

CHARTER OF
RAY ESTATES
HOMEOWNERS' ASSOCIATION, INC.

FILED

2:31

The undersigned natural person, having capacity to contract and acting as the Incorporator of a nonprofit corporation under the Tennessee Nonprofit Corporation Act, adopts the following charter for such corporation:

1. The name of the Corporation is:

RAY ESTATES HOMEOWNERS' ASSOCIATION, INC.

2. This Corporation is a mutual benefit corporation. The Corporation is not a religious corporation.

3. The Corporation's initial registered office is:

**100 Bluegrass Commons Boulevard, Suite 310
Hendersonville, Tennessee 37075**

which is located in **Sumner County**, and its initial registered agent at that office is **Christan M. Blackman**.

4. The incorporator of the Corporation is:

**Christan M. Blackman
100 Bluegrass Commons Boulevard, Suite 310
Hendersonville, Tennessee 37075**

5. The principal office of the Corporation is:

**100 Bluegrass Commons Boulevard, Suite 310
Hendersonville, Tennessee 37075**

6. The Corporation is not for profit.

7. The Corporation will have members.

8. Upon dissolution, after all creditors of the Corporation have been paid, its assets shall be distributed to one or more organizations that qualify as exempt organizations under Section 501(3)(c) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for exclusively public purposes.

9. To the extent allowed by the laws of the State of Tennessee, no present or future

Pamela L. Whitaker, Register
Sumner County Tennessee
Rec #: 850956 Instrument #: 1110823
Rec'd: 5.00 Recorded
State: 0.00 3/3/2015 at 2:31 PM
Clerk: 0.00 in Record Book
Other: 2.00 4075
Total: 7.00 Pgs 86-88

Ret - Matt Blackman


88856-0202 02/12/2015 10:32 AM Received by Tennessee Secretary of State The Hart House

director of the Corporation (or his or her estate, heirs and personal representatives) shall be liable to the Corporation for monetary damages for breach of fiduciary duty as a director of the Corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

10. The purpose for which the Corporation is organized is to constitute the "Association" as defined in that certain Declaration of Covenants, Conditions and Restrictions for Ray Estates subdivision, and to promote the health, safety and general welfare of the residents within the subdivision, and to do all things necessary or desirable and not prohibited under the Tennessee Nonprofit Corporation Act.

11. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in the paragraph just above. Notwithstanding any other provision of this Charter, the Corporation shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(3)(c) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

This the 12 day of February, 2015.


Christian M. Blackman, Incorporator

RECEIVED - 0304 02/12/2015 10:22 AM RECEIVED BY TENNESSEE COUNTY CLERK OF THE COUNTY FOR THE HIGHWAY



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

RAY ESTATES HOMEOWNERS' ASSOCIATION, INC.
STE 310
100 BLUEGRASS COMMONS BLVD
HENDERSONVILLE, TN 37075-2735

February 12, 2015

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000788575	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	02/12/2015
Filing Date:	02/12/2015 10:32 AM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2016
Duration Term:	Perpetual	Image # :	B0056-0303
Public/Mutual Benefit:	Mutual		
Business County:	SUMNER COUNTY		

Document Receipt

Receipt # : 001835540 Filing Fee: \$100.00
Payment-Check/MO - BLACKMAN & MERRYMAN BUILDERS, INC, HENDERSONVILLE, TN \$100.00

Registered Agent Address:
CHRISTIAN M. BLACKMAN
STE 310
100 BLUEGRASS COMMONS BLVD
HENDERSONVILLE, TN 37075-2735

Principal Address:
STE 310
100 BLUEGRASS COMMONS BLVD
HENDERSONVILLE, TN 37075-2735

Congratulations on the successful filing of your **Charter** for **RAY ESTATES HOMEOWNERS' ASSOCIATION, INC.** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Processed By: Tammy Morris

Phone (615) 741-2286 * Fax (615) 741-7310 * Website: <http://tnbear.tn.gov/>

1.00

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RAY ESTATES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made as of the day at date set forth below by **CMB Investments, LLC**, a limited liability company ("Declarant");

WITNESSETH:

WHEREAS, Declarant owns the real property described in Exhibit A (the "Properties"), which is attached hereto and incorporated herein by reference, and Declarant intends by this Declaration to impose upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of the Properties;

NOW, THEREFORE, Declarant hereby declares that all of the Properties 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 the Properties, which shall run with the Properties, and which shall be binding on all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner of the Properties.

Article I
Definitions

The terms of this Declaration and the Bylaws shall be construed to have their ordinary, generally accepted meanings unless otherwise specifically defined herein or in the Bylaws. In addition, the following definitions shall apply:

Section 1. "Association" shall mean and refer to Ray Estates Homeowners Association, Inc., a Tennessee non-profit corporation, its successors or assigns. The Board of Directors of the Association (the "Board") shall be the elected body having its normal meaning under Tennessee corporate law. The use of the term "association" or "associations" in lower case shall refer to any other owners association having jurisdiction over any part of the Properties.

Section 2. "Bylaws" shall mean and refer to the Bylaws of Ray Estates Homeowners Association, Inc., as they may be amended from time to time. The initial By-laws of the Association are marked Exhibit B and attached hereto.

Section 3. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board, as specified in Article III, Section 2, of this Declaration.

Section 4. "Common Area" shall mean those areas designated on the Plat as "Proposed Detention," "Proposed Open Area/Drainage Easement", and any Public or Private Alleys and Off Street Parking Areas on the Properties, as shown on the Plat. Also included as part of the Common Area shall be the electrical meter-base centers affixed to any exterior wall of a Townhome.

Pamela L. Whitaker, Register	
Summer County Tennessee	
Rec #: 850950	Instrument #: 1110813
Rec'd: 195.00	Recorded
State: 0.00	3/3/2015 at 1:00 PM
Clerk: 0.00	in Record Book
Other: 2.00	4075
Total: 197.00	Pgs 1-39

Rev. Matt Blackman

Section 5. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws and/or the Charter of the Association.

Section 6. "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined and set forth by the Board and the Architectural Review Committee.

Section 7. "Declarant" shall mean and refer to CMB Investments, LLC, and its successors, successors-in-title or assigns who take title to any portion of the undeveloped or unsold Properties for the purpose of development or sale and who are designated as Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 8. "Development Period" shall mean the period commencing on the date on which this Declaration is recorded and terminating on the later of: (a) December 31, 2020, or (b) the day next following the day on which the Declarant or a Builder owns no part of the Property.

Section 9. "Detached Dwelling" shall mean a detached, freestanding dwelling unit, constructed on a Lot, which shares no walls with any other dwelling unit.

Section 10. "General Assessment" shall mean and refer to assessments levied to fund expenses for the benefit of all Members of the Association.

Section 11. "Lot" shall mean any plot of land designated on the Plat as a numbered lot and intended for development, use and occupancy as a residence. The term shall include all portions of the lot owned including any structure thereon.

Section 12. "Member" shall mean and refer to a Person entitled to membership in the Association, as herein provided.

Section 13. "Mortgage" shall mean and refer to a mortgage, deed of trust, deed to secure debt or other security deed.

Section 14. "Mortgagee" shall mean and refer to a beneficiary or holder of a mortgage, deed of trust, deed to secure debt or other security deed.

Section 15. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 16. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Lot that is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 17. "Person" means a natural person, a corporation, a partnership, a trustee or other legal entity.

Section 18. "Plat" shall mean and refer to the plat of Ray Estates, Section II, as recorded in Plat Book 28, page 166, Register's Office for Sumner County, Tennessee, as the same may be subsequently revised, supplemented, or amended, together with the plat or plats (i) of such additional real property as is hereafter subjected to this Declaration by subsequent amendment, or (ii) of a portion, or portions, of the Properties which are platted for development as additional

phases of Ray Estates which plat or plats are placed of record in the Register's Office for Sumner County, Tennessee, as the same may be subsequently revised or amended.

Section 19. "Properties" shall mean and refer to the real property described in Exhibit "A", which is attached hereto and incorporated herein by reference, together with such additional real property as is hereafter subjected to this Declaration by subsequent amendment.

Section 20. "Special Assessment" shall mean and refer to assessments levied in accordance with Article IX, Section 3, of this Declaration.

Section 21. "Townhome" shall mean a dwelling unit, constructed on a Lot, which shares one or more walls with another dwelling unit.

Section 22. "Ray Estates" shall mean and refer to the Properties, as developed in accordance with the Plat.

Article II Property Rights

Every Owner shall have a right and easement of enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate such Owner's right of enjoyment to the members of such Owner's family, approved lessees and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases such Owner's Lot pursuant to Article XI, Section 23 of this Declaration shall be deemed to have delegated all such rights to the lessee of such Lot.

Declarant reserves the right to amend this Declaration unilaterally at any time during the Class "B" Control Period for the purpose of removing certain portions of the Properties then owned by Declarant or its affiliates or the Association from the provisions of this Declaration, without prior notice and without the consent of any Person other than the Owner thereof, to the extent such property was included originally in error or as a result of any changes whatsoever in the plans for Ray Estates desired to be effected by Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Ray Estates.

Declarant may, at any time, during the Class "B" Control Period or otherwise, amend the Plat, unilaterally, by platting a portion or portion of the Properties for development as additional phases of Ray Estates, without prior notice and without the consent of any Person other than the Owner of the portion, or portions, of the Property which are the subject of the additional phase(s).

Declarant may, for a period of twenty (20) years from and after the date this Declaration is filed for record, and without the consent or approval of any Owners or the Association, annex additional property to the above-defined Properties. Thereafter, such additional property may be annexed only with the consent of fifty-one (51%) percent of each class of Members of the Association. Any additional property so annexed, however, must be adjacent to or in the immediate vicinity of the above-described Properties. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on Exhibit "A" as hereinafter provided.

Any annexations made pursuant to this Article, or otherwise shall be made by recording a supplement to this Declaration with the Register of Deeds for Sumner County, Tennessee which supplementary Declaration shall extend the scheme of some or all of the within covenants and

restrictions to such annexed property. Such supplementary Declaration may contain such additional covenants, conditions, restrictions, easements, assessments, charges and liens as the Declarant shall deem appropriate for the purpose of completing the development of the Property.

Declarant, without the consent or approval of any of the Owners or the Association, shall have the right to unilaterally amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Properties, to qualify the Properties or any of the Lots and improvements thereon for Mortgages or improvement loans made, insured or guaranteed by a governmental agency, or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of the United States Government or the State of Tennessee, regarding the purchase or sale of such Lots and improvements or Mortgage interests therein, as well as any other law or regulation relating to the control of property, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency including, without limitation, the Veterans Administration, the United States Department of Housing and Urban Development, the Federal Housing Administration or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

Article III Membership and Voting Rights

Section 1. Membership. Declarant and every Owner shall be deemed to have a membership in the Association. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws. The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the Bylaws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Members, if any. Class "A" Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; provided, no Owner shall be entitled to a vote for any Lot until such time as the Lot is subject to the full annual assessment under Article IX, Section 6 of this Declaration. There shall be only one (1) vote per Lot. Unless otherwise specified in this Declaration or the Bylaws, the vote for each Lot shall be exercised by the Member representing the Lot.

In any situation where a Member is entitled personally to exercise the vote for such Member's Lot and more than one (1) Person holds the interest in such Lot required for Membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

Only those Class A Members who shall be in good standing with the Association at the time a vote is to be cast shall be eligible to cast a vote on any matter for which the members are entitled to vote; and, any Class A Member who is not in good standing with the Association at the time such vote is to be cast shall not be entitled to cast a vote. For purposes of this limitation on voting, "good standing" shall be defined as being no more than thirty (30) days delinquent on the payment of any sum of money due to be paid to the Association by such Member.

(b) Class "B". The Class "B" Member shall be Declarant. The rights of the Class "B" Member(s), including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. The Class "B" Member(s) shall be entitled to three (3) votes per Lot owned and, in addition, whether or not any Lots are owned, shall be entitled to appoint the members of the Board during the Class "B" Control Period. The Class "B" Control Period shall be that period of time which begins when this Declaration is placed of record and ends when Seventy Five Per Cent (75%) of the Lots have been improved with Dwelling Units and/or Townhomes for which certificates of occupancy have been issued, and sold by a Declarant. The Class "B" membership shall terminate and be converted to Class "A" membership three (3) years after the expiration of the Class "B" Control Period.

Article IV Maintenance and Easements

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, (i) maintenance, repair and replacement of all landscaping and other flora, structures and improvements situated upon such areas, landscaping on medians and rights-of-way of all public roads, and landscaping of any buffers; (ii) all recreational facilities and other structures located upon the Common Areas, if any; and (iii) all equipment, pipes, lines, structures, and systems within the Common Area.

Notwithstanding the provisions of Section 2 of this Article, and with respect to the Townhomes only, the Association shall be responsible for maintenance of, repairs to and replacements of the following items within the Townhomes as shown on the Plat for Ray Estates, Section II: (a) lawns and landscaping, including bushes, shrubs, grass, beds, plantings and landscaping located adjacent to a Townhome; (b) sidewalks and walkways; and, (c) exterior painting and non-structural maintenance and repair of roofs, gutters, down-spouts, trim, caulking and other exterior repairs of a non-structural nature, provided that such exterior maintenance responsibilities shall not include glass, windows, including storm windows, screens and doors, including storm doors, which shall be the responsibility of the Owner. All other items of maintenance, repair and replacement on each Lot shall be the responsibility of the Owner of such Lot. The cost of maintenance of, repairs to and replacements which are the responsibility of the Association shall be part of the common expenses, subject to the Bylaws, rules and regulations of the Association. Notwithstanding the foregoing, to the extent not covered by the Association's insurance, the expenses for the maintenance, repair or replacement of such items shall be borne by the Owner of the Unit to which such items are appurtenant and at the discretion of the Board, maintenance of, repairs to and replacements related to such items may be assessed in whole or in part to Owner or Owners benefited thereby, and, further, at the discretion of the Board, the Board may direct Owners who stand to be benefited by such maintenance of, repairs to and replacement of such items to arrange for such maintenance, repairs and replacement in the name and for the

account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Properties from all mechanics' or materialmen's lien claims that may arise therefrom.

Section 2. Owner's Responsibility. Each Owner shall maintain such Owner's Lot and all structures, parking areas, landscaping, sidewalks and other improvements comprising the Lot in a manner consistent with the Plat, the Community-Wide Standard and all applicable covenants. To the extent any item required to be maintained by an Owner shall be common to more than one (1) Owner (e.g. "party walls" between two Townhomes), such Owners shall share equally in the expense and cost of maintaining, improving and repairing such item, except that any damage other than ordinary wear and tear caused by any Owner, or any party claiming through such Owner, whether by negligence or otherwise, shall be repaired at the expense of such Owner.

If any Owner fails properly to perform such Owner's maintenance responsibility, then the Association may perform it and assess all costs incurred by the Association plus a fee equal to ten (10%) percent of such costs against the Lot and the Owner in accordance with Article IX, Section 3 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Loss Attributable to Owner. Notwithstanding the foregoing, if, due to the act or neglect of an Owner, or the agent, servant, tenant, family member, invitee, licensee or household pet thereof, damage shall be caused to the Common Areas or to a Lot, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier.

The authorized representative of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual Lot and Townhome or Detached Dwelling located thereon as may be required in connection with the preservation of any individual Lot, including structures thereon and improvements thereto, or Common Areas in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Areas or any equipment, facilities or fixtures affecting or serving the other Lots or Common Areas, or to make any alteration required by any governmental authority.

Section 4. Access Easements and Open-space/landscape Easements. All Lots shall be subject to an access easement in favor of the Declarant and the Association for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, replacing and otherwise dealing with the Common Areas, including all improvements thereon and for the purpose of inspecting the exterior of any Detached Dwelling and Townhome and Lots for compliance with the terms of this Declaration.

To the extent such may be set forth on the record plat or plats for the Properties, certain Lots may be subject to "open-space/landscape easements," "natural buffer easements," or the like. Such easements are in favor of the Declarant and the Association and are for the purposes of providing access to the Common Areas and for allowing the Declarant and the Association to maintain improvements constructed by the Declarant in such easement areas. Except as otherwise provided herein, no one other than the Declarant, the Association or the Owner on

whose Lot is situated such an easement, shall be permitted to have access to, or enter onto, such easement area.

Section 5. Private Drainage Easements. Except as otherwise set forth on the record plat or plats for the Property, all Lots are subject to private drainage easements in favor of the Declarant, the Builder of the Detached Dwelling or Townhome on the Lot, and the Association. Such private drainage easements shall be ten feet (10') in width (five feet (5') on each Lot) and shall exist along all common Lot lines, with the common Lot line being the center line of said easement. In those cases where the rear Lot line is not a common Lot line, the private drainage easement shall be ten feet (10') in width along such rear Lot line. The Declarant and the Association shall have the right to enter upon a private drainage easement for the purpose of establishing or reestablishing drainage swales in order to control and direct storm water to collection facilities.

Section 6. Common Driveway Easement. The Lots sharing a common driveway (the "Common Driveway"), if any, shall be subject to and benefitted by a perpetual nonexclusive easement for ingress and egress over the Common Driveway. The Owners of such Lots shall use the Common Driveway situated on the easements with due regard for the rights of any other Owner and its use of such driveway. No Owner shall use or permit the use of the driveway in any manner which impairs the right of any other Owner to its use, nor shall any Owner park or store vehicles or personal property on, or obstruct or encroach upon, or permit the use of, or permit the obstruction of or encroachment upon, the Common Driveway in any manner whatsoever without the concurrence of all Owners entitled to use the Common Driveway.

The Owners using the Common Driveway shall share equally in the expense and cost of maintaining, improving and repairing the Common Driveway, except that any damage other than ordinary wear and tear caused by any Owner, or any party claiming through such Owner, whether by negligence or otherwise, shall be repaired at the expense of such Owner. The driveway shall be maintained in good repair and in a condition substantially similar to that of its original construction. Upon conveyance of a Lot, the Grantor of such Lot shall be, as of the closing date for such conveyance, relieved of the obligation to share in the expense and cost of future maintenance and repair imposed hereby, and those obligations shall bind thereafter the Grantee of said conveyance. The Grantor shall, however, be obligated personally during and after his period of ownership for expenses and costs incurred for maintenance and repair during his period of ownership of the Lot. The obligation of an Owner of a Common Driveway to share in the cost and expense of maintaining a Common Driveway, is separate and distinct from the obligation of such Owner to pay the assessments levied pursuant to Article IX. In the event an Owner fails to properly maintain a Common Driveway, the Association shall have the right to perform such maintenance and assess the Owner for such cost.

The Declarant, or its designee, shall have the right to enter onto the Common Driveway in order to make improvements to the Common Driveway, including, without limitation, the installation of the final course of asphaltic or concrete paving. Such installation may occur prior to the completion of all Living Units situated on the Lots served by the Common Driveway.

Section 7. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstruct, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than one (1) foot, as measured from any point on the common boundary between said adjacent Lots, along a line perpendicular to such

boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant or the Association.

Section 8. Easements for Utilities. There is hereby reserved unto Declarant and its designees, so long as any of the foregoing own any property described on Exhibit "A", and to the Association and its designees, (which may include, without limitation, Sumner County, Tennessee, City of Gallatin, Tennessee, Gallatin Public Utilities, Gallatin Department of Electricity, Cumberland Electric Membership Corporation, and any other public or private utility) blanket easements upon, across, over, and under all, or a portion, of the Common Area and, to the extent shown on any Plat, over the Lots, and the Dwelling Units and Townhomes located thereon, for ingress, egress, installation, replacing, repairing and maintaining cable television systems, HVAC systems, electrical systems, master television antenna systems, security and similar systems, walkways, bicycle pathways, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, irrigation water supply systems, sewers, meter boxes, telephones, gas and electricity.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board shall have the right to grant such easement on said Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties. Furthermore, to the extent the easements provided for in this Article conflict with easements shown on the Plat, the easements shown on the Plat shall prevail.

Section 9. Reservation of Easements. The Declarant shall have and hereby reserves easements in favor of itself, the Association and their successors and assigns, and such other persons or entities as it may designate as follows:

- (a) In, on and over that portion of the publicly dedicated rights of way outside of the actual roadway, as well as over a twenty foot (20') wide strip of land on either side of such publicly dedicated rights-of-way on the Property for the purposes of: (i) access to construct, use and maintain utilities (including, but not limited to, Internet, telephone and cable television), sidewalks, Signage, lighting, landscaping and recreational uses; (ii) removing any obstructions including landscaping from such areas; and (iii) such other uses deemed appropriate for or necessary to integrate the Property into other real estate.
- (b) In, on and over all utility and drainage easements set forth on the Property for the installation and maintenance of utility and drainage systems.
- (c) Nothing contained in this Section shall be deemed or construed to give the Association any right to unreasonably interfere with the public use, enjoyment or maintenance of such publicly dedicated rights-of-way.

Section 10. Right of Association to Remove or Correct Violations of this Declaration. The Association may, in the interest or the general welfare of all of the Owners, enter upon any Lot or the exterior of any dwelling at reasonable hours on any day for the purpose of removing any roadway obstructions, including, without limitation, landscaping, or correcting any violation or breach of, or any attempted violation of, any of the covenants and restrictions contained in this Declaration, or for the purpose of abating anything herein defined as a prohibited use or nuisance; provided however, that no such action shall be taken without a resolution of the Board

of Directors of the Association authorizing access to such Lot or property covered under this Declaration and any charges incurred by the Association in correcting the violation hereunder, (including court costs and reasonable attorney's fees) shall constitute a charge against the Lot and a personal obligation of the Owner thereof, and the Association shall have a lien upon the Lot for such expenses, and including costs of collection of said lien amount, which lien shall be subordinate to first mortgages as provided in this Declaration.

Section 11. Declarant's Reservation of Entry Rights. The Declarant for itself and any Builder reserves the right during the Development Period to enter upon any Lot for purposes of correcting grade and drainage patterns for the benefit of the entire Properties, provided that the Lot shall be restored with any pavement, grass or sod, or landscaping which shall have been removed.

Section 12. Declarant's and Association's Right to Grant Easements. Notwithstanding any other provisions herein, as long as there exists Class B membership, the Declarant, and thereafter the Association is authorized without consent of the Members to grant across, through or under any Lot, Common Area or any utility easement, including a television cable easement, deemed by the granting party to be necessary or convenient in the development or enjoyment of the Properties, provided no easement shall be granted across, through or under any Lot which restricts ingress or egress to any Detached Dwelling or Townhome.

Article V Insurance and Casualty Losses

Section 1. Insurance. The Association's Board or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum, an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the General Assessments, as defined in Article I, Section 10, and as more particularly described in Article IX, Section 1. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

The Association shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. If reasonably available, the public liability policy shall have at least One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million (\$1,000,000.00) Dollar limit per occurrence, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

All insurance coverage obtained by the Association shall be written in the name of the Association. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Tennessee which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) Exclusive authority to adjust losses under policies in force on the Common Area obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees.

(d) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one (1) or more qualified Persons, at least one (1) of whom must be in the real estate industry and familiar with construction in the Sumner County, Tennessee area.

(e) The Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

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

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

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

(vi) that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent necessary, directors' and officers' liability coverage, and, if reasonably available, a fidelity bond or bonds on directors, officers, employees and other Persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Lot or Townhome subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry all-risk casualty insurance on such Owner's Lot or Townhome and structures constructed thereon meeting the same requirements as set forth for insurance in Section 1 of Article V. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising such Owner's Lot or Townhome, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article X of this Declaration, and the Owner shall pay any costs of any repair or reconstruction that are not covered by insurance proceeds, including, without limitation, all deductibles related to such insurance, and such repairs or reconstruction to be completed within one hundred eighty (180) days of the date of the occurrence of the damage or destruction.

Section 3. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

Section 4. Damage and Destruction. Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Area covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Area. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Area to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in the applicable building code.

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

In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Area shall be restored to its natural state and maintained by the Association in a neat and attractive condition, consistent with the Community-Wide Standard.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for General Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

In the event the damage or destruction is to the Common Area and one (1) or more of the Townhomes or Lots, then the applicable deductibles shall be paid by the party who would be responsible for the repair in the absence of insurance. In the event the damage or destruction effects multiple parties, each party shall pay the deductible applicable to such party's insurable loss.

Article VI No Partition

Except as is permitted in this Declaration or amendments hereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition thereof unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Association from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Association acting on the written direction of Members representing at least two-thirds (2/3) of the total Association vote, and Declarant, as long as Declarant owns any of the Properties) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant, so long as Declarant owns any of the Properties, and Members representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, if there is a decision made not to repair or restore, or if there are not funds remaining after any such restoration or replacement is completed, then such award or net funds shall be used for such purposes as the Board shall determine.

Article VIII Rights and Obligations of the Association

Section 1. Common Area and Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and

control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive and sanitary condition, order and repair in accordance with the provisions of this Declaration. Furthermore, the Association shall be responsible for maintaining, repairing and replacing the Common Area in accordance with the provisions of this Declaration.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within or about the Properties conveyed to it by Declarant.

Section 3. Rules and Regulations. The Association, through its Board, may make and enforce reasonable rules and regulations governing the use of the Properties and/or the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Article IX Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Common Expenses as may from time to time specifically be authorized by the Board to be commenced at the time and in the manner set forth in Section 6 of this Article. There shall be two (2) types of assessments: (1) General Assessments to fund expenses for the benefit of all Members of the Association; and (2) Special Assessments as described in Section 3 below.

General Assessments shall be levied on all Lots. As determined by the Board, the amount of General Assessments may differ between Lots improved with Detached Dwellings and those improved with Townhomes; but otherwise, General Assessments shall be uniform among all Lots within each of the two (2) categories. Special Assessments shall be levied as provided in Section 3 below. Each Owner, by acceptance of such Owner's deed or recorded contract of sale, is deemed to covenant and agree to pay all assessments.

All assessments, together with interest at a rate not to exceed the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time and from time to time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer, director, or other authorized designee of the Association, including, without limitation, the Association's managing agent, if any, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may charge a reasonable processing fee for the preparation and delivery of such certificate, and require the advance payment of same, and the amount of such fee shall be set by the Board from time to time, and at any time.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board, which may include, without limitation, acceleration of the annual General Assessment for delinquents. Unless the Board otherwise provides, the General Assessment shall be paid in monthly installments.

No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by abandonment of the Lot. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or the Board to take some action or perform some function required to be taken or performed by the Association or the Board under this Declaration or by the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law or ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

Unless assessments have commenced, pursuant to Section 6 below, on all Lots subject to this Declaration as of the first day of any fiscal year, Declarant shall be obligated for the difference between the amount of assessments levied on all Lots subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Declarant shall not be required to pay any assessments, whether general or special, at any time.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses. All "in kind" contributions of services or materials shall be valued at the reasonable market value of such services or materials.

Section 2. Computation of Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Members, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The General Assessment to be levied for the coming year against each Lot subjected to assessment under Section 6 below shall be computed by dividing the total operating budget by the total number of Lots subject to this Declaration as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the budget and the amount of the General Assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the meeting by a vote of Members or their alternates representing

at least a majority of the total Class "A" vote in the Association, and the Class "B" member, so long as the Class "B" membership exists.

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

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments in any year applicable to that year; provided, such assessment shall have the affirmative vote or written consent of the members of the Association's Board of Directors representing sixty percent (60.0%) of the Directors entitled to vote, and the approval of the Class "B" Member, so long as the Class "B" membership exists.

The Association may levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his or her Lot into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the Bylaws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing before the Board.

No Special Assessment shall be levied against any Townhome or Lot owned by the Declarant.

Section 4. Lien for Assessments. A lien for unpaid assessments and other charges provided for herein shall exist and shall be perfected, without any further action on the Association's part, on all Lots on the due date of any such assessment or charge. The Association may, but shall not be required to, record a notice of lien on any Lot to evidence its lien on such Lot. The lien shall be prior and superior to all other liens, except (i) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (ii) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. After notice and an opportunity for a hearing, the Board may temporarily suspend the voting rights of a Member who is in default in payment of any assessment.

In the event any Owner shall be delinquent in payment of any amount due to be paid to the Association for a period in excess of ninety (90) days, the Association shall pursue collection of such delinquent amounts and shall, for the purposes thereof, be entitled to engage the services of an attorney or reputable collection agency to pursue recovery of such delinquent amounts, and

all fees, costs and expenses which are in any way related thereto, including but not limited to attorney's fees and other costs of collection, shall be paid by such Owner.

Section 5. Capital Budget and Contribution. The Board shall annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Assessments. The assessments provided for herein shall commence as to each Lot on the first day of the first month following the closing of the purchase of the Lot from Declarant; however, transfers of an unimproved Lot from one Declarant to the other shall be exempted from this provision. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Lot.

Section 7. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Tennessee law), and the costs (including attorneys' fees) provided for herein, shall be subordinate to the lien of any first priority Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first priority Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first priority Mortgage of record or other purchaser of a Lot obtains title thereto, its successors and assigns shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Lots, including such acquirer, its successors and assigns.

Section 8. Capitalization of Association. Upon acquisition of record title to a Lot by the first purchaser thereof other than Declarant or an Owner who purchases solely for the purposes of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the amount of the annual General Assessment per Lot for that year as determined by the Board. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in meeting unforeseen expenditures, purchasing equipment deemed necessary or desirable, or otherwise covering operating expenses properly incurred by the Association. Such contributions shall not be considered an advance payment of regular assessments. If approved by the Board, the Association may levy a reasonable administrative fee in connection with the transfer of an improved Lot by its Owner.

Section 9. Exempt Property. Notwithstanding anything to the contrary herein, the Common Area and all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets and public parks, shall be exempt from payment of General Assessments and Special Assessments.

Article X
Architectural Standards

The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committee established in Section 1 of this Article X. This Article may not be amended without Declarant's written consent so long as Declarant owns any property subject to this Declaration.

No construction, which term shall also include within its definition staking, clearing, excavation, grading and other site work, the erection, building, or installation of any improvement, and the renovation, alteration or modification of any improvement, including but not limited to painting, and no planting or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until all requirements thereof have been fully met, and until the approval of the appropriate committee has been obtained. "Improvement" shall include, but shall not be limited to, fences, decks, porches, pools, structures of any kind or nature, landscaping, driveways, and sidewalks, it being the intent that the Architectural Review Committee or other committee, as the case may be, have complete control over the appearance of the Lots and Townhomes.

Section 1. Architectural Review Committee. The Architectural Review Committee (the "ARC") shall have exclusive jurisdiction over all original construction, modifications, additions and alterations on any portion of the Properties. The ARC shall prepare and, on behalf of the Board, shall promulgate design and construction guidelines and application and review procedures, which design and construction guidelines and application and review procedures shall be incorporated herein by reference as if copied verbatim herein, and shall be deemed to be covenants and restrictions herein subject to the enforcement provisions for covenants and restrictions contained herein. Such design and construction guidelines and application and review procedures may set forth various items, including by way of illustration and not by way of limitation, minimum square footage requirements for Lots constructed in Ray Estates. Copies of the guidelines and procedures shall be available from the ARC for review. The guidelines and procedures shall be those of the Association, and the ARC shall have sole and full authority to prepare and to amend the guidelines and procedures. The ARC shall have no obligation to record any amendments or revisions to the guidelines and procedures. The ARC shall make the guidelines and procedures available to Owners, builders and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall be required to conduct their operations strictly in accordance with the guidelines and procedures as latest revised and amended. Until one hundred (100%) percent of the Properties, computed on an area basis, have been developed and conveyed to purchasers in the normal course of development and sale, Declarant retains the right to appoint all members of the ARC, which shall consist of at least three (3), but no more than five (5), persons. There shall be no surrender of this right prior to that time, except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall appoint the members of the ARC.

Section 2. No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatsoever subsequently or additionally submitted for approval or consent.

Section 3. Variance. The ARC may authorize variances from compliance with any of the provisions of this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate, and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.

Article XI Use Restrictions

The Properties shall be used only for residential, recreational and related purposes as may more particularly be set forth in this Declaration, amendments hereto or subsequently recorded declarations creating associations subject to this Declaration. The declaration or other creating document for any other association may impose stricter standards than those contained in this Article. The Association, acting through the Board, shall have standing and the power to enforce such standards. The foregoing notwithstanding, a new home constructed on a Lot may be used as a model home by the Person who built such home and as an office for such Person and/or such Person's sales agents so long as such use terminates within two (2) years from the date of completion of such home. Furthermore, Declarant shall be and hereby is permitted to place construction trailers, other temporary facilities or structures and construction supplies, materials and equipment on or about the Properties during the development of the Properties.

The Association, acting through the Board, shall have authority to make, to modify and to enforce standards and restrictions governing the use of Lots and the Common Area in addition to those herein contained. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association by Members representing a majority of the total Class "A" Members' votes in the Association and by the vote of the Class "B" Member(s), so long as such membership shall exist.

Section 1. Signs. The Board and Declarant shall have the right to erect signs on or about the Properties as they, in their discretion, deem appropriate. Without limiting the foregoing, Declarant shall have the right (i) to erect signs on or about the Properties and/or the Common Area advertising Ray Estates and/or the Lots and (ii) to erect signs on the Lots indicating the lot numbers for such Lots. Persons conducting construction activities on the Lots shall be permitted to erect signs indicating the lot numbers for such Lots and signs identifying the Persons conducting such construction activities, provided such signs are in compliance with all applicable laws, rules, regulations and ordinances. Signs advertising the Lots for sale shall be and hereby are permitted to be placed on the respective Lots, provided such signs are in compliance with all applicable laws, rules, regulations and ordinances, and signs indicating the street address of the Lots and/or the names of the Owners of such Lots shall be and hereby are permitted to be placed on the respective Lots, provided such signs are in compliance with all applicable laws, rules, regulations and ordinances. Otherwise, no sign of any kind, including, without limitation, "for lease" or "for rent" signs, shall be erected within the Properties without the written consent of the Board unless such sign is in strict compliance with regulations adopted by the Board.

Section 2. Parking and Garages. Vehicles shall be parked only in the garages or in the driveways serving the Lots or appropriate spaces or designated areas in which parking may or

may not be assigned and then subject to such reasonable rules and regulations as the Board may adopt. On street parking is prohibited except on a temporary, short term, basis during social functions, and by construction vehicles during periods of construction. All commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers must be parked entirely within a garage or within the side yard or back yard of a Lot totally screened from view unless otherwise permitted by the Board. No "heavy equipment" may be parked or stored on a Lot except during the period of construction activities on that Lot. No garage may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have reasonably been parked in the garage as originally constructed unless an additional garage is constructed in connection with such alteration that is large enough, when combined with the remaining portion, if any, of the original garage, to accommodate the same number of automobiles that could have reasonably been parked in the original garage. Twenty Six (26) parking spaces will be designated for guest use only and subject to rules of the Association. No vehicle of any type or kind shall be permitted to remain in guest use parking spaces for more than forty-eight (48) hours during any one calendar week.

Section 3. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, kept or permitted on any Lot, except that dogs, cats or other usual and common household pets not to exceed a total of three (3) may be permitted on a Lot. Pets shall not be permitted to roam free, and if they do, or, in the sole discretion of the Association if they endanger the health of Owners and/or their families or guests, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots or the owner of any property located adjacent to the Properties, any animal shall be removed upon request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Lot be confined on a leash held by a responsible Person.

Section 4. Nuisance and Hazardous Substances. No Lot shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any Hazardous Substance (as herein defined), substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants or surrounding property. No Hazardous Substance shall be incorporated in the construction of any improvement on any Lot. Hazardous Substances shall mean: Any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic substance, or other similar term, by any federal, state, or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations, and ordinances may be amended from time to time, including, without limitation, asbestos in friable form and petroleum products. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause undue embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Lot. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Properties.

Section 5. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on

such Owner's Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 6. Antennas. No exterior antennas, aerials, satellite dishes or other apparatus for the transmission or reception of television, radio or other signals of any kind shall be placed, allowed or maintained upon any portion of the Properties, including any Lot, without the prior written consent of the Board or its designee; provided, however, that satellite dishes measuring two (2) feet or less in diameter shall be and hereby are permitted to be placed on the Lots if the same are screened from the view of neighboring Lots.

Notwithstanding the foregoing, no satellite dish or other apparatus for the transmission or reception of television, radio, or other signal of any kind shall be affixed to the roof or sides of any Townhome. In the event any Owner shall violate this prohibition, such Owner shall be liable for any and all damage to the Townhome resulting from such affixation.

Section 7. Clotheslines, Garbage Cans, Tanks, Etc. All garbage cans, above-ground tanks, and other similar items shall be located or screened so as to be concealed from view of neighboring Lots, streets and property located adjacent to the Lot. All rubbish, trash and garbage shall be regularly removed from Lot and shall not be allowed to accumulate thereon. No refuse may be deposited on streets, front yards, Common Areas, or parking areas. No clotheslines shall be permitted on any Lot.

Section 8. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Board. Declarant, however, hereby expressly reserves the right to re-plat any Lot or Lots that it owns prior to conveyance by Declarant. Any such division, boundary line, change or re-platting shall not be in violation of the applicable subdivision and zoning regulations.

Section 9. Guns. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 10. Pools. No above-ground pools shall be erected, constructed or installed on any Lot. No in-ground pools shall be erected, constructed or installed upon any Lot without the prior, written approval of the Architectural Review Committee in accordance with Article X of this Declaration.

Section 11. Irrigation. No sprinkler or irrigation systems of any type that draw upon water from creeks, streams, rivers, lakes, ponds, canals or other waterways within the Properties shall be installed, constructed or operated within the Properties unless prior written approval has been received from the ARC. All sprinkler and irrigation systems shall be subject to approval in accordance with Article X of this Declaration and shall draw water only from city or county water supplies or wells, unless otherwise approved.

Section 12. Trailers and Temporary Structures. Except as provided above in this Article, or as may be permitted by the ARC during construction on a Lot, no utility shed, shack, trailer, tent, portable or prefabricated buildings, or other structure of a temporary nature shall be placed upon a Lot or any part of the Properties.

No recreational vehicle, mobile home, boat or travel trailer shall be parked or stored on any Lot for a period in excess of forty-eight (48) hours during any calendar month, unless the

same is in the garage or the back yard of the Lot and completely out of view. Commercial vehicles and trucks exceeding a three-quarter (3/4) ton rating are prohibited, unless such commercial vehicles or trucks are kept in the garage and completely out of view.

No vehicle in inoperable condition or unlicensed condition shall be stored on any Lot for a period in excess of five (5) days unless the same is in the garage and completely out of view.

This Section shall not apply to any Lots owned by a Declarant or a Builder and held for sale.

Section 13. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow.

Section 14. Minimum Square Footage and Siding. All residences constructed on any of the Lots shall contain a minimum of 1,200 square feet of heated and cooled living space prior to occupancy, exclusive of basements, whether finished or not, garages, porches, decks and patios. All residences constructed on the Lots shall be of brick, brick veneer, stone, stone veneer, or a combination of the foregoing, finished to the finished yard grade, with wood or synthetic siding only in the gables. Recognizing that other or new and innovative exterior building materials may be attractive and consistent with the Community-Wide Standard, other exterior building materials may be used if approved by the ARC.

Section 15. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 16. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted on the Lots except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes. Telephone, cable television, and electrical service may be supplied to portions of the Properties by overhead lines maintained by the providers of those services; however, utility services shall be provided to buildings on any Lot by means of underground lines.

Section 17. Air Conditioning Units. Except as may be permitted by the ARC, no window air conditioning units may be installed on any Lot.

Section 18. Lighting. Except for seasonal Christmas decorative lights, which may be used between December 1 and January 10 only, all exterior lights must be approved in accordance with Article X of this Declaration.

Section 19. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculptures, fountains, flags and similar items must be approved in accordance with Article X of this Declaration.

Section 20. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC pursuant to Article X hereof.

Section 21. Mail boxes. All mailboxes shall satisfy applicable postal regulations and shall conform to specifications established by the ARC.

Section 22. Leases. Leasing of Lots shall be subject to reasonable rules promulgated by the Board and the following restrictions. All leases shall be in writing and a copy of the same shall be filed with the Board. There shall be no subleasing or assignment of leases except with the prior written approval of the Board. No transient tenants shall be accommodated on any Lot. No Lot shall be leased except in its entirety.

Section 23. Fences.

(a) *Fences in General.* All fences and non-retaining type walls shall be located no closer than fifteen feet (15') behind the front corner of the house. Privacy and pool fencing shall be located inside the setback lines and shall not exceed six feet (6') in height. Perimeter fencing shall not exceed four feet (4') in height. However, on a corner lot, privacy or perimeter fencing may project to the secondary front yard setback provided that the fence does not extend beyond a line which is fifteen feet (15') behind the front corner of the house. No fence or wall shall be constructed in the front yard of any Lot. Chain link and other metal fences are expressly prohibited. Perimeter fences and privacy fences around patios, decks, and pools may not exceed six feet (6') in height. Privacy fences, picket fences, and invisible fences that conform to the standards approved by the appropriate committee of the Association, which standards are incorporated herein by this reference, may be used. The foregoing shall not apply to fences erected in conjunction with model homes, sales offices, or construction trailers.

(b) *Pool Fences.* Any pool constructed within the Property shall be surrounded by a non-climbable perimeter fence no less than five feet (5') high, which otherwise conforms with the requirements set forth in subparagraph (a) of this Section 23, and which is equipped with a self-closing mechanism on all gates. All pools must be submitted to the appropriate committee of the Association for approval prior to the commencement of any construction, and the plans submitted for such approval must contain, among other things the said committee may request, a site plan showing the location and dimensions of the pool (including, without limitation, its depth), the size and location of concrete aprons, decks, patios, filtering equipment and pumps, and all other items appurtenant to the pool, and the location, dimensions, and materials of the fence surrounding the pool. The restrictions and requirements set forth in this subparagraph relating to pool fences are minimum requirements only and shall not be deemed or construed to in any way supersede, abrogate, limit or otherwise affect any law, statute, ordinance, rule or regulation of any governing authority having jurisdiction related to the construction and operation of pools or pool fences.

(c) Notwithstanding the foregoing restrictions related to fences, no fence of any kind shall be permitted on any Lot except as approved in accordance with Article X and other applicable Articles of this Declaration. Notwithstanding the foregoing restrictions related to fences, any and all fences constructed, erected or installed for any project or subdivision entry monument, screening wall, retaining wall or other purpose, and which are constructed, erected or installed by the Declarant, and fences installed at or enclosing any public utility are hereby expressly excluded from the fence restrictions contained herein.

Section 24. Business Use. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve Persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which includes the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Lot in accordance with Section 22 of this Article shall not be considered a trade or business within the meaning of this Section.

Article XII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change the Term of said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Occupants Bound. All provisions of this Declaration, the Bylaws, and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot and such Owners or occupants licensees, invitees, and guests.

Section 3. Handicap Accessibility. Notwithstanding any other provisions herein, an Owner of any Lot may, at his expense, have such reasonable modifications made to the interior and exterior of his Living Unit and Lot and the Common Areas as may be necessary to afford physically handicapped persons full enjoyment of his premises. Any modifications to be undertaken to the exterior of a Living Unit and Lot or the Common Areas shall comply with the laws, statutes, ordinances, and regulations of all federal, state, and local authorities having jurisdiction which are related to buildings and facilities providing accessibility and usability for physically handicapped people; and shall be undertaken pursuant to a contract, the terms,

conditions and specifications of which, shall be approved by the Board. The approved contractor shall provide an adequate performance bond for the benefit of the Association.

Notwithstanding the other provisions herein, including those requiring approval of the Members of the Association, the Board is authorized to make reasonable accommodations to any rules, policies, practices or services as may be necessary to afford a handicapped person equal opportunity to use and enjoy his or her Detached Dwelling or Townhome and Lot, and the Common Areas.

Section 4. Amendment. Prior to the conveyance of the first Lot to a party other than a Declarant, Declarant may unilaterally amend this Declaration. After such conveyance, Declarant may amend this Declaration so long as it still owns property described in Exhibit "A" for development as part of the Properties, and so long as the amendment has no material adverse effect upon any right of any Owner; thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five (75%) percent of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under the clause. Any amendment must be recorded in the Register's Office for Sumner County, Tennessee for it to be effective.

If an Owner consents to any amendment to this Declaration or by Bylaws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Notwithstanding the foregoing, nothing contained in this Section shall limit the rights of Declarant contained in Article II, above.

Section 5. Indemnification. The Association shall indemnify every officer, director and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officers, director or committee member may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 6. Non-Liability of Declarant. Neither Declarant nor its representatives, successors or assigns shall be liable for any claim whatsoever arising out of or by reason of any

actions performed pursuant to any authorities granted or delegated to them by or pursuant to this Declaration or the By-Laws, whether or not such claims shall be asserted by an Owner, occupant, the Association, or by any person or entity claiming through any of them; or shall be on account of injury to person or damage to or loss of property wherever located and however caused. Without limiting the generality of the foregoing, the foregoing enumeration includes all claims for, or arising by reason of, the Properties or any part thereof becoming out of repair or by reason of any act or neglect of any Owner, occupant, the Association and their representative agents, employees, guests and invites or by reason of any neighboring property or personal property located on or about the Properties, or by reason of the failure to furnish or disrepair of any utility services (heat, air conditioning, electricity, gas, water, sewage, cable television, etc.), except as provided by any written warranty provided by the Declarant to an Owner or the Association. Except as set forth in this Declaration, the Declarant and the Builders shall have no financial obligation to the Association.

Section 7. Professional Management Contracts and Other Contracts. The Declarant or the Association may delegate all or any portion of its authority to discharge its responsibilities hereunder to a manager or managing agent.

Section 8. Severability. The terms and provisions of this Declaration are severable. Should any term or provision be properly determined to be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of the remaining terms and provisions, all of which shall remain valid, legal and enforceable.

Section 9. Captions. The captions or section headings used in this Agreement are for convenience only and shall not be construed to expand, limit or otherwise define the terms of this Agreement.

Section 10. Gender. The use of the masculine in this Declaration shall be deemed to include the feminine and the neutral, and vice-versa, and the use of the singular shall be deemed to include the plural, as the context may require.

Section 11. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In the event the Declarant or the Association shall find it necessary or desirable to seek to enforce any or all of the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration against any Owner, all fees, costs, and expenses, including, without limitation, attorney fees, incurred in such enforcement shall be borne by such Owner.

Section 12. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Board. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Charter or Bylaws of the Association to the contrary, a Board member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-

five (75%) percent of all Members. Any meeting called for such purpose shall be subject to the same notice and quorum requirements and other procedures as provided in the Bylaws for meetings of the membership. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article IX hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 13. Use of the Words "Ray Estates". No Person other than Declarant shall use the words "Ray Estates" or any derivative thereof in any printed or promotional material without the prior written consent of Declarant. However, Owners may use the term "Ray Estates" in printed or promotional materials where such term is used solely to specify that particular property is located within Ray Estates.

Section 14. Security. DECLARANT AND/OR THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, UNDERTAKE CERTAIN MEASURES DESIGNED TO INCREASE SAFETY OR SECURITY IN THE PROPERTIES. IN SUCH EVENT, NEITHER THE ASSOCIATION NOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, AND NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OF DAMAGES BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION AND ITS BOARD, AND THE ARCHITECTURAL REVIEW COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ARCHITECTURAL REVIEW COMMITTEE MAY NOT BE COMPRISED OR CIRCUMVENTED, THAT FIRE PROTECTION AND BURGLAR ALARM SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION AND BURGLARY ALARM SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, TENANT, GUEST, OR INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT DECLARANT, THE ASSOCIATION, THE BOARD AND THE ARCHITECTURAL REVIEW COMMITTEE ARE NOT INSURERS AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION, THE BOARD AND THE ARCHITECTURAL REVIEW COMMITTEE HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES UNDERTAKEN.

Section 15. Owners Addresses. It shall be the obligation of each Owner to provide the Association with complete and accurate contact information for such Owner including such Owner's name, address, phone number, email address, and the names of all persons residing in the Detached Dwelling or Townhome. In the event any such information may change at any time, such Owner shall, within thirty (30) days after the date of such change, provide the

Association with corrected and updated contact information. In the event any Owner shall not reside on it Lot or Townhome on a full-time basis, such Owner shall also provide the Association with additional information of the same type where such Owner may be contacted when he or she is not residing in the subdivision.

Article XIII
Mortgage Provisions

The following provisions are for the benefit of holders of first Mortgages on Lots in Ray Estates. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first priority Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss of any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first priority Mortgage held, insured or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first priority Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least two-thirds (2/3) of the first priority Mortgagees or Members representing at least two-thirds (2/3) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Lot;

(c) by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver or abandonment within the meaning of this provision);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such property.

First priority Mortgagees may, jointly and singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first priority Mortgagees making such payment shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first priority Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 4. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 6. Applicability of Article XII. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws or Tennessee law for any of the acts set out in this Article.

Section 7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within sixty (60) days of the date of the Association's request.


Article XIV Declarant's Rights

Any or all of the special rights and obligations of Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Register's Office for Sumner County, Tennessee.

IN WITNESS WHEREOF, Declarant has executed this Declaration on this the _____ day of March, 2015.

DECLARANT:

CMB INVESTMENTS, LLC,
a Tennessee limited liability company

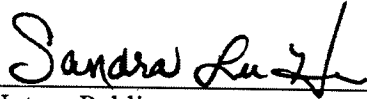


By: Christian M. Blackman
Its: President

**STATE OF TENNESSEE
COUNTY OF SUMNER**

Before me, the undersigned, a Notary Public in and for this county and state, personally appeared Christian M. Blackman, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the President of CMB Investments, LLC, the within named bargainor, a limited liability company, and that he, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as President.

Witness my hand, at GALLATIN, Tennessee, this 3RD day of March, 2015.



Notary Public
My Commission Expires: 3-20-18

EXHIBIT A

Legal Description

Land situated in Sumner County, Tennessee, within the corporate limits of the City of Gallatin, and being all of the property shown on the Final Plat of Ray Estates, Section II, of record in Plat Book 28, page 168, Register's Office for Sumner County, Tennessee, to which Plat reference is hereby made for a more complete and accurate description thereof.

Being the same property conveyed to CMB Investments, LLC by Quitclaim Deed from Cristan K. Blackman of record in Record Book 3898, page 18, Register's Office for Sumner County, Tennessee. And being the same property conveyed to Cristan K. Blackman by Warranty Deed from Randall R. Jones and Barbara C. Jones, husband and wife, of record in Record Book 3860, page 626, Register's Office for Sumner County, Tennessee.

EXHIBIT B

By-Laws

**Bylaws of
Ray Estates Homeowners Association, Inc.**

ARTICLE 1: DEFINITIONS

The words defined in the Declaration of Covenants, Conditions and Restrictions and for Ray Estates recorded in the Register's Office for Sumner, County, Tennessee (hereinafter referred to as the "Declaration"), shall have the same meaning in these Corporate Bylaws.

ARTICLE 2: OFFICES

2.01. Registered Office. The registered office of the corporation shall be at 100 Bluegrass Commons Boulevard, Suite 310, Hendersonville, Tennessee 37075 and the name of the registered agent of the corporation is Christian M. Blackman. The Directors shall have the authority and power to change the Registered Agent and the Registered Office of the corporation from time to time and at any time.

2.02 Principal Office. The principal office of the corporation shall be at 100 Bluegrass Commons Boulevard, Suite 310, Hendersonville, Tennessee 37075, or at such other place as the Directors may, from time to time, and at any time, decide.

2.02. Other Offices. The corporation may also have offices at such other places both within and without the State of Tennessee as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 3: MEMBERS AND MEMBERSHIP PRIVILEGES

3.01. Membership. Each Owner shall be a Member of the corporation and no other person or entity shall automatically be entitled to membership. The Declarant reserves the right to afford membership privileges in the form of access to the Common Areas and amenities to owners of other developments of Declarant in the vicinity of Ray Estates in consideration of the payment of fees equal to the Assessments payable by an Owner. No person entitled to membership privileges shall be entitled to vote in the Association and shall not be considered a Member for any other purpose. No Member shall be required to pay any consideration whatsoever solely for his membership in the corporation.

ARTICLE 4: MEETINGS OF MEMBERS

4.01. Place of Meetings. Meetings of the Members of the corporation may be held at a place to be determined by the Board of Directors within Sumner County, Tennessee.

4.02. Annual Meeting. Unless otherwise specified in a written notice from the Board of Directors, an annual meeting of the Members of the corporation shall be held each year on the second Tuesday of the third month following the close of the fiscal year if not a legal holiday, and if a legal holiday, then on the next secular day following, at 7:00 p.m. at which time the Members shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting. Provided, however, the annual meeting must be held no later than forty-five (45) days from the originally scheduled date. The first regular annual meeting of the Members may be held, subject of the terms hereof, on any date, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four months after all of the Lots have been sold by the Declarant; or (b) three years following conveyance of the first Lot by the Declarant.

4.03. Special Meeting. Special meetings of the Members, for any purpose or purposes, may be called by the president, the Board of Directors, or by Members having not less than five (5%) percent of the total percentage values of those votes entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of such meeting.

4.04. Notice. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than fifteen (15) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each Member of the corporation entitled to vote at such meeting.

4.05. Quorum. The presence in person or by proxy of more than ten (10%) percent of the Members entitled to cast a vote at a meeting of the Members and at least ten percent (10%) of the Members of each class of Membership shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, the Members entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted at which might have been transacted at the meeting as originally notified.

4.06. Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of the holders of more than fifty percent (50%) of the percentage values of those present in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Declaration, the Charter of the corporation or these Bylaws, a different vote is required, in which case such express provision

different vote is required, in which case such express provision shall govern and control the decision of such question. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.07. Method of Voting; Proxies. Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Member. Each Class B Member shall be entitled to three (3) votes for each Lot owned by such Member. No Member, other than the Declarant, shall be entitled to vote at any meeting of the corporation until such Member has presented evidence of ownership of a Lot in Ray Estates to the Board of Directors. The vote of each Member may only be cast by such Member or by a proxy given by such Member to his duly authorized representative bearing a date not more than eleven months prior to such meeting. Such proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting. If title to a Lot shall be in the name of two or more persons as Co-owners, all of such persons shall be Members of the corporation and are referred to herein as "Joint Co-owners," but such Joint Co-owners shall only be entitled to cast the one (1) vote for each Lot owned by such Joint Co-owners. Any one of such Joint Co-owners may vote at any meeting of the Members of the corporation and such vote shall be binding upon such other Joint Co-owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint Co-owners (in person or by proxy) shall be required to cast their vote as Members. If two or more of such Joint Co-owners are present at any meeting, their unanimous action shall also be required to cast their vote as Members of the corporation.

4.08. Cumulative Voting Denied. Cumulative voting for Directors shall not be permitted.

ARTICLE 5: DIRECTORS

5.01. Management. The business and affairs of the corporation shall be managed by its Board of Directors who may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Declaration, the Charter, or these Bylaws, directed or required to be exercised or done by the Members.

5.02. Number; Qualifications; Election; Term. The Board of Directors shall consist of not less than three (3), nor more than five (5), Directors, each of whom shall be a Member in good standing of the Association, or an officer, director, partner or employee of the Declarant, or any of its subsidiaries or affiliates. The Members of the initial Board of Directors shall serve terms of two (2) years until the annual meeting of Members following such election in the designated term of office of such Directors. Each Director elected to replace an original Director upon the expiration of his term of office shall serve for a term of office ending with the third annual meeting of Members following his election or until his successor shall be elected and shall qualify. The Directors shall be appointed by the Declarant until the expiration of the Class

B Control Period, as such is defined in the Declaration. Directors shall serve without compensation.

For purposes of this section, "a Member in good standing" shall be defined as being no more than thirty (30) days delinquent on the payment of any sum of money due to be paid to the Association by such Member. In the event any Director, excluding a Director who is an officer, director, partner or employee of the Declarant, or any of its subsidiaries or affiliates, shall at any time not be in good standing with the Association, such Director shall be removed as a Director and his or her successor elected in accordance with the provisions of these By-laws.

5.03. Removal; Change in Number; Vacancies. After the expiration of the Class B Control Period, any Director may be removed either for or without cause, at any special meeting of the Members of the corporation by the affirmative vote of a majority of the Members present in person or by proxy at such meeting and entitled to vote, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If any vacancy occurs in the Board of Directors, caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, a successor or successors may be chosen at a special meeting of Members called for that purpose, and each successor Director so chosen shall be elected for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

5.04. Place of Meetings. The Directors of the corporation shall hold their meetings, both regular and special, within Sumner County, Tennessee.

5.05. Annual Meetings. The annual meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Members of the corporation, and at the same place, unless by unanimous consent of the Directors then elected and serving such time or place shall be changed.

5.06. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

5.07. Special Meetings. Special meetings of the Board of Directors may be called by the president on three (3) days' notice to each Director, either personally or by mail, email or facsimile. Special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two (2) Directors. Except as may be otherwise expressly provided by statute, the Charter or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

5.08. Quorum. At all meetings of the Board of Directors the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors then present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any

meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

5.09. Committees Having Board Authority. The Board of Directors may, by resolution approved by vote or written consent by a majority of the whole Board, designate an Architectural Review Committee, a Nominating Committee for members of the Board of Directors, and such other committees as deemed necessary or desirable to consist of two (2) or more of the Directors of the corporation. Any such committee, to the extent provided in said resolution, shall and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of the full Board of Directors is required by statute or the Charter.

5.10. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the president thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors or Members of the corporation.

5.11. Procedure. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when required.

5.12. Managing Agents. The Board of Directors may employ for the corporation a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to Ray Estates subdivision as the Board of Directors shall authorize, and the Board of Directors may delegate to such management agent such duties with respect to management, repair and maintenance of Ray Estates subdivision which are not by statute, the Declaration, the Charter or these Bylaws, required to be performed by or have the approval of the Board of Directors or the Members of the corporation.

ARTICLE 6: NOTICES

6.01. Method. Whenever notice is required to be given to any Director or Member, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such Director or Member at such address as appears on the records of the corporation, by email, or by facsimile. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mail as aforesaid.

6.02. Waiver. Whenever any notice is required to be given to any Member or Director of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE 7: OFFICERS

7.01. Number; Titles. The officers of the corporation shall be elected by the Directors from among the members of the Board of Directors and shall be a president, a secretary and a treasurer. Any two (2) or more offices may be held by the same person except the offices of president and secretary shall not be held by the same person. In the event an individual who is an Officer and who is also a Director shall cease being a Director due to death, resignation, retirement, disqualification or removal from office, such individual shall also be removed as an Officer.

7.02. Election. The Board of Directors at its first meeting after each annual meeting of Members shall choose a president, a secretary, and a treasurer, all of whom shall be members of the Board.

7.03. Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary or desirable, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. These Other Officers may be, but shall not be required to be, Directors or Members of the Association.

7.04. Salaries. The officers of the corporation shall serve without compensation.

7.05. Term of Office; Removal. Each officer of the corporation shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

7.06. President. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the Members and the Board of Directors, shall have general and active management of the affairs of the corporation, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

7.07. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the Members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be.

7.08. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE 8 : MISCELLANEOUS PROVISIONS

8.01. Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of Ray Estates or for such other purposes as the Directors shall think beneficial to the corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

8.02. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

8.03. Fiscal Year. The fiscal year of the corporation shall end on December 31 of each year.

8.04. Seal. There shall be no corporate seal.

8.05. Indemnification. The corporation shall indemnify any Director, officer, or employee, or former Director, officer, or employee of the corporation, against expenses actually and necessarily incurred by him, and any amount paid in satisfaction of judgments, in connection with any action, suit or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a Director, officer, or employee (whether or not a Director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty. The corporation may also reimburse to any Director, officer or employee the reasonable costs of settlement of any such action, suit or proceeding, if it shall be found by a majority of a committee of the Directors not involved in the matter of controversy, whether or not a quorum, that it was to the interests of the corporation that such settlement be made and that such Director,

officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled by law or under bylaw, agreement, vote of Members or otherwise.

8.06. Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration, then the Declaration shall control.

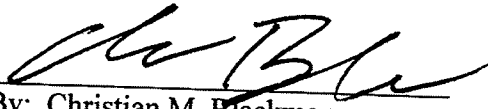
8.07. Amendment of Bylaws. These Bylaws may not be altered, amended or repealed except by the affirmative vote of more than fifty percent (50%) of the percentage values of those votes entitled to be cast by Members qualified to vote. Notwithstanding the foregoing, for so long as the Declarant maintains its weighted vote as described in paragraph 4.2 of the Declaration, any and all amendments to these Bylaws shall be subject to the veto of the Veterans Administration or the Federal Housing Administration.

8.08. Captions and Headings. The captions or section headings used in this Agreement are for convenience only and shall not be construed to expand, limit or otherwise define the terms of these Bylaws.

8.09 Severability. The terms and provisions of these Bylaws are severable. Should any term or provision be properly determined to be invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of the remaining terms and provisions, all of which shall remain valid, legal and enforceable.

IN WITNESS WHEREOF this Bylaws have been duly adopted by the undersigned, who constitutes all of the Members of the Association at the time of adoption, on the ____ day of February, 2015.

CMB Investments, LLC,
A Tennessee limited liability company


By: Christian M. Blackman
Its: President

STATE OF TENNESSEE
COUNTY OF SUMNER

Before me, the undersigned, a Notary Public in and for this county and state, personally appeared Christian M. Blackman, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the President of CMB Investments, LLC, the within named bargainer, a limited liability company, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as President.

Witness my hand, at GALLATIN, Tennessee, this 3RD day of February, 2015.



Sandra Lee Hesson
Notary Public
My Commission Expires: 3-20-18

This instrument prepared by:
Jackson M. Welch, Jr., Esq.
One Creekside Crossing
6 Cadillac Drive, Suite 290
Brentwood, Tennessee 37027