431, page 309, of the Register's Office of Rutherford County, Tennessee.

The By-Laws of Natchez Trace Condominiums Homeowner's Association, Inc. specifically state:

ARTICLE EIGHT

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 Powers: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association for the operation and maintenance of the project, including, but not limited to, the following:

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

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

Section 7 Rules and Regulations:

Record Book
2009 74 3029

(a) The rental of any unit shall be in accordance with the rules and regulations established for such rental by the Board of Directors.

(b) The Board of Directors and/or the managing agent reserves the power to establish, make and enforce compliance with such additional rules and regulations which may be necessary for the operation, use and occupancy of this planned unit development project with the right to amend same from time to time. Among those rules and regulations which the Board of Directors may make is the prohibition of the keeping of any animals in any unit.

Pursuant to the By-Laws, the Board of Directors of Natchez Trace Condominiums Homeowner's Association, Inc. adopt the following rules and regulations:

- (1) No pets that have to be taken outside for walks or to relieve themselves are allowed in rental units. Small animals such as birds, goldfish and the like, that can be kept in the residence or in cages shall be allowed. Dogs and cats are specifically prohibited in rental units. Those individuals living in rental units that have pets may keep their present pets until they move from the complex. These individuals may not add new pets or replace existing pets. Once the present individuals move out of the rental unit, the unit will be subject to these new rules.
- (2) No exotic animals of any kind whatsoever shall be allowed in a unit. An exotic animal is defined as any animal that the Board of Directors deems is not a domestic pet.
- (3) Any unit will be allowed to have a maximum of two (2) pets that require outside care. There will be a weight limit of sixty (60) pounds per pet. Present owners of units will be grandfathered in to this new rule. Present unit owners that have three or four existing pets will be allowed to keep this number of pets until the death of one

or two of the pets or one or two are sold or given away. At that time, the unit owner will not be allowed to replace those pets if the number of pets exceeds the limit of two (2) pets per unit. Unit owners that presently own more than four (4) pets will be given a one (1) year period from the date of the execution of these rules by the Board of Directors to meet the requirement of a maximum of two (2) pets. Unit owners shall be allowed to keep a relative or friend's pet for a short time, not exceeding one (1) month, but in no case can this allow the unit owner to exceed the maximum of two (2) pets per unit.

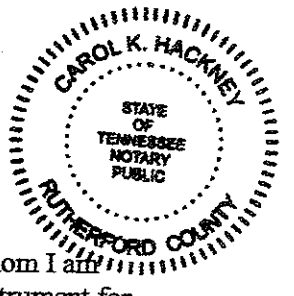
- (4) No vicious dogs are allowed in any unit at any time. Any dog that is potentially dangerous or vicious shall be prohibited. The specific list of dogs that are prohibited are as follows: Chows, German Shepherds, Pit-Bulls, Dobermans, Rottweiler's and Char Pais. Any known dangerous or vicious dog will not be allowed on the property by an owner or a visitor. Unit owners that presently have a dog described in this paragraph will be grandfathered in to this rule. However, should the unit owner sell or give away the dog, or in the event of the death of the dog, the unit owner will not be allowed to replace the dog with any dog described in this rule. This rule is for the protection of our residence, their children and their pets.
- (5) All pets must be controlled by residents with a leash when outside your unit. Any defecation by a pet belonging to or visiting a unit shall be cleaned up by the unit owner immediately.
- (6) There shall be no parking of golf carts on the property unless they can be housed in the garage and kept there.
- (7) No parking is allowed on the curbs in front of the condominium units. Short term parking on these curbs will be allowed for those units that have no driveway or garage. Units that have one car driveways and garages are to park in the designated overflow parking areas closest to the unit. Visitors and residents may park for short periods while visiting or unloading items, but in no case will overnight parking be allowed. In areas where there is only a drive across from a unit with no designated parking area available, there will be no overnight parking. There will be no parking whatsoever on either curb in the areas in front of units 353, 355, 357, 359 and the east side of unit 349. This is dead end driveway that needs to be kept clear for access of emergency vehicles. When a driver of a vehicle unloading items in these areas is finished, the driver must immediately remove the car from these areas. No visitor parking whatsoever will be allowed in these areas. It is the responsibility of the unit residents to tell workers and visitors not to park in these areas. In the event a resident violates the parking rules and does not respond to one letter from the Board of Directors, the Board, in its sole discretion, has the right to levy a fine against the unit owner. This fine will have the same effect as condominium dues and the Board will be allowed to enforce the fine in the same manner as the enforcement as delinquent dues.
- (8) A limit on the total number of rental or leased units in the Natchez Trace Condominium Complex is hereby established by the Board of Directors. Only ten (10%) percent of the total number of units may be used for rental or leased units. The Complex presently has twenty-seven (27) units, and therefore, only three (3) units may be used for rental or lease purposes. Units that are presently rented will be grandfathered into this plan and will be selected in order of priority based on the length of time they have been rented or leased. Units that are presently rented or leased that fall outside the three selected or grandfathered units will be given three (3) years, starting on the date these rules take effect, to either sell or occupy their units as residents. In the future, anyone proposing to rent or lease a unit must have the permission of the Board of Directors before they start renting. In the future, if

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any of the three (3) grandfathered units are sold, the owner must get Board approval before selling that unit as a rental or leased unit.

James V. Burnette
Director

STATE OF TENNESSEE)
 :SS
COUNTY OF RUTHERFORD)



Personally appeared before me James V. Burnette with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS MY HAND, at office, on this the 12th day of November, 2008.

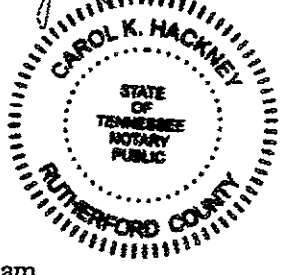
Carol K. Hackney
NOTARY PUBLIC

My Commission Expires: 11/21/2010

1/7/2009
Carol K. Hackney (2nd time)
Notary Public
11/21/2010

James V. Burnette
Director

STATE OF TENNESSEE)
 :SS
COUNTY OF RUTHERFORD)



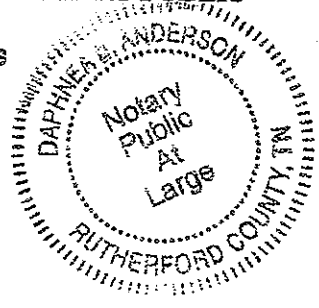
Personally appeared before me P. D. Mynett, with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS MY HAND, at office, on this the 5th day of ^{January, 2009} ~~November, 2008~~.

Daphnea B. Anderson
NOTARY PUBLIC

My Commission Expires: My Commission Expires April 22, 2012

P. D. Mynett
Director



STATE OF TENNESSEE)

:SS

COUNTY OF RUTHERFORD)

Personally appeared before me Patricia Steward, with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

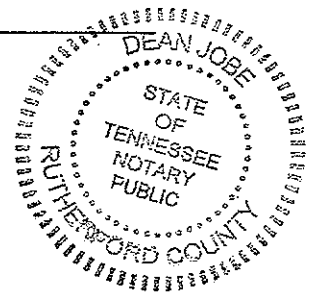
WITNESS MY HAND, at office, on this the 17th day of November, 2008.

DEAN JOBE
NOTARY PUBLIC

My Commission Expires:

2.22.10

Patricia Steward
Director



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0000 0000 0000 0000

STATE OF TENNESSEE)

SS

COUNTY OF RUTHERFORD)

Personally appeared before me Jerry Mai Traughber, with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

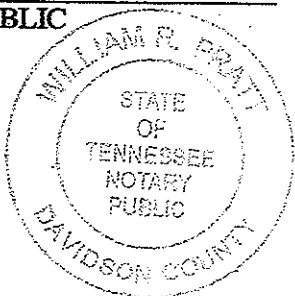
WITNESS MY HAND, at office, on this the 17 day of November, 2008.

[Signature]
NOTARY PUBLIC

MY COMMISSION EXPIRES MAY 23, 2009

My Commission Expires: _____

Jerry M. Traughber
Director



Jennifer H Gerhart, Register
Rutherford County Tennessee

Rec #: 578763
Rec'd: 25.00 Instrument #: 1600776
State: 0.00
Clerk: 0.00 Recorded
ERP: 2.00 1/13/2009 at 3:20 PM
Totals: 27.00 in
Record Book 889 Pgs 3929-3953

STATE OF TENNESSEE)

:ss

COUNTY OF RUTHERFORD)

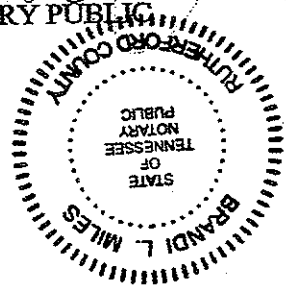
Personally appeared before me Eric Lynch with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS MY HAND, at office, on this the 24 day of November, 2008.

Brandi L. Miles
NOTARY PUBLIC

My Commission Expires July 16, 2012

[Signature]
Director



Copy Copy

The instrument prepared by:
Alvin L. Harris
WEED, HUBBARD, BERRY & DOUGHTY, PLLC
Suite 1420, SunTrust Bank Building
201 Fourth Avenue, North
Nashville, Tennessee 37219

**AMENDMENT TO BY-LAWS OF NATCHEZ
TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC.**

This Amendment to By-Laws of Natchez Trace Condominiums Homeowner's Association, Inc. (the "Amendment") is made this 26 day of August, 2003 by the members of Natchez Trace Condominium Homeowners' Association, Inc. a Tennessee nonprofit corporation (the "Association");

WITNESSETH:

WHEREAS, the Association is the governing body of that certain property previously submitted to the Declaration of Covenants, Conditions and Restrictions of Natchez Trace Condominiums of record in Book 431 page 309, Register's Office for Rutherford County, Tennessee, as previously amended (the "Declaration");

WHEREAS, the Association desires to amend certain provisions of its By-Laws attached as Exhibit "D" to the original Declaration and previously amended by instrument of record in Book 441, page 142, Register's Office for Rutherford County, Tennessee (the "By-Laws");

WHEREAS, pursuant to Article Eighteen, Section 1 of the By-Laws, the By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy;

WHEREAS, a sufficient number of lot owners have approved this Amendment as evidenced by the certification of the Secretary of the Association below.

NOW, THEREFORE, for and in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Association, being empowered so to do, hereby amends the By-Laws as follows:

1. Amendment.

- a. The first sentence of Article Four Section 1 of the By-Laws is deleted and replaced by the following:

The regular annual meeting of the members shall be held during the third calendar quarter of each year beginning in 2003. The exact time and date of the annual meeting each year shall be determined by the Board of Directors of the Association. Notice of the annual meetings shall be provided to the members in accordance with Section 3 of this Article Four.

- b. Article Eleven, Section 2 is amended by adding the following to the end of that section:

The maintenance, repair or replacement of all components of the window assembly, including all exterior and interior components, is the responsibility of the Association provided the damage is caused by sunlight, water, wind, fire, storm or normal wear and tear. Any and all damage caused by the negligent or other tortious conduct or act of an owner, member of his or her family, his agent, employee, invitee, licensee, guest or tenant, tenant's family member, agent, employee, invitee, licensee or guest shall be the sole responsibility of the Owner. Except as provided in the preceding sentence, Glass breakage due to any cause shall be the responsibility of the Owner. Any disputes, disagreements or conflicts concerning the application or interpretation of this paragraph will be resolved solely by the Board of Directors of the Association.

2. Ratification. In all other respects, the terms and conditions of the By-Laws are ratified and confirmed.

IN WITNESS WHEREOF, the Association, being authorized so to do in Article Eighteen, Section 1 of the By-Laws, has executed this Amendment as of the day and date first above written.

SECRETARY'S CERTIFICATE

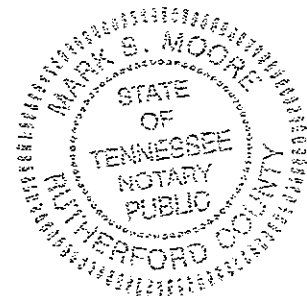
IN WITNESS WHEREOF, the Secretary of the Association, being authorized so to do, has executed this Amendment to By-Laws of Natchez Trace Condominiums Homeowner's Association, Inc. on behalf of the Association certifying that this document was approved by at least a majority of those members present, in person or by proxy, at a meeting of the members of the Association held on August 26, 2003.

Cellean Douglas
Secretary

STATE OF TENNESSEE)
COUNTY OF RUTHERFORD)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Cellean Douglas, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence), and who upon oath acknowledged that he/she executed the foregoing instrument for the purposes therein contained and who further acknowledged that he/she is Secretary of Natchez Trace Condominiums Homeowner's Association, Inc., and is authorized to execute this instrument on behalf of the Natchez Trace Condominiums Homeowner's Association, Inc. as its Secretary

Witness my hand and seal, this 5 of August, 2003.
Mark Moore JUN 6, 2015
Notary Public
My commission expires: 12-16-2015



AMENDED DECLARATION OF COVENANTS,

CONDITIONS AND RESTRICTIONS

OF

026886

NATCHEZ TRACE CONDOMINIUMS

The undersigned, being all the owners of 100% of the property described on Exhibit "A" and 100% of the mortgage holders on same, do hereby amend the Declaration of Covenants, Conditions and Restrictions of Natchez Trace Condominiums dated August 23, 1989, and appearing of record in Deed Book 431, page 309, in the Register's Office of Rutherford County, Tennessee, as follows:

1. The heading, "Declaration of Covenants, Conditions and Restrictions of Natchez Trace Condominiums" is amended to read: "THE MASTER DEED, DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS."

2. The section styled "WITNESSETH" on Page 1 of said agreement is amended to read as follows:

W I T N E S S E T H:

"WHEREAS, Declarant is the owner and developer of the real property more particularly described in Exhibit "A" attached hereto; and

WHEREAS, Declarant desires to develop a common interest ownership property on said property and therefore submits said property to the regime established by Tennessee Code Annotated §66-27-103, et seq. and hereby establishes a Horizontal Property Regime pursuant to said Act.

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

3. Where the word "lot" or "unit" appears in said documents, the word "apartment", as hereinafter defined, shall be substituted therefor.

4. Section 1.2, Article I, is hereby deleted and substituted therefor is: "Owner shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of an apartment which is a part of the property, including the contract seller, but excluding those having such interest merely as security for the performance of an obligation. "Apartment" shall mean and refer to any numbered unit shown upon any recorded plat applying to the property, intended for any type of independent use, including:

THIS INSTRUMENT PREPARED BY
MURFREE, COPE & MOORE, ATTORNEYS
MURFREESBORO, TENNESSEE
FROM INFORMATION FURNISHED BY THE PARTIES.

A. (i) One or more cubicles of air at one or more levels of space; or, (ii) One or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building; or, (iii) A separate free-standing building of one or more floors; and, (iv) Any part of open space upon the property clearly delineated for independent use adjacent to and in connection with the use of any of the foregoing; all of which shall have a direct exit to a public street or highway or to a common area or limited common area leading to such street or highway.

B. Where private elements are involved, "apartment" includes the private element."

5. Section 1.4, Article I, is amended to read as follows: "Common areas" and "common elements" shall mean all real property owned by the association for the common use and enjoyment of the owners, common area to be owned by the association at the time of the conveyance of the first apartment unit is as described in the attachment hereto as Exhibit "B", or said common area shown on the plat of record in Plat Book 14, page 88, Register's Office of Rutherford County, Tennessee, which plat supersedes and replaces plats of record in Plat Book 13, page 137, and Plat Book 14, page 83, in said Register's Office. Common Areas shall also include common areas designated in land hereinafter brought within the jurisdiction of the association."

Common and general common elements shall also mean and include:

A. The land whether leased or in fee simple, on which the buildings stand;

B. The foundations, main walls, roofs, halls, lobbies, stairways, and entrances and exits or communication ways;

C. The basements, flat roofs, yards, and gardens, except as otherwise provided or stipulated;

D. The premises for the lodging of janitors or persons in charge of the buildings, except as otherwise provided or stipulated;

E. The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like;

F. The elevators, garbage incinerators and, in general, all devices or installations existing for common use; and

G. All other elements of the building rationally of common use or necessary to its existence, upkeep and safety; but where private elements are created, private elements shall not be considered to be general common elements.

6. Section 1.5, Article I, is hereby deleted.

7. Section 1.6, Article I, is hereby deleted and substituted therefor is: "Unit shall mean and refer to the numbered apartment units as shown on plats of record applying to the property."

8. Section 3.1, Article III, is amended by adding after the first paragraph of Section 3.1: "Each owner of an apartment unit shall own a prorata

share of the common elements based upon one share per apartment unit as same relates to the total units platted and made subject to the Horizontal Property Regime."

9. Section 3.1, Article III, is amended by adding the following subsection: "(d) The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of co-ownership."

10. Section 4.3, Article IV - Initial Assessment Period. The first sentence of said section shall be amended to read as follows: "Until January 1 of the year immediately following the conveyance of the first apartment unit to an owner, the maximum monthly assessment shall be \$60.00 per unit that is substantially complete and \$15.00 for each apartment unit which is not substantially complete or occupied."

11. Article XII is hereby deleted in its entirety. Substituted therefor is the following:

ARTICLE XII.

ANNEXATION AND/OR ADDITION OF OTHER AREA TO PROPERTY

Section 12.1 General.

All or any portion of the real property described in Exhibit "C" to this Master Deed and Declaration may, from time to time and at any time hereafter be annexed to and made subject to the Horizontal Property Regime created hereby by Declarant or successor without the consent of the Association or its members or of any mortgagees or other lienholders (other than those holding mortgages or liens on the real property being annexed and except as set forth hereafter) by the recordation of a supplementary Master Deed and Declaration as provided herein. The maximum number of units to be developed on the property shown on Exhibit "A" as well as the additional property described on Exhibit "C" shall not exceed a total of fifty (50) units.

No provision of this Master Deed and Declaration shall be construed to require the Declarant or any other person or entity to annex any real property to this Horizontal Property Regime or shall any provision to the scheme of development prohibit any real property whether or not included within the description contained in the exhibits attached hereto owned by Declarant or any other person from being subjected to another Declaration of scheme of development. The community contemplated by this Declaration including parcels of grounds to be annexed hereto may include a diversity of housing types and styles. In the event that either the Veterans Administration or any other agency of the United States initially loans or insures any unit mortgage or provides funds to finance any units, and the regulation or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development, then such approval or determination shall be prerequisite to such annexation.

Section 12.2

All annexation of additional property will be completed within seven (7) years from the recording of this Master Deed and Declaration.

Section 12.3 Method of Annexation.

The additions authorized herein shall be effectuated by the recordation of a supplemental Declaration and Master Deed. Such supplementary Declaration and Master Deed shall be executed by the Declarant and the Owners of real property sought to be annexed to the scheme of this Horizontal Property Regime by the recordation thereof of said supplementary Declaration and Master Deed and a description of said property to be annexed.

Section 12.4 Contents of Supplementary Declaration.

(a) The supplementary declaration referred to herein shall describe the real property to be annexed and state that it is subject to this Horizontal Property Regime and shall state that it is being made pursuant to the terms of this Declaration and Master Deed for the purpose of annexing the property described in the supplementary declaration to this Horizontal Property Regime and extending the jurisdiction of the Association to cover the real estate so described therein. The supplementary Declaration and Master Deed may contain such complimentary additions and modifications to this Declaration and Master Deed as may be necessary to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics or development approaches to which the annexed land or parts thereof may be subjected to.

(b) Owners, including those owners of units in the annexed area, upon recordation of any supplementary Declaration and Master Deed, shall have a right and non-exclusive easement for enjoyment in and to the common area within the real property so annexed and the real property described herein in Exhibit "B", in accordance with the provisions of such supplementary Declaration and Master Deed and the original documents and an obligation to contribute to the cost of improvement, operation and maintenance of such common area within the annexed lands and the original area in like manner as if such common area had been originally located within the properties described in Exhibit "A" to this Declaration and Master Deed subject to such amendments to this Declaration and Master Deed as may be necessary.

(c) Any supplementary Declaration and Master Deed recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any supplementary Declaration and Master Deed in accordance with the provisions thereof and subject to the provisions of such supplementary Declaration and Master Deed, the real property described therein shall be subject to the provisions of this Master Deed and Declaration and all of the applicable Natchez Trace Condominiums documents, the jurisdiction of the Association pursuant to the terms of this Master Deed and Declaration, the By-Laws, and the Articles.

Section 12.5 Membership in Association.

Upon the recording of any supplementary Declaration and Master Deed, those apartment owners contained therein shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the supplemental Declaration and Master Deed.

Section 12.6 Substantial Completion.

All improvements on any future phase will be substantially complete prior to annexation and such improvements will be consistent with the initial units in terms of quality and construction.

Section 12.7 Common Area.

All common area in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration and Master Deed."

12. Exhibit "A" is amended to read as follows: "A tract of land lying and being in the 11th Civil District of Rutherford County, Tennessee, more fully described in metes and bounds as follows:

BEING BOUNDED on the west by Calumet Drive, on the north and south by other lands of Natchez Trace Condominiums; on the east by Indian Hills Golf and Athletic Club; and being more particularly described as follows:

BEGINNING at an iron pin on the easterly right-of-way of Calumet Drive, said point being a point of tangency of said right-of-way and also being the southerly most corner of the herein described tract; thence, with said easterly right-of-way of Calumet Drive along a curve to the left having a radius of 789.58', a chord bearing and distance of N 41° 19' 03" W, 206.12'; a length of 206.71' to an iron pin; thence, continuing with said right-of-way of Calumet Drive, N 48° 49' 00" W, 44.54' to a point; thence, leaving said right-of-way and passing along the northwesterly exterior wall of condominium unit "2-1", N 31° 21' 32" E, 146.76' to a point; thence, with lands of Indian Hills Golf and Athletic Club, S 66° 19' 00" E, 247.92' to a point; thence, leaving lands of Indian Hills Golf and Athletic Club, and passing along the southeasterly exterior wall of condominium unit "3-4", S 47° 01' 27" W, 160.83' to a point on the northerly line of a 20' wide sanitary sewer easement; thence, with said sanitary sewer easement, S 45° 28' 01" E, 75.87' to a point; thence, crossing said sanitary sewer easement, S 56° 11' 00" W, 84.51' to the point of beginning, and containing 1.03 acres, more or less, by survey of Smith Seckman Reid, Inc., November, 1990.

BEING a portion of the same property conveyed in Deed Book 421, page 648, Register's Office of Rutherford County, Tennessee; and being the developed portion containing 8 apartment units as shown on plat in Plat Book 14, page 88, said Register's Office, which plat voids, vacates and supersedes the plats as recorded in Plat Book 13, page 137, and Plat Book 14, page 83, in said Register's Office.

13. Exhibit "B" is amended to read as follows: "See common areas as designated on plat of record in Plat Book 14, page 88, in the Register's Office of Rutherford County, Tennessee, or any amendments thereto. Said plat voids, vacates and supersedes the plats recorded in Plat Book 13, page 137, and Plat Book 14, page 83, in said Register's Office."

14. Exhibit "C" is amended to read as follows: "Exhibit "C" - BEING all the property described as follows:

A tract or parcel of land lying in the 11th Civil District of Rutherford County, Tennessee, to-wit:

BEING all of Section "C", INDIAN HILLS, according to plat and survey of same appearing of record in Plat Book 11, page 382, in the Register's Office of Rutherford County, Tennessee, to which plat reference is hereby made for more complete details as to location and description of said 567

BEING the same property conveyed to Shawnee Village Limited Partnership by deed of record in Deed Book 421, page 648, in the Register's Office of Rutherford County, Tennessee.

This tract specifically includes the property designated reserved for future development on plat of record in Plat Book 14, page 88, in the Register's Office of Rutherford County, Tennessee.

INCLUDED IN THE ABOVE DESCRIPTION BUT EXPRESSLY EXCLUDED HEREFROM IS THE FOLLOWING DESCRIBED PROPERTY IN METES AND BOUNDS which has previously been made subject to this Horizontal Property Regime: BEGINNING at an iron pin on the easterly right-of-way of Calumet Drive, said point being a point of tangency of said right-of-way and also being the southerly most corner of the herein described tract; thence, with said easterly right-of-way of Calumet Drive along a curve to the left having a radius of 789.59', a chord bearing and distance of N 41° 19' 03" W, 206.12', a length of 206.71' to an iron pin; thence, continuing with said right-of-way of Calumet Drive, N 48° 49' 00" W, 44.54' to a point; thence, leaving said right-of-way and passing along the northwesterly exterior wall of condominium unit "2-1", N 31° 21' 32" E, 146.76' to a point; thence, with lands of Indian Hills Golf and Athletic Club, S 66° 19' 00" E, 247.92' to a point; thence, leaving lands of Indian Hills Golf and Athletic Club, and passing along the southeasterly exterior wall of condominium unit "3-4", S 47° 01' 27" W, 160.83' to a point on the northerly line of a 20' wide sanitary sewer easement; thence, with said sanitary sewer easement, S 45° 28' 01" E, 75.87' to a point; thence, crossing said sanitary sewer easement, S 56° 11' 00" W, 84.51' to the point of beginning, and containing 1.03 acres, more or less, by survey of Smith Seckman Reid, Inc., November, 1990. This property being the developed property made subject to the Horizontal Property Regime as shown on Exhibit "A".

IN WITNESS WHEREOF, the parties have executed this instrument on the dates indicated in the acknowledgments below to make this instrument effective on the 19 day of December, 1990.

DOMINION BANK of MIDDLE TENNESSEE

By: [Signature]
 Title: Regional Executive Officer

SHAWNEE VILLAGE LIMITED PARTNERSHIP,
 a Tennessee Limited Partnership

By: [Signature]
 Charles G. Myers, General Partner

MID-SOUTH BANK & TRUST COMPANY

By: [Signature]
 Title: T.R.A. Officer

[Signature]
 HOMER L. RICHARDSON

[Signature]
 EVELYN A. RICHARDSON

[Signature]
 JAMES W. PRITT

[Signature]
 DORIS J. PRITT

SHAWNEE VILLAGE LIMITED PARTNERSHIP,
 a Tennessee Limited Partnership

By: [Signature]
 Larry M. Neal, General Partner

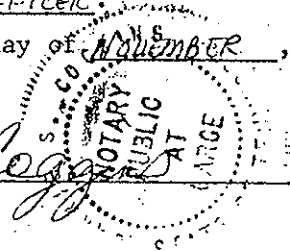
STATE OF TENNESSEE
COUNTY OF BEDFORD

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, HOWARD W. TIGNOR, whom whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his/her oath, acknowledged himself/herself to be the REGIONAL CHIEF EXEC. OFFICER of DOMINION BANK of MIDDLE TENNESSEE, one of the within named bargainors, a corporation, and he/she as such REGIONAL CHIEF EXECUTIVE OFFICER, being authorized so to do, executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained by signing the name of the corporation by himself/herself as such REGIONAL CHIEF EXEC. OFFICER.

WITNESS MY HAND AND OFFICIAL SEAL this the 29 day of NOVEMBER, 1990.

My commission expires:
6/15/93

Cassie J. Cozart
NOTARY PUBLIC



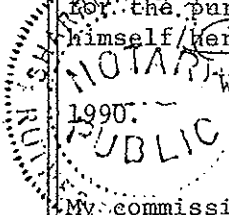
STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, JAN ALEXANDER, whom whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his/hers oath, acknowledged himself/herself to be the IRA OFFICER of MID-SOUTH BANK & TRUST COMPANY, one of the within named bargainors, a corporation, and he/she as such IRA OFFICER, being authorized so to do, executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained by signing the name of the corporation by himself/herself as such IRA OFFICER.

WITNESS MY HAND AND OFFICIAL SEAL this the 29th day of September, 1990.

My commission expires:
8-9-91

Sharon L. Oneto
NOTARY PUBLIC



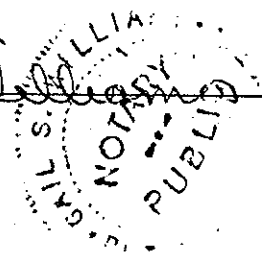
STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, CHARLES G. MYERS, whom whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his oath, acknowledged himself to be a General Partner of SHAWNEE VILLAGE LIMITED PARTNERSHIP, one of the within named bargainors, a Tennessee Limited Partnership, and he, as such Partner, being authorized so to do, executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained by signing the name of the Limited Partnership by himself as such General Partner.

WITNESS MY HAND AND OFFICIAL SEAL this the 7th day of December, 1990.

My commission expires:
8-29-93

Gail S. Wallia
NOTARY PUBLIC



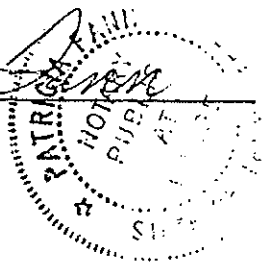
STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, HOMER L. RICHARDSON and wife, EVELYN A. RICHARDSON, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL this the 5th day of Dec., 1990.

My commission expires: 11-8-92

Patricia A. [Signature]
NOTARY PUBLIC



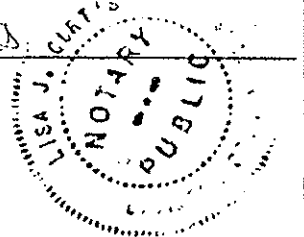
STATE OF TENNESSEE
COUNTY OF RUTHERFORD DAVIDSON

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, JAMES W. PRITT and wife, DORIS J. PRITT, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained.

WITNESS MY HAND AND OFFICIAL SEAL this the 19 day of December, 1990.

My commission expires: 3-11-91

Lisa J. Curtis [Signature]
NOTARY PUBLIC



BART YEARGAN, REGISTER RUTHERFORD COUNTY, TENNESSEE	
Received	<u>Dec 20</u> 19 <u>90</u>
Time	<u>2:46</u> <u>P.M.</u>
Notebook	<u>39</u> Page <u>305</u>
<u>Lead</u> BOOK	<u>455</u> PAGE <u>261</u>
Deputy	<u>Shelby Cherry [Signature]</u>

RECORDING FEE 32.00
STATE TAX _____
REGISTER'S FEE _____
TOTAL PAID 32.00
RECEIPT NO. 7931

STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, LARRY M. NEAL, whom whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his oath, acknowledged himself to be a General Partner of SHAWNEE VILLAGE LIMITED PARTNERSHIP, the within named bargainor, a Tennessee Limited Partnership, and he, as such General Partner, being authorized so to do, executed the foregoing instrument (AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NATCHEZ TRACE CONDOMINIUMS) for the purposes therein contained by signing the name of the Limited Partnership by himself as such General Partner.

WITNESS MY HAND AND OFFICIAL SEAL this 29th day of December, 1990.

My commission expires: Jan. 22, 1991

Larry C. Cameron [Signature]
NOTARY PUBLIC

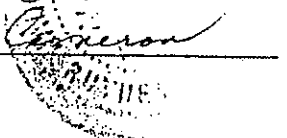


EXHIBIT "A"

BEING BOUNDED on the west by Calumet Drive, on the north and south by other lands of Natchez Trace Condominiums; on the east by Indian Hills Golf and Athletic Club; and being more particularly described as follows:

BEGINNING at an iron pin on the easterly right-of-way of Calumet Drive, said point being a point of tangency of said right-of-way and also being the southerly most corner of the herein described tract; thence, with said easterly right-of-way of Calumet Drive along a curve to the left having a radius of 789.58', a chord bearing and distance of N 41° 19' 03" W, 206.12', a length of 206.71' to an iron pin; thence, continuing with said right-of-way of Calumet Drive, N 48° 49' 00" W, 44.54' to a point; thence, leaving said right-of-way and passing along the northwesterly exterior wall of condominium unit "2-1", N 31° 21' 32" E, 146.76' to a point; thence, with lands of Indian Hills Golf and Athletic Club, S 66° 19' 00" E, 247.92' to a point; thence, leaving lands of Indian Hills Golf and Athletic Club, and passing along the southeasterly exterior wall of condominium unit "3-4", S 47° 01' 27" W, 160.83' to a point on the northerly line of a 20' wide sanitary sewer easement; thence, with said sanitary sewer easement, S 45° 28' 01" E, 75.87' to a point; thence, crossing said sanitary sewer easement, S 56° 11' 00" W, 84.51' to the point of beginning, and containing 1.03 acres, more or less, by survey of Smith Seckman Reid, Inc., November, 1990.

BEING a portion of the same property conveyed in Deed Book 421, page 648, Register's Office of Rutherford County, Tennessee; and being the developed portion containing 8 apartment units as shown on plat in Plat Book 14, page 88, said Register's Office, which plat voids, vacates and supersedes the plats as recorded in Plat Book 13, page 137, and Plat Book 14, page 83, in said Register's Office.

572

EXHIBIT "B"

Common areas as designated on plat of record in Plat Book 14, page 88, in the Register's Office of Rutherford County, Tennessee, or any amendments thereto. Said plat voids, vacates and supersedes the plats recorded in Plat Book 13, page 137, and Plat Book 14, page 83, in said Register's Office.

EXHIBIT "C"

A tract or parcel of land lying in the 11th Civil District of Rutherford County, Tennessee, to-wit:

BEING all of Section "C", INDIAN HILLS, according to plat and survey of same appearing of record in Plat Book 11, page 382, in the Register's Office of Rutherford County, Tennessee, to which plat reference is hereby made for more complete details as to location and description of said lot.

BEING the same property conveyed to Shawnee Village Limited Partnership by deed of record in Deed Book 421, page 648, in the Register's Office of Rutherford County, Tennessee.

This tract specifically includes the property designated reserved for future development on plat of record in Plat Book 14, page 88, in the Register's Office of Rutherford County, Tennessee.

INCLUDED IN THE ABOVE DESCRIPTION BUT EXPRESSLY EXCLUDED HEREFROM IS THE FOLLOWING DESCRIBED PROPERTY IN METES AND BOUNDS which has previously been made subject to this Horizontal Property Regime: BEGINNING at an iron pin on the easterly right-of-way of Calumet Drive, said point being a point of tangency of said right-of-way and also being the southerly most corner of the herein described tract; thence, with said easterly right-of-way of Calumet Drive along a curve to the left having a radius of 789.59', a chord bearing and distance of N 41° 19' 03" W, 206.12', a length of 206.71' to an iron pin; thence, continuing with said right-of-way of Calumet Drive, N 48° 49' 00" W, 44.54' to a point; thence, leaving said right-of-way and passing along the northwesterly exterior wall of condominium unit "2-1", N 31° 21' 32" E, 146.76' to a point; thence, with lands of Indian Hills Golf and Athletic Club, S 66° 19' 00" E, 247.92' to a point; thence, leaving lands of Indian Hills Golf and Athletic Club, and passing along the southeasterly exterior wall of condominium unit "3-4", S 47° 01' 27" W, 160.83' to a point on the northerly line of a 20' wide sanitary sewer easement; thence, with said sanitary sewer easement, S 45° 28' 01" E, 75.87' to a point; thence, crossing said sanitary sewer easement, S 56° 11' 00" W, 84.51' to the point of beginning, and containing 1.03 acres, more or less, by survey of Smith Seckman Reid, Inc., November, 1990. This property being the developed property made subject to the Horizontal Property Regime as shown on Exhibit "A".

BART YEARGAN, REGISTER	
RUTHERFORD COUNTY, TENNESSEE	
Received	<u>Dec 31</u> 19 <u>90</u>
Time	<u>3:30</u> P.M.
Notebook	<u>39</u> Page <u>316</u>
Deed BOOK	<u>455</u> PAGE <u>563</u>
Deputy	<u>Collyne Cooney</u>

RECORDING FEE 44.00
STATE TAX _____
REGISTER'S FEE _____
TOTAL PAID 44.00
RECEIPT NO. 8492

039317

276

This Instrument Prepared By:
Mark S. Moore, Attorney at Law
320 West Main Street, Suite 105
Murfreesboro, Tennessee 37130

SUPPLEMENTARY DECLARATION ANNEXING AND PROVIDING BY-LAWS

Natchez Trace Condominiums FOR UNIT NO. 6-1, Building 6, Phase II,
INDIAN HILLS SUBDIVISION - SECTION _____, LOT _____

WHEREAS, it is the desire of the owner(s) of Indian Hills
Building 6, Phase II, Natchez Trace Condominiums
Subdivision - Section _____ Lot _____, by Deed of record in Deed Book
562, Page 193 of the Register's Office of Rutherford County,
Tennessee, to join the Murfreesboro Indian Hills Homeowners'
Association and to submit this lot to the By-Laws of said Association;
and

WHEREAS the inclusion into and acceptance of LOT _____ as a
member of the Murfreesboro Indian Hills Homeowners' Association has
been approved by the Board of Directors of said Association.

NOW THEREFORE, it is hereby agreed as follows:

1. Indian Hills Subdivision - Section _____ Lot _____ is hereby
granted membership into the Murfreesboro Indian Hills Homeowners'
Association.

2. In consideration of acceptance as a member in the
Homeowners' Association, the owner(s) of Indian Hills Subdivision -
UNIT NO 6-1
Section _____ Lot _____ does hereby agree to be fully bound by all of
the provisions of the By-Laws of the Murfreesboro Indian Hills
Homeowners' Association, Inc. of record in Deed Book 541, Page 1 of
the Register's Office of Rutherford County, Tennessee. The said By-
Laws of Murfreesboro Indian Hills Homeowners' Association, Inc. are
incorporated herein by reference as if copied verbatim.

The provisions of this Agreement shall be binding upon and inure
to the benefit of the heirs, successors and assigns of the respective
parties hereto.

WITNESS our signatures this the 15TH day of JULY,
1996.

Charles W. Holden

CHARLES W. HOLDEN, PRESIDENT
MURFREESBORO INDIAN HILLS
HOMEOWNERS' ASSOCIATION, INC.

Linda S. McCreary

1446 1971

FILED
RECEIVED
STATE OF TENNESSEE
1989 AUG 22 AM 9:48

GENTRY CROWELL
SECRETARY OF STATE 018998

ARTICLES OF AMENDMENT
TO CHARTER

Pursuant to the provisions of Section 48-60-105 of the Tennessee Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its charter:

- 1) The name of the corporation is: NATCHEZ VILLAGE TOWNHOMES HOMEOWNER'S ASSOCIATION, INC.
- 2) The text of each amendment adopted is: Change the corporate name to: NATCHEZ TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC.
- 3) The corporation is a non-profit corporation.
- 4) The amendment was duly adopted by the sole incorporator, Matt B. Murfree, III, on June 14, 1989.
- 5) Additional approval for the amendment pursuant to Section 48-60-301 of the Tennessee Non-Profit Corporation Act was not required.

IN WITNESS WHEREOF, these Articles of Amendment to Charter are executed this 14th day of June, 1989.

NATCHEZ TRACE CONDOMINIUMS
HOMEOWNER'S ASSOCIATION, INC.

By: Matt B. Murfree
Matt B. Murfree, III

Signer's Capacity: Sole Incorporator

RECORDING FEE	<u>5.00</u>
STATE TAX	<u>—</u>
REGISTER'S FEE	<u>—</u>
TOTAL PAID	<u>5.00</u>
RECEIPT NO.	<u>97830</u>

HOMER JONES, REGISTER	
RUTHERFORD COUNTY, TENNESSEE	
Received	<u>Sept. 13 1989</u>
Time	<u>11:01 AM</u>
Notebook	<u>38 Page 38</u>
<u>Trust</u> BOOK	<u>A652 PAGE 209</u>
Deputy	<u>Joan Heuley</u>

STATE OF TENNESSEE)
) :ss
COUNTY OF RUTHERFORD)

Before me, the undersigned authority, of the state and county aforesaid, personally appeared Charles W. Holden with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be President of Murfreesboro Indian Hills Homeowners' Association, Inc., the within named bargainor, a corporation, and that he as such President executed the foregoing for the purposes therein contained, by signing the name of the corporation by himself as President.

WITNESS my hand and official seal at office in Murfreesboro, Tennessee, on this the 15 day of July, 1996.

[Signature]
NOTARY PUBLIC

My Commission Expires: 1-19-1999



STATE OF TENNESSEE)
) :ss
COUNTY OF RUTHERFORD)

Personally appeared before me, the undersigned, Notary Public, in and for said County and State, the within named LINDA G. MOSHEA and [Signature], with whom I am personally acquainted and who acknowledged that they executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal, at office, on this the 15 day of July, 19 96.

[Signature]
NOTARY PUBLIC

My Commission Expires: 1-19-1999



RUTHERFORD COUNTY, TENNESSEE
Received for recording the 14 day
of NOV, 1997 at 8:46 AM
Notebook 51 page 262
REC. FEE \$ 8.00 REC#113587-001
STATE TAX \$ _____ JOAN HENLEY
REG. FEE \$ _____ Deputy Register
RECORDED IN BOOK 610 Page 276
MARK H. MOSHEA, REGISTER OF DEEDS

277

ARM

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
NATCHEZ TRACE CONDOMINIUMS
018986

Shawnee Village Limited Partnership, a Tennessee Limited partnership (hereinafter referred to as "Declarant"), are the owners of certain real property in the 11th Civil District of Rutherford County, Tennessee, being more particularly described in Exhibit A, attached hereto and incorporated herein, hereby make the following grants, submissions and declarations.

W I T N E S S E T H:

WHEREAS, Declarant is the owner and developer of the real property more particularly described in Exhibit A, attached hereto, and

WHEREAS, Declarant desires to develop a common interest ownership project on the following property.

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

ARTICLE I
DEFINITION

Section 1.1: Association shall mean and refer to NATCHEZ TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC., its successors and assigns. A copy of the Natchez Village Townhomes Homeowner's Association, Inc. By-Laws is attached hereto and marked Exhibit "D".

Section 1.2: Owner shall mean and refer to the record owner, (including Declarant) whether one or more persons or entities, of a common fee simple title to any lot which is a part of the property, including the contract seller, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.3: Properties shall mean and refer to that certain real property described in Exhibit A, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 1.4: Common areas shall mean all real property owned by the association for the common use and enjoyment of the owners, common area to be owned by the association at the time of the conveyance of the first lot is as described in the attachment hereto as Exhibit B, or said common area shown on the plat of record at Plat Book 13, page 137, Register's Office of Rutherford County, Tennessee. Common Areas shall also include common areas designated in land hereinafter brought within the jurisdiction of the association.

Section 1.5: Lot shall mean and refer to any numbered plot of land shown upon any recorded subdivision map for the properties with the exception of the common areas and dedicated streets. Title to lots will be held by and Owner or Owners in fee simple.

Section 1.6: Unit shall mean and refer to any portion of a building situated upon the properties designed and intended for use and occupancy as a residence by a single family.

This instrument prepared by
Murfree, Cope & Moore, Attorneys
Murfreesboro, Tennessee
from information furnished by the parties

For Amendment to By-Laws (beginning on page 335),
See Deed Book 441, page 142.
For Amended Declaration of Covenants, Conditions and Restrictions,
See Deed Book 455, page 261.

Other notations →

Section 1.7: Board of Managers or Board shall mean the governing body of the Association as provided in this Declaration, the Articles of Incorporation, and the By-Laws thereof.

Section 1.8: Member shall mean and refer to every person or entity who holds membership in the association.

Section 1.9: Declarant shall mean and refer to SHAWNEE VILLAGE LIMITED PARTNERSHIP, their successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purposes of development. Declarant shall be synonymous with developer for the purposes of this declaration.

Section 1.10: Common expenses mean and include (a) expenses of administration, operation, management, repair or replacement of the common areas of the project, (b) expenses declared common by the provisions of the Declaration or the Charter or By-Laws of the Association against the Common Area of the project, (c) all sums lawfully assessed by the Board, and (d) expenses as provided in any duly authorized management agreement.

ARTICLE II
THE ASSOCIATION

Section 2.1 Organization.

(a) The Association is a non-profit Tennessee Corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor the By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (1) members of the Association; or (2) officers, directors, agents, representatives or employees of Declarant or a successor to Declarant.

(b) A Board of the Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the NATCHEZ TRACE CONDOMINIUMS documents. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration.

Section 2.2 Membership.

(a) Qualifications: Each Owner (including Declarant) shall be a member of the Association and shall be entitled to one (1) membership for each lot or unit owned. Ownership of a lot or unit shall be sole qualification for membership in the Association.

(b) Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in the applicable NATCHEZ TRACE CONDOMINIUMS BY-LAWS.

(c) Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the lot or unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said lot or unit and only to the transferee of title to such lot or unit. Any attempt to make a prohibited transfer

For Recorded Amended Declaration of Covenants, Conditions and Restrictions, see Deed Book 455, page 563.

For Amendment to By-Laws, see Record Book 889, page 3929.

shall be void. Any transfer of title to a lot or unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

Section 2.3 Voting Rights - Members, Classes of Members.

(a) Class A Members: Class A Members shall be all owners with the exceptions of the Declarant and shall be entitled to one (1) vote for each lot or unit owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast, with respect to any lot in this class.

(b) Class B Members: Class B Members shall be the Declarant and any successor thereto and shall be entitled to three (3) votes for each lot owned. The Class B Membership shall cease and be converted to Class A Membership upon the happening of either of the following events, whichever occurs earlier: (1) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership, including any Class B Membership created by expansion of the project; or (2) No later than the earlier of the following events: (i) 120 days after 90% of the unit estates in the entire project including expansions of the project have been conveyed to unit estate purchasers; or (ii) Five years following conveyance of the first unit.

Section 2.4 Duties of the Association.

The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions (subject to the provision of this Declaration), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the properties.

(a) Additional Lands. Accept as part of the property all real estate annexed or added pursuant to this Declaration and accept all owners thereof as members of the Association, subject to the membership requirements set forth herein and in the By-Laws.

(b) Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitation, covenants, affirmative obligations, conditions, and other provisions of this Declaration, and the other NATCHEZ TRACE CONDOMINIUMS documents.

(c) Operation and Maintenance of Common Area. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and; to keep all improvements of whatever kind and for whatever purposes from time to time located thereon in good order, condition and repair; and to maintain any parking areas free and clear of obstructions and unsafe conditions for vehicular use at all times.

(d) Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area.

(e) Taxes and Assessments. To pay all real and personal property taxes and assessments (if any) separately levied upon or assessed against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring a payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes. It is the intent of this Declaration in as much as the interest of each Owner to use and enjoy the Common Area appurtenant to such Owner's lot and/or unit is an interest in real property on a proportionate basis appurtenant to each lot and/or unit, that the value of the interest of each Owner in such Common Area shall be included in the assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various lots and/or units.

(f) Dedication for Public Use. Upon being directed from time to time prior to the 31st day of December, 1999, by Declarant or its successors to do so, to promptly dedicate such streets, roads and drives and such water, sewer or other utility lines or facilities and appropriate easements as may be specified by Declarant or its successors to such municipalities, utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated by Declarant or its successor.

(g) Insurance. To obtain and maintain insurance as provided for by either the By-Laws, this Declaration or the mortgagee protective agreement referred to in later sections of this Declaration.

(h) Rule Making. To make, establish, promulgate, amend and repeal the Association rules as provided for by this Declaration, and the other Association documents except as otherwise provided.

(i) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration as may be reasonably necessary or appropriate to enforce or effectuate any of the provisions of this Declaration and the Association rules.

(j) Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Declarant, or by a successor to Declarant, during the period in which Declarant is continuing to develop this project or other areas to be annexed into this project to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming to the NATCHEZ TRACE CONDOMINIUMS documents to the requirements of such mortgagees or insurers, providing that any such agreements do not contravene the requirement of the NATCHEZ TRACE CONDOMINIUMS documents or any applicable law.

Section 2.5 Powers and Authority of the Association.

The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the

By Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

(a) Assessments. To levy assessments on the owners of lots and units and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

(b) Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent there to, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any NATCHEZ TRACE CONDOMINIUMS documents and to enforce, by mandatory injunction or otherwise, all the provisions thereof.

(c) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, (1) overhead or underground lines, cables, wires, conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television, radio and audio antennae facilities and for other appropriate purposes; (2) public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (3) any similar public or quasi-public improvements or facilities.

(d) Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purposes. Such manager and employees shall have the right of ingress and egress over such portion of the properties as is reasonably necessary for the purpose of performing such business, duties and obligations.

(e) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action relevant to this Declaration of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sale or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots or units; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the Owners of lots, and/or units; (iii) any act or admission which may change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the properties, or the maintenance of party walls, party fences,

driveways, or the upkeep of lawns or plantings located upon the properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, form and governing risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots and/or units to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance policies and to secure new hazard insurance coverage on the lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

(f) Right of Entry. Without liability to any Owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in the documents and for the purpose of maintaining or repairing any portion of the properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the properties.

(g) Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance.

(h) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Declaration or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended coverage insurance covering the Common Areas, liability insurance, worker's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance of fidelity bonds.

(i) Utility Service. To contract and pay for, or otherwise, provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

(j) Professional Services. To contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys, certified public accountants and such other professional and non-professional services as the Association deems necessary.

(k) Road Maintenance. To contract and pay for, or otherwise provide for, the construction, reconstruction, repair, replacement or refinishing of any roads, drives or other paved areas upon any portion of the properties not dedicated to any governmental unit.

(l) Protective Services. To contract and pay for, or otherwise provide for fire, and such other protective services as the Association shall from time to time deem appropriate for the benefit of the properties, the Owners and their guests.

(m) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary.

(n) Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Area on account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(o) Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the common areas or any part thereof. In the event of a taking or acquisition of part or all of the common areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorneys. Any distribution of funds in connection with the termination of a project shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

(p) Contracts. The Association, prior to passage of control from Declarant, shall not be bound either directly or indirectly to contracts or leases (including any management contract) unless there is a right of termination by the Association of any such contract or lease, without cause, exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party.

ARTICLE III.

PROPERTY RIGHTS

Section 3.1 Owner's Easement of Enjoyment.

Every owner in addition to a perpetual unrestricted right of ingress and egress to his own unit which passes with title shall have the right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area; and to limit the number of guests and adopt rules regulating the use and enjoyment of the Common Areas.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period in which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days after notice and hearing as may be provided for in the By-Laws for an infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer any part of the common area to any public agency, authority, or utility for the purpose of providing utilities or any similar purpose:

Section 3.2 Delegation of Use.

Any Owner may delegate in accordance with the By-Laws, his rights of enjoyment of the common area and the facilities to the members of his family, or contract purchasers, who reside on the property.

Section 3.3 Parking Rights.

The use of parking areas within the Common Area, together with the terms and conditions with regard to such use, shall be subject to the Association rules as same are in effect from time to time.

Section 3.4 Land Use.

No lot, unless shown on plat as a commercial area, shall be used except for residential purposes.

ARTICLE IV.

COVENANTS FOR MAINTENANCE ASSESSMENT

Section 4.1 Creation of the Lien and Personal Obligations of Assessments.

(a) The Declarant, for each lot or living unit owned within the properties, hereby covenants, and each owner for any lot, by said acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or losses, such assessments to be established and collected as hereinafter provided.

(b) The annual and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land, and shall be a continued lien upon the property against which each such assessment is made. Each assessment together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them, but no such assumption shall relieve any owner personally obligated from his personal liability.

Section 4.2 General Assessments.

(a) The assessments levied by the Association shall be use exclusively to promote the recreation, health, safety and welfare of the residents of the properties, the improvements, operation and maintenance of the Common Area, and exterior maintenance, the duties and exercise of the powers of the Association, the payment of the proper expenses of the Association and all costs incurred in the performance by the Association of its duties, and the establishment of reasonable reserves for the maintenance, repair, and replacement of roads and other improvements upon the Common Area. The method of determining the assessments or other charges herein shall not be changed except by an amendment to the Articles of Incorporation and thereby require the assent of 75% of the entire membership.

(b) General Assessments levied by the Association for each fiscal year shall be adequate to finance the operation and activities of the Association, to satisfactorily maintain the Common Area, and maintain adequate repair and replacement reserves.

(c) A capital fund shall be established containing two (2) months of the annual assessment as set forth in Section 4.3 for each lot. This is not an advance payment of the assessment, but a capital reserve fund to meet unforeseen or necessary equipment or services. Each lot's share of the capital fund will be collected at closing and paid to the Association to be held in a segregated fund. Within sixty (60) days of the close of the first unit, Declarant will pay each unsold unit's share of the fund and the amount collected at the closing of that unit will be paid to the Delarant as reimbursement.

Section 4.3 Initial Assessment Period.

Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$ 60.00 per unit that is substantially complete and \$15.00 for each lot on which no building has been constructed or which any such building is not substantially complete or occupied. All units in a particular phase will pay full assessment no later than sixty days after the first unit in that phase is conveyed. (a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than 25% percent above the maximum assessment of the previous year without a vote of the membership; (b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 25% percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose; and (c) The Board of Directors may fix the annual assessment at an amount not to exceed the maximum.

Section 4.4 Special Assessments for Capital Improvements.

In addition to the annual assessment authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of one-half (1/2) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4.5 Notice and Quorum for any Action Authorized Under Section 4.3 and 4.4.

Written notice for any meeting called for the purpose of taking any action authorized under Section 4.3 and/or 4.4, shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting and shall state the purpose of such meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Rate of Annual Assessment.

Annual assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis, subject to the provisions dealing with incomplete

construction or vacant lot, the other provisions herein, and subject to amendment if future phases require a different assessment base.

Section 4.7 Date and Commencement of Annual Assessments.

The annual assessments provided for herein shall commence as to all lots or living units on the first day of the month following the conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment of every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment, but failure to fix shall not constitute a waiver of this right. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of the assessments on a lot or living unit is binding upon the Association as of the date of its issuance.

Section 4.8 Effect of Non-Payment of Assessments, Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowable by state law and shall be a lien against the lot, and shall further be the personal obligation of the person owning the unit at the time the assessment comes due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common area or abandonment of his lot.

Section 4.9 Subordination of the Lien to Mortgages.

(a) The liens provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof or the payments thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve said lot from liability for any assessment thereafter becoming due or from the lien thereof.

(b) For purposes of this section a sale or transfer of a lot or unit shall occur on the date of recordation of an instrument of title evidencing the conveyance of record title.

Section 4.10 Assessment Lien.

All sums assessed but unpaid for the share of common expenses or any special assessment chargeable to any lot shall constitute a lien on such lot superior to all other liens and encumbrances, except only for tax and special assessment liens made by governmental entities on the lot in favor of any assessing governmental entity, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums that may be provided by such encumbrances. To

evidence such a lien assessment setting forth the amount of such unpaid indebtedness, the amount of any accrued interest and late charges thereon, the name of the owner of the lot and a description of the lot. Such notice of lien shall be signed by a member of the Board or by a managing agent on behalf of the Board and shall be recorded in the office of the Register of Deeds in Rutherford County, Tennessee. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been fully paid.

Section 4.11 Foreclosure on Liens.

Such lien provided for in Section 4.10 may be enforced by the foreclosure of the defaulting owner's lot by the Association in a like manner as a mortgage on real property upon the recording of a notice of claim thereof. If the Owner fails to pay the said sums of money due, together with the cost of collection, including reasonable attorney's fees, the Association or managing agent is hereby authorized and empowered upon giving 21 days notice, by publication once a week for three consecutive weeks in some newspaper published in Rutherford County, Tennessee, to sell said unit at the East door of the Rutherford County Courthouse to the highest bidder for cash and free from equity and redemption, homestead, dower and all other exemptions of every kind, which are hereby expressly waived by the lot owner, and the Association or managing agent is authorized to make a Deed to the purchaser. In any such proceeding, the Owner shall be required to pay the cost, expenses, and reasonable attorney's fees incurred for filing the lien; and in the event of foreclosure proceedings, all additional costs, all expenses and attorney's fees incurred in connection with such proceeding. The Owner of the lot being foreclosed shall be required to pay to the Association on the monthly assessment for the lot during the period of foreclosure and the Association shall be entitled to a receiver during foreclosure to collect the same from the defaulting owner or successors to such owner or from profits occurring from the sale of the lot. The Association shall have the power to bid on the lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same.

Section 4.12 Exempt Property.

All property dedicated to, and adopted and accepted by a local public authority and all properties owned by charitable or non-profit organizations exempt from taxation by the laws of the State of Tennessee, shall be exempt from the assessments created herein. However, no land or improvements devoted to any dwelling use shall be exempt from said assessments in any case.

Section 4.13 Mortgage Protection Clause.

No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith, and for value, but said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

Section 4.14

Each owner shall indemnify and hold harmless each of the other owners and the Association from any liability arising from the claim of any lien claimant or

judgment debtor against the lot or unit of any other owner of the common area. The Association or any affected owner may enforce this obligation which includes reasonable costs and attorney's fees in the manner of a special assessment or by action at law.

ARTICLE V.
ARCHITECTURAL CONTROL

Section 5.1.

No building, fence, wall, clothesline or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of same, shall have been submitted to and approved in writing as to the harmony of external design and location in relation to the surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee comprised of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Each Owner acknowledges that the decor, color scheme and design of the property has been selected in such a manner as to be consistent and harmonious with other units in the subdivision and agrees to maintain and perpetuate the visual harmony of the properties.

ARTICLE VI.
PARTY WALL

Section 6.1 General Rules of Law Apply.

Each wall which is built as a part of the original construction of the homes upon the property and placed on the dividing line between lots shall constitute a party wall, and to the extent to which it is consistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damaged due to negligence, or willful acts or admissions shall apply thereto.

Section 6.2 Share of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use by each owner.

Section 6.3 Destruction By Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use by each owner without prejudice, however, to the right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or admissions.

Section 6.4 Weatherproofing.

Notwithstanding any other provision of this Article, an owner who by his negligence or willful acts causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6.5 Rights of Contribution to Run with the Land.

The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6.6 Arbitration.

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrator shall choose one (1) additional arbitrator, and the decision shall be by majority of all arbitrators.

ARTICLE VII.
INSURANCE

Section 7.1 Casualty Insurance on Insurable Area.

The Association shall keep all insurable improvements and fixtures, the common area, insured against loss or damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all common areas with coverage of at least One Million dollars (\$1,000,000.00) for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. Any insurance coverage with respect to the common area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are common expenses included in the common assessments made by the Association.

Section 7.2 Replacement or Repair of Property.

In the event of damage to or destruction of any party of the common area improvements, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot owner.

Section 7.3 Other Insurance.

The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, members of the Board and any standing committee, tenants or guests, including, but without limitation, workers compensation, malicious mischief, auto non-ownership insurance, and performance of fidelity bonds.

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In the event the Association has more than thirty (30) units, then the Association shall maintain blanket fidelity bonds for anyone who handles or is responsible for funds held or administered by the Association.

Section 7.4 Annual Review of Policies.

All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of property which may be damaged or destroyed.

Section 7.5 Hazard, Flood, Fire Insurance.

Each owner shall obtain and maintain in effect fire and appropriate extended insurance coverage and other appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each unit owned by such owner, which insurance shall be subject to such additional requirements as may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board or Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the properties.

Section 7.6 Obligation to Repair and Restore.

(a) Subject only to the rights of an institutional holder of the first mortgage lien on the damaged unit, insurance proceeds from any insurance policy covering a unit shall be first applied to the repair, restoration, or replacement of such unit. Each Owner shall be responsible for the repair, restoration, or replacement of each unit owned by such owner pursuant to the terms hereof. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and in currently generally accepted design criteria) be generally harmonious with the other NATCHEZ TRACE CONDOMINIUMS units, and reconstruction must be consistent with plans approved by the appropriate architectural control committee. Such repair will be commenced as soon as possible.

(b) If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a unit, the Owner of such unit shall be responsible for and make as soon as possible, the payment of any such deficiency necessary to complete the repair, restoration or replacement.

(c) If the insurance proceeds are in excess of the amount necessary for the repair, restoration or replacement of a unit, the owner of such unit shall be entitled to such excess in accordance with the provisions of the applicable insurance policy or policies and subject to the terms of any mortgage covering such unit.

Section 7.7 Association Rights.

If any Owner fails to obtain the insurance required in this article, or fails to pay the premiums therefore when and as required or fails to otherwise perform the obligations of an owner under this article, the Association may (but shall not be obligated to) obtain such insurance, make such payments for any such owner, and/or perform such obligations, and add the cost of such payments or performance, as a special assessment, to the general assessment of such owner in a like manner as a general assessment.

Section 7.8 Proof of Insurance.

Each Owner shall provide the Association with a copy of an appropriate insurance policy and a paid receipt thereof, showing that the owner has proper hazard

and extended insurance coverage. Failure to do so on an annual basis or at such other times as the Association may reasonably require will be construed as a default of the obligations under this article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said unit, with the owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the Homeowner's Association, and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. This is subject to the Association's right to procure such insurance on a master plan as set forth below.

Section 7.9 Procurement of Individual Unit Insurance by Association.

In order to facilitate an orderly, efficient and cost effective insurance coverage, the Association at the option of the Board, in its discretion, may procure the insurance coverage required herein on behalf of each individual unit owner covering each unit and charging the cost of such insurance directly to the owner of the unit. The charge for this insurance shall be paid by the owner of the unit immediately upon its becoming due and shall be in addition to any other general or special assessment against such lot. The purpose of this procedure is to allow the Board to, at its option, obtain all hazard, fire and homeowner policies from the same company in order to procure uniform coverage at lower rates and expedite the handling of claims. The Board, in its sole discretion shall decide whether to institute this procedure and when, but if it elects to do so, it shall procure such insurance only after reasonable investigation and comparison of the various policies and prices obtainable, and may ask, but is not required to do so, for bids for such coverage. If the Board uses this procedure to procure the individual unit insurance, then the owner is obligated to accept the insurance so procured and cannot opt out or avoid payment for the insurance in any manner. The charge for such insurance will be a continuing lien on the lot for which it is procured in the manner of a general assessment and can be enforced in the same manner. If the Board institutes this procedure then it must provide each lot owner with at least fifteen (15) days notice prior to cancelling any such insurance to allow the owner to procure each insurance on his own. If the Association does not elect this option through the Board, then the remaining provisions of this document with regard to the insurance shall control, and shall control in any event insofar as they are not contradictory or conflicting with this section.

ARTICLE VIII.

EXTERIOR MAINTENANCE

In addition to maintenance upon common areas, the Association shall provide exterior maintenance upon each lot which is subject to assessment, hereunder, as follows: Paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair is caused by the willful or negligent act of the owner, his family, or guest or invitees, the cost of such maintenance or repairs will be added to and become a part of the general assessment to which such lot is subject. But in no case shall an assessment be made under this section for repair or maintenance occasioned by normal wear and tear.

ARTICLE IX
USE RESTRICTION

Section 9.1 Land Use and Building Type.

No lot shall be used except for residential purposes, provided that plots of land designated commercial area on recorded plats may be used for any commercial purposes permitted by applicable municipal and county zoning ordinances.

Section 9.2

No noxious or offensive activity shall be conducted upon any lot nor shall anything be done thereon which may be or become annoying or a nuisance to the neighborhood.

Section 9.3

No animals, livestock or poultry of any kind shall be kept or maintained on any lot or any dwelling except that dogs, cats or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes and provided further that this is expressly subject to the Association's right to regulate the keeping and maintaining of household pets including the total ban on such pets if the Association shall deem it necessary or desirable.

Section 9.4 Outside Antennas.

No outside radio or television antennas shall be erected on any lot or dwelling unit within the properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 9.5 Temporary Structures.

No structure of temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

Section 9.6 Signs.

No sign of any kind shall be displayed to the public view on any lots except that one sign of not more than five square feet advertising the property for sale or for rent, or signs used by a builder to advertise the property during the construction and sales.

Section 9.7 Oil and Mining Operations.

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon, in, or under any lot.

Section 9.8 Garbage and Refuse Disposal.

No lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 9.9 Lawful Use.

No immoral, improper, offensive, or unlawful use shall be made of the common area or lots and living units nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 9.10 Commercial Businesses.

No commercial business may be maintained on the common area or in the living units.

Section 9.11 Alterations.

Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Association.

Section 9.12 Rules of the Common Area.

The Board is authorized to adopt rules for the use of the common areas and such rules shall be furnished in writing to the Owners. All such use of the common areas shall be subject to said rules as adopted.

Section 9.13 Sports and Apparatus.

No basketball backboard standard or fixed sports apparatus shall be attached to any living unit or garage or be erected on the lot of any unit.

Section 9.14 Repair of Vehicles.

No vehicles of any type shall be permanently or semi-permanently parked upon the properties or in the vicinity of any living unit or in the common area for purposes of accomplishing repairs thereto, or the reconstruction of except as permitted by the rules and regulations adopted by the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired.

Section 9.15

Each Owner shall keep his storage area in a neat and orderly condition with all storage areas completely enclosed. Garage doors must be closed at all times except when a vehicle is entering or leaving said garage or when an individual is involved in some activity directly involving the garage.

Section 9.16 Recreational Vehicles.

There shall be no parking of recreational vehicles, including, but not limited to camping trailers, boats, motor homes, and the like, on the property unless they can be fitted in the garage and are kept there, except in areas specifically designated for this purpose by the Board, if the Board allows same.

Section 9.17

Commercial vehicles shall be parked in the garage or left at place of business and shall not be parked on the property, a lot, or any common area.

Section 9.18

All curtains, draperies, or shades shall exhibit a white backing to the outside.

Section 9.19

Notwithstanding anything to the contrary, Declarant, its agent, employees, contractors, successors and assigns shall be permitted to maintain during the periods of construction and sale of these units or any units contained on property described herein to be annexed, such facilities as in the sole opinion of the Declarant may be reasonably required or convenient to the construction, sale or rental of lots and units.

Section 9.20

Any lease or rental agreement for a unit must be in writing and filed with the Association. All such leases shall be subject to the rules and restrictions of the project and must have an initial term of at least three months. No unit may be leased or rented for a shorter term than three months.

ARTICLE X.EASEMENTS, ENCROACHMENTS, COMMON AREASection 10.1 Easements for Utilities.

Easements for installation of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels and easments.

Section 10.2 Common Areas.

The Common Area shall be conveyed to the Association in fee simple, for the use, enjoyment and convenience of all Owners. Each lot and unit is hereby declared to have, subject to the provisons of this Declaration, a non-exclusive easment over all the Common Areas for the benefit of such lot or unit, the owners of such lot or unit and each of them, and for their respective families, guests, invitees and contract purchasers, for recreation and other appropriate intended purposes, and uses and without limiting the generality of the foregoing, for ingress and egress over and through the common areas, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual granting deeds and mortgages to each lot and unit may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all owners and each holder of a first mortgage on any lot or unit.

Section 10.3 Encroachment.

Each lot and unit, and all lands in the common area, are hereby declared to have an easement over all adjoining lots, units and common area for the purpose of accomodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, in the encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachment so long as they shall exist, and the rights and obligations of owner shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful act or acts with full knowledge of said owner or owners. In the event a structure on any lot or unit is partially or totally destroyed, and then repaired or rebuilt, the owners of each lot or unit agree that minor unintentional encroachments over adjoining lots and units shall be permitted, and there shall be valid easements for the maintenance of said encroachments so long as they shall exist as well as a right of entry to repair and replace.

Section 10.4 Association Functions.

There is hereby reserved to Declarant, and successor to Declarant, and the Association, or the duly authorized agents, representatives and managers, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration and the other NATCHEZ TRACE CONDOMINIUMS documents.

Section 10.5 Covenants Running With Land.

Each of the easements provided for in this Declaration shall be deemed to have been established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the lots and units, and common areas as the case may be, superior to all other encumbrances applied against or in favor of any portion of the properties which is the subject of this Declaration.

Section 10.6 Subject to Prior Utility Easements.

Notwithstanding anything herein expressly or impliedly to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant for the installation and maintenance of utilities, sewers, television, drainage, and similar facilities that are necessary or appropriate for the development of the properties.

Section 10.7 Utility Easements, Duties and Rights.

the rights and duties of the owners of lots with respect to sanitary sewers and water, electricity, televisions, gas and telephone, shall be governed by the following:

(a) Whenever sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the properties, which connections or any portion thereof lie in or upon lots owned by others, then the owners of the lots served by said connections, shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon lots or to have the utility company enter upon the lots within the properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

(b) When sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the properties, which connections serve more than one (1) lot, the owner of each lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his lot.

ARTICLE XI.

GENERAL PROVISIONS

Section 11.1 Enforcement.

The Association, Declarant, or any owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The expense of enforcement shall be chargeable to the owner of the lot violating the provisions hereof and shall constitute a lien on the lot collectable in the same manner as a general assessment. Failure by the Association or any owner to enforce any covenant or restriction herein contained shall in no event constitute a waiver of the right to do so thereafter. Any lot owner shall likewise have a right of action against the Association for failure to comply with its duties.

Section 11.2 Severability.

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

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Section 11.3 Amendment.

The covenants and restrictions of this Declaration shall run with and bind the land for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years. The Declaration may be amended during the first 30-year period by an instrument signed by not less than seventy percent (70%) of the lot owners, and thereafter by an instrument signed by not less than sixty-seven percent (67%) of the lot owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or effect any lien for the payment thereof established herein. Any amendment must be properly recorded to be valid.

In addition, with regard to amendments of a material nature, approval must be obtained from eligible mortgage holders representing at least fifty-one percent (51%) of the votes of unit estates which are subject to mortgages held by eligible holders, eligible holders being those holders of a first mortgage on a unit estate who have requested the Owner's Association notify them on any proposed action that requires a consent of a specified percentage of eligible mortgage holders. A change of any of the following would be considered as material: Voting rights; assessments; assessments liens or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interest in the general limited common areas, or rights to their use; boundaries in any unit; convertability of units into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project, except as provided herein; insurance or fidelity bonds; leasing of units; imposition of any restrictions on a unit owner's right to sell or transfer his or her unit; a decision by the owner's right to sell or transfer his or her unit; a decision by the Owner's Association to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after a substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

When unit owners are considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, the eligible mortgage holders representing at least sixty-seven percent (67%) of the votes of the mortgaged units must agree.

With regard to non-material changes such as correction of a technical error or clarification of a statement if a mortgagee fails to respond to a written proposal for an amendment within thirty (30) days, approval will be implied.

Section 11.4 Mortgage Approval.

As long as there is Class B Membership, the following actions will require the prior approval of any secondary mortgagee lender or insurer if appropriate and if they have loans on any of the properties contained herein. Annexation of additional property except as set forth in Article Twelve, dedication of common areas, as amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 11.5 Headings and Interpretation.

(a) The headings introducing the text of the several sections of this Declaration are solely for the convenience of reference and shall not constitute part of this Declaration or affect its meaning in any way.

(b) In the event of any conflict between the provisions of this Declaration and the provisions of the By-Laws or the Articles of the Association, the provisions of this Declaration shall prevail.

ARTICLE XII.

ANNEXATION AND/OR ADDITION OF OTHER AREA TO PROPERTY

Section 12.1 General.

All or any portion of the real property described in Exhibit C to this Declaration may, from time to time and at any time hereafter be annexed to the scheme of this Declaration by Declarant or successor without the consent of the Association or its members or of any mortgagees or other lienholders (other than those holding mortgages or liens on the real property being annexed and except as set forth hereafter) by the recordation of a supplementary Declaration as provided herein. Such additional property will contain a maximum of forty-six (46) additional units.

No provision of this Declaration shall be construed to require the Declarant or any other person or entity to annex any real property to the scheme of this Declaration or shall any provision to the scheme of development prohibit any real property whether or not included within the description contained in the exhibits attached hereto owned by Declarant or any other person from being subjected to another Declaration or scheme of development. The community contemplated by this Declaration including parcels of grounds to be annexed hereto may include a diversity of housing types and styles. In the event that either the Veterans Administration or any other agency of the United States initially loans or insures any unit mortgage or provides funds to finance any units, and the regulation or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development, then such approval or determination shall be prerequisite to such annexation.

Section 12.2

All annexation of additional property will be completed within seven (7) years from the recordation of this Declaration.

Section 12.3 Method of Annexation.

The additions authorized herein shall be effectuated by the recordation of a supplemental declaration. Such supplementary declaration shall be executed by the Declarant and the Owners of real property sought to be annexed to the scheme of this Declaration by the recordation thereof of said supplementary declaration and a description of said property to be annexed.

Section 12.4 Contents of Supplementary Declaration.

(a) The supplementary declaration referred to herein shall describe the real property to be annexed to the scheme of this Declaration and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the supplementary declaration to the scheme of this Declaration and extending the jurisdiction of the Association to cover the real estate

so described therein. The supplementary declaration may contain such complimentary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics or development approaches to which the annexed land or parts thereof may be subjected to.

(b) Owners, including those owners of units in the annexed area, upon recordation of any supplementary Declaration, shall have a right and non-exclusive easement for enjoyment in and to the common area within the real property so annexed and the real property described herein in Exhibit "B", in accordance with the provisions of such supplementary Declaration and the original documents and an obligation to contribute to the cost of improvement, operation and maintenance of such common area within the annexed lands and the original area in like manner as if such common area had been originally located within the properties described in Exhibit "A" to this Declaration subject to such amendments to this Declaration as may be necessary.

(c) Any supplementary Declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any supplementary declaration in accordance with the provisions thereof and subject to the provisions of such supplementary declaration, the real property described therein shall be subject to the provisions of this Declaration and all of the applicable Natchez Trace Condominiums documents, the jurisdiction of the Association pursuant to the terms of this Declaration, the By-Laws, and the Articles.

Section 12.5 Membership in Association.

Upon the recording of any supplementary declaration, those lot owners contained therein shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the Supplemental Declaration.

Section 12.6 Substantial Completion.

All improvements on any future phase will be substantially complete prior to annexation and such improvements will be consistent with the initial units in terms of quality and construction.

Section 12.7 Common Area.

All common area in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration.

ARTICLE XIII.

RIGHTS OF MORTGAGE HOLDERS, INSURERS OR GUARANTORS

The holder, insurer or guarantor of the first mortgage on any unit shall be given notification in writing by the Association upon its sending to the Association a written request stating its name, address of the unit it has the mortgage on, of any of the following actions: Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage; any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds a mortgage; a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owner's Association; and any proposed action that requires the consent of a specified percentage of eligible

mortgage holders. In addition, the holder of a first mortgage shall be entitled upon written request to a financial statement for the immediately preceding fiscal year.

IN WITNESS WHEREOF, we have hereunto executed this instrument on this the 23rd day of August, 1989.

SHAWNEE VILLAGE LIMITED PARTNERSHIP:

BY: *Larry M. Neal*
LARRY M. NEAL, GENERAL PARTNER

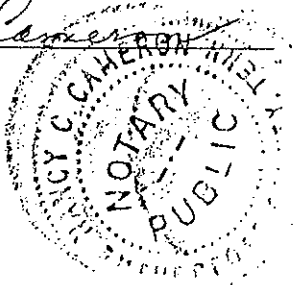
BY: *Charles G. Myers*
CHARLES G. MYERS, GENERAL PARTNER

STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Larry M. Neal and Charles G. Myers, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon their oath acknowledged themselves to be the General Partners of Shawnee Village Limited Partnership, a Tennessee Limited Partnership, and they as such General Partners, being authorized to do so, executed the foregoing instrument (Declaration of Covenants, Conditions and Restrictions of Natchez Trace Condominiums) for the purposes therein contained by signing the name of the Limited Partnership by themselves as General Partners.

WITNESS, my hand and official seal at my office on this the 23rd day of August, 1989.

Dorothy C. Cameron
NOTARY PUBLIC



My Commission Expires: 1/22/91

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EXHIBIT "A"

A tract of land lying and being in the 11th Civil District of Rutherford County, Tennessee, and containing 3.179 acres as more fully shown and described on plat of record in Plat Book 13, page 137, in the Register's Office of Rutherford County, Tennessee.

EXHIBIT "B"

See common areas, if any, as designated on plat of record in Plat Book 13, page 137, in the Register's Office of Rutherford County, Tennessee, or any amendments thereto.

EXHIBIT "C"

Situated in the 11th Civil District of Rutherford County, Tennessee, to-wit:

BEING all of Section "C", INDIAN HILLS, according to plat and survey of same appearing of record in Plat Book 11, page 382, in the Register's Office of Rutherford County, Tennessee, to which plat reference is hereby made for more complete details as to location and description of said lot.

BEING the same property conveyed to Shawnee Village Limited Partnership by deed of record in Deed Book 421, page 648, in the Register's Office of Rutherford County, Tennessee.

EXHIBIT "D"

BY-LAWS OF NATCHEZ TRACE CONDOMINIUMS
HOMEOWNER'S ASSOCIATION, INC.

ARTICLE ONE

Name and Location. The name of the corporation is NATCHEZ TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association". Principal office of the corporation shall be located at 2261 Broad Street, Murfreesboro, Tennessee 37130, but meetings of members and directors may be held at such places within the State of Tennessee, County of Rutherford, City of Murfreesboro, as may be designated by the Board of Directors.

ARTICLE TWO

DEFINITIONS

Section 1: Association shall mean and refer to NATCHEZ TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.

Section 2: Property shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of this Association.

Section 3: Common area shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4: Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

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

Section 6: Declarant shall mean and refer to Shawnee Village Limited Partnership, a partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Developer for the purposes of development.

Section 7: Declaration shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the office of the Register of Deeds for Rutherford County, Tennessee.

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

ARTICLE THREE

MEMBERSHIP

Section 1: The total number of memberships shall not exceed the number of units in the project, including any future expansions of the project. Any person becoming an owner of a unit shall automatically become a member of this association and shall be subject to the provisions of the Articles of Incorporation and of these By-Laws. Such membership shall terminate without any association action whenever such person ceases to own a unit, but such termination shall not relieve any such former owner of any liability or obligation incurred under or in connection with

This instrument prepared by
Murfree, Cope & Moore, Attorneys
Murfreesboro, Tennessee
from information furnished by the parties.

the association during the period of such ownership or membership in the association. No certificates of stock shall be issued by the association, but the Board of Managers may, if it so elects, issue one membership card to the owner or owners of a unit. Such membership card shall be surrendered whenever a ownership unit designated thereon shall terminate.

Section 2 Classes: There shall be two classes of membership designated Class A and Class B. Rights of a member in any class shall be identical in all respects to the rights of a member in any other class except regarding voting. The class of membership of an owner will be determined as set forth in the Articles of Incorporation. Class B members shall be the Declarant and shall be entitled to three votes for each lot owned. Class A membership shall be all other owners and shall be entitled to one vote for each lot owned. However, Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following:

- (a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or,
- (b) No later than the earlier of the following events: (i) 120 days after 90% of the unit estates in the entire project including expansions of the project have been conveyed to unit estate purchasers; or (ii) Five years following conveyance of the first unit.

ARTICLE FOUR MEETING OF MEMBERS

Section 1 Annual Meetings: The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of 1:00PM. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2 Special Meetings. Special meetings of the members may be called at any time by the president or by the board of directors, or upon written request of the members who are entitled to vote one-half of the votes of the Class A membership. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the owners of three-fourths of the lots, either in person or by proxy.

Section 3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote therein, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4 Quorum: The presence at the meeting of members entitled to cast, or proxies entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or the By-Laws. If, however, such

quorum shall not be present, or represented at any meeting, the members entitled to vote therein shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be present to be represented.

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

ARTICLE FIVE

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1 Number: The affairs of the Association shall be managed by a Board of five (5) Directors, who must be members of the Association or officers, agents, directors, representatives or employees of Declarant.

Section 2 Term of Office: At the first annual meeting, the members shall elect two (2) Directors for a term of one year, two (2) Directors for a term of two (2) years, and one (1) Director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect Directors for a term of three (3) years.

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

Section 4 Compensation: No Director shall receive compensation for any service he may render to the Association in directing the affairs of the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties and may be paid for such professional services rendered to the Association at its request.

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

ARTICLE SIX

NOMINATION AND ELECTION OF DIRECTORS

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

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

ARTICLE SEVEN

MEETINGS OF DIRECTORS

Section 1 Regular Meetings: Regular meetings of the Board of Directors shall be held quarterly or more often if necessary without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

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

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

ARTICLE EIGHT

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 Powers: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association for the operation and maintenance of the project, including, but not limited to, the following:

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

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; notice will be given to any member at least five (5) days in advance stating the violation, stating a time and place for such hearing and allowing the member to present his rebuttal or explanation, if any, at such hearing.

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

(d) Establish, levy, assess and collect the assessments or charges that may be necessary;

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

(f) Appoint and remove at pleasure all officers, agents, and employees of the corporation, prescribe their duties, fix their compensation, and require from them such bond as may be deemed necessary or required. Nothing contained in these By-Laws shall be construed to prohibit the employment of any member, officer or director of the corporation in any other capacity, whatsoever.

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

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting when such statement is requested in writing by one-third (1/3) vote of the Class A members who are entitled to vote;

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

(c) As more fully provided in the Declaration, to (1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, but failure to do so will not waive the Association's right to such assessment; (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and (3) foreclose the lien within a reasonable time against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay such assessments;

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

(e) To obtain, maintain, and pay for such insurance policies or bonds, whether or not required by any provision of the Declaration or By-Laws as the Association shall deem appropriate for the protection or benefit of the Association, the members of the Board of any standing committee, tenants or guests, including, but without limitation, workers compensation, malicious mischief, auto non-ownership insurance, performance of fidelity bonds and area liability and hazard insurance;

(f) Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

(g) Cause the common area to be maintained;

(h) Cause the exteriors of the dwellings to be maintained as set forth in the Declaration.

ARTICLE NINE

OFFICERS AND THEIR DUTIES

Section 1 Enumeration of Officers: The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, Secretary, and a Treasurer, and such other officers as the Board may from time to time by Resolution create.

Section 2: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

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

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

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

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

Section 8 Duties: The duties of the officers are as follows: President - The President shall preside at all meetings of the Board of Directors; shall see that Orders and Resolutions of the Board are carried out; shall co-sign all leases, mortgages, deeds and other written instruments and Promissory Notes. Vice-President - The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. Secretary - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. Treasurer- The Treasurer shall receive and deposit in an appropriate bank account all monies of the Association and shall disburse such funds as directed by Resolution of the Board of Directors, shall sign all checks and co-sign all Promissory Notes of the Association, and all leases, mortgages and other written instruments; keep proper books of account, cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of it to each of the members.

ARTICLE TEN

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director or officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association; except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such

director or officer in relation to the matter involved. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

ARTICLE ELEVEN
OBLIGATIONS OF THE OWNERS

Section 1 Assessments: Except as otherwise provided in the Declaration, all owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than on the 10th day following the mailing of the monthly statement to the address of the owner. All such assessments, as set by the Board pursuant to the Declaration, Articles and the By-Laws, shall be due and payable monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him.

Section 2 Maintenance and Repair:

(a) Except as may be provided in the Declaration, every owner must perform promptly at his own expense all maintenance and repair work within his own unit and lot which, if omitted, would affect the project in its entirety or any part belonging to another owner.

(b) All the repairs of internal installation of the unit, such as water, lights, gas, power, sewage, telephones, sanitary installations, doors, windows, windowpanes, electrical fixtures, and all other accessories, equipment, fixtures, including any air conditioning equipment belonging to the unit, shall be at the owner's expense, and owner shall be obligated to reimburse the association or another unit owner upon receipt of a statement for any expenditures incurred by the Association or other unit owner or both in repairing, replacing, restoring, any common element or any part of a unit damaged as a result of the negligent or other tortious conduct of such owner, member of his family, his agent, employees, invitee, licensee, or tenant.

Section 3 Materialman's Judgment, or Tax Liens: Each owner agrees to indemnify and to hold each of the other owners harmless from any and all materialman's, judgment or tax liens filed against other units in the appurtenant general common elements for labor, materials, services, or other products incorporated in the owner's unit. In the event suit for foreclosure for a materialman's, judgment or tax lien is commenced, then within ninety (90) days thereafter, such owner shall be required to deposit with the association cash or appropriate bond equal to the amount of such claim plus interest for one (1) year together with the sum of \$100.00. Such sum or bond shall be held by the Association pending final adjudication or settlement of the claim for litigation. Disbursements of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid for by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his unit which may be foreclosed as provided in the Declaration.

Section 4 Compliance:

(a) Each owner shall comply strictly with the provisions of the Declaration.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Natchez Trace Condominiums project was built.

Section 5 Use of Common Areas: General common elements and any limited common elements shall be used in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the owner or owners.

Section 6 Access to Lot:

(a) An owner shall permit the managing agent or the person authorized by the Board of Directors the right of access to the owner's unit and lot from time to time during reasonable hours that may be necessary for the maintenance, repair or replacement of the common elements or at any time be necessary by the managing agent or Board of Directors for the making of emergency repairs to prevent damage to any of the common elements or other units.

(b) An owner shall permit other owners or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided their request for entry is made in advance and such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

Section 7 Rules and Regulations:

(a) No resident of the project shall in any way violate the rules and regulations set forth in the Declaration. In addition, owners and occupants of units shall exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and using or playing or permitting to be used or played musical instruments, radios, phonographs, televisions sets, amplifiers or any other instruments or devices in such a manner as may disturb or tend to disturb owners, tenants or other occupants of units.

(b) Owners, tenants or guests shall not hang garments, rugs and other materials from the windows or from any of the facades or balconies of the building or any of the improvements.

(c) Owners, tenants or guests shall not throw garbage or trash outside the disposal installations provided for those purposes.

(d) No owner, tenant or lessee shall install wiring for electrical or telephone installations, television antenna, machines or air conditioning units on the exterior of the project or that protrude through the walls or the roof of the project except as expressly authorized by the Association.

(e) The rental of any unit shall be in accordance with the rules and regulations established for such rental by the Board of Directors.

(f) The Board of Directors and/or the managing agent reserves the power to establish, make and enforce compliance with such additional rules and regulations which may be necessary for the operation, use and occupancy of this planned unit development project with the right to amend same from time to time. Among those rules and regulations which the Board of Directors may make is the prohibition of the keeping of any animals in any unit.

ARTICLE TWELVE

MORTGAGES

Section 1 Notice to the Association: Any owner who mortgages a unit shall notify the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units".

Section 2 Notice of Unpaid Assessments: The Association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit;

ARTICLE THIRTEEN

COMMITTEES

The Association shall appoint an architectural control committee, as provided the Declaration and nominating committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE FOURTEEN

BOOKS AND RECORDS:

AVAILABILITY FOR INSPECTION

The books, records, papers, By-Laws, financial statements, Articles of Incorporation, and the Declaration of Covenants, Conditions and Restrictions of the Association shall be made available to owners, mortgage holders on any lot, and to holders, insurers or guarantors of any first mortgage, upon request during normal business hours or under other reasonable circumstances.

ARTICLE FIFTEEN

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from date of delinquency at the highest legal rate allowed by law and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorney's fees in any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

ARTICLE SIXTEEN

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "NATCHEZ TRACE CONDOMINIUMS HOMEOWNER'S ASSOCIATION, INC."

ARTICLE SEVENTEEN

MISCELLANEOUS

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

I certify the foregoing to be a true copy of the By-Laws ratified and approved by the Board of Directors of the Corporation at a meeting on the 23rd day of August, 1989.

[Signature]
SECRETARY

Sworn to and subscribed before me this 23rd day of August, 1989.

[Signature]
NOTARY PUBLIC



Commission expires: 1/22/91

HOMER JONES, REGISTER	
RUTHERFORD COUNTY, TENNESSEE	
Received	<u>Sept 13</u> 19 <u>89</u>
Time	<u>11:02</u> M.
Notebook	<u>38</u> Page <u>38</u>
<u>Weed</u> BOOK	<u>431</u> PAGE <u>309</u>
Deputy	<u>Joan Kenley</u>

RECORDING FEE	<u>144.00</u>
STATE TAX	<u> </u>
REGISTER'S FEE	<u> </u>
TOTAL PAID	<u>144.00</u>
RECEIPT NO.	<u>97831</u>