

12/23

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Pamela L. Whitaker, Register  
Sumner County Tennessee  
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**TERMINATION OF THE ESTABLISHMENT**

**OF**

**PLUMLEE TOWNHOMES  
(Condominiums)**

**and**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**OF**

**PLUMLEE TOWNHOMES  
(a Planned Unit Development Subdivision)**

THIS Termination of the Establishment of Plumlee Townhomes (Condominiums) and Declaration of Covenants, Conditions and Restrictions of Plumlee Townhomes (a Planned Unit Development Subdivision) is made and entered into by MOT Partners, a Tennessee General Partnership, hereinafter referred to as the "Declarant" and Chad B. Moss, unmarried, hereinafter referred to as, "Moss".

**WITNESSETH:**

THAT WHEREAS, the Declarant is the record owner and holder of the legal title of a tract or parcel of real property located in Sumner County, Tennessee, and more particularly described on the Final Plat of Plumlee Town Homes Phase Two as of record in Plat Book 27, Page 193, Register's Office for Sumner County, Tennessee (the "Plat"), except for that property described as Unit 7, on said Plat (the "MOT Property"); and,

WHEREAS, Moss is the record owner and holder of title Unit No. 7, of Plumlee Townhomes, the said Moss having acquired to said Unit 7 by Warranty deed from MOT Partners, a Tennessee Partnership, of record in record Book 3630, Page 43, Register's Office for Sumner County, Tennessee (the "Moss Property", the MOT Property and Moss Property, collectively hereinafter referred hereto as, the "Property"); and,

WHEREAS, the Declarant and Moss desire that the Property be eligible for a broad range of permanent financing; and,

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WHEREAS, in order to permit the Property to be eligible for a broad range of permanent financing, the said Declarant and Moss desire to terminate the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 596-636, as supplemented and amended by the Supplement and Amendment to the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 637-639, Register's Office for Sumner County, Tennessee; and,

WHEREAS, the Declarant and Moss further desire to establish for their own benefit and for the mutual benefit of all future owners and/or occupants of the Property or any part thereof, certain rights, easements, and privileges in, over and upon the said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW, THEREFORE, Declarant and Moss hereby declare that the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 596-636, as supplemented and amended by the Supplement and Amendment to the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 637-639, Register's Office for Sumner County, Tennessee, are hereby terminated and of no further force or effect and, from the date of execution of this instrument, hereby declare that the Property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions (the "Declaration"), which are established for the purpose of protecting the value and desirability of, and which shall run with the title to the Property and shall be binding on all parties having any right, title or interest in the described properties or any part therein, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof and further declares as follows:

## ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Plumlee Townhomes Owners' Association, Inc., a Tennessee not-for-profit corporation.

Section 2. "Buildings" mean the buildings located (or to be located) on the Property and containing the Units.

Section 3. "By-Laws" shall mean the By-Laws of the Plumlee Town Homes Owners' Association, Inc., a Tennessee not-for-profit corporation, attached hereto as Exhibit "B" and made a part hereof. All provisions contained in the body of this Declaration of Covenants, Conditions and Restrictions of Plumlee Townhomes, dealing with the administration and maintenance of the properties shall be deemed to be part of the By-Laws.

Section 4. "Common Elements" or Common Area" shall mean all real property (including the improvements and amenities thereto) owned and/or to be maintained by the Association for the common use and enjoyment of the owners. The common area to be owned and/or maintained by the Association shall include all areas shown and designated on the plan as "Common Open Access

Easement” and “Playground Area” and any and all other open spaces and improvements necessary for the overall integrity of the Property and shall include but not be limited to the following:

1. All foundations, party walls and columns, bearing walls, siding, and roofs of the Buildings;
3. All compartments or installations of services such as power, light, telephone, cable, gas, water, reservoirs, water tanks, and pumps, and the like and other improvements necessary for the overall integrity of the Property (except pipes, wires, conduits, ducts and related items situated entirely within a Lot or Unit and serving only such Lot or Unit);
3. All garbage dumpsters and, in general, all devices and/or installations existing for common use;
4. All parking areas, roads, sewers, common open access easements and all other services and/or easements of a public nature not inside the walls of the individual Units;
5. All areas shown on the plan and including all roads, pipes, wires, conduits, ducts, cables, public utility line, storm water detention and retention ponds and/or basin, drainage control structure, and other improvements necessary for the overall integrity of the Property (except pipes, wires, conduits, ducts and related items situated entirely within a Lot or Unit and serving only such Lot or Unit).
6. All other elements of the Buildings desirable or rationally of common use or necessary to the existence, upkeep and safety of the Property; and,
7. All other amenities dedicated for the common use of the Lot Owners.

Common Elements shall not include the Limited Common Elements..

Each Owner shall have an easement in common with the Owners of all other lots or units to use of the Common Elements, except those Common Elements which are specifically located on the Lots and are intended to serve only the Building, Unit and/or Lot located thereon.

Section 5. “Declarant” shall mean and refer to MOT Partners, a Tennessee General Partnership, and/or its designated successors and/or assigns.

Section 6. “Limited Common Elements” means all Common Elements contiguous to and serving exclusively a single Lot or Unit, as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to and maintenance of which is the sole and absolute responsibility of the lawful occupants of such Lot or Unit. Limited Common Elements shall include, but shall not be limited to, the furnace, air conditioner and water heater located within or adjacent to a Lot or Unit and serving only such Lot or Unit, pipes, ducts, electrical wiring and conduits located entirely within a Lot or Unit and serving only such Lot or Unit, any balconies, decks and porches, and the perimeter walls, floors, and ceilings, doors, vestibules, windows, screens, and entryways, and all associated fixtures and structures therein, as may lie outside the Lot or Unit boundaries, but are

for the exclusive use of said Lot or Unit.

Section 7. "Lot" shall mean and refer to any plot of land shown upon the Final Plat of Plumlee Town Homes Phase Two as of record in Plat Book 27, Page 193, Register's Office for Sumner County, Tennessee, on which a Unit has or will be constructed thereon.

Section 8. "Majority" or "Majority of the Owners" mean the Owners of more than Fifty (50%) percent of the Lots.

Section 9. "Owner" (also referred to herein, as "Lot Owner" or "Unit Owner") shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including contract sellers, but excluding the Declarant and/or grantees of Declarant that hold record title solely for the purpose of construction of new buildings on the Lots and those having such interest merely as security for the performance of an obligation.

Section 10. "Property" shall mean and refer to that certain real property more fully described on the Final Plat of Plumlee Town Homes Phase Two as of record in Plat Book 27, Page 193, Register's Office for Sumner County, Tennessee.

Section 11. "Rules and Regulations" refer to the rules and regulations concerning the use of the Units and the Common Elements, as adopted from time to time by the Board in accordance with the Declaration and By-Laws.

Section 12. "Unit" means the single family residence erected on each Lot, and being a part of the Buildings, which single family residence, is not owned in common with Unit Owners of other Units. Each Unit is numbered as shown on the Plat(s). A Unit includes both the portion of the Buildings so described, its Limited Common Elements and the Lot so encompassed, excepting Common Elements (except those Common Elements which are specifically located on the Lots and are intended to serve only the Building, Unit and/or Lot located thereon).

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws,

his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, or contract purchasers who reside on the his Lot.

Section 3. Encroachments. If any portions of the Common Elements shall actually encroach upon any Lot or Unit, or if any Lot or Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Lots are shown on the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Lot Owners involved, to the extent of such encroachments, so long as the same shall exist.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class "A". Class "A" members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class "B". The Class "B" member(s) shall be the Declarant and the Declarant shall be entitled to three (3) votes for each lot owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs earlier:

- (a) When all Lots are sold to Lot Owners; or,
- (b) Within ten (10) years from the date of this Declaration.

### ARTICLE IV

#### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants and declares, that each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: 1) annual assessments or charges; and, 2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fee, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner(s) of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to its successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used

exclusively to promote the health, safety and welfare of the Owners in the Property, for the improvements, insurance and maintenance of amenities and the Common Elements, and to maintain an adequate reserve fund to provide for necessary repair and/or replacement of improvements to the Common Elements.

In addition to the maintenance of the Common Elements, the Association shall provide, through the assessments, exterior maintenance upon each Lot and Unit thereon which is subject to assessment hereunder, as follows; Repair, replacement and care of foundation, roofs, gutters, downspouts, exterior unit and building surfaces, trees, shrubs, grass, walks, patios and decks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance, repair or replacement of a Lot and Unit or the improvements thereon is caused through the willful or negligent acts of the Owner, or through the willful or negligent acts of the occupants, family, invitees and/or guests of the Owner of the Lot or Unit needing such maintenance, repair or replacement, the cost of such exterior maintenance shall be the obligation of the Owner and if not paid within thirty (30) days after notice from the Association, shall be added to and become a part of the assessment to which said Lot is subject.

Section 3. Maximum Annual Assessment. For the year immediately following the date of this Declaration, the maximum annual assessment shall be One Hundred and 00/100 (\$ 100.00) Dollars per lot. From and after the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than Fifteen (15%) percent above the maximum assessment for the previous year without a majority vote of the membership of the Association.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the total allocated votes in the Association who are voting in person or by proxy, at the Association's annual meeting or at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and will be collected on a monthly or a yearly basis in advance, at the option of the Board (or at any other reasonable basis as may from time to time be established by the Association).

Section 7. Date of Commencement of Annual Assessments: Due dates. The annual assessments provided for herein shall commence as to each Lot on the day of the month of the

conveyance by the Declarant (and/or grantees of Declarant that hold record title solely for the purpose of construction of new buildings on the Lots) to the Lot Owner(s). The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

A. Working Capital Fund. In order to insure that the Association will have funds to meet initial or unforeseen expenditures; purchase additional equipment and/or secure services, the Declarant shall establish a working capital fund equal to at least two-twelfths (2/12) of the initial annual assessment for common expenses for each Lot. Each Lot's share of the working capital fund shall be collected at the time the sale of the Lot to the Lot Owner(s) is closed. The Declarant may not use the working capital fund to defray its expenses, reserve contributions, construction costs or to make up budget deficits. The working capital fund shall not be considered as advance payment of regular assessments and shall be maintained by the Association in a segregated fund. When unsold Lots are sold to the Lot Owner(s), the Declarant may use working capital funds collected at closing to reimburse itself for funds it paid to the Association for each unsold Lot's share of the working capital fund.

B. Mortgage and Deed of Trust Protection. The lien for assessments payable by a Lot owner shall be subordinate to the lien of a recorded first Mortgage or Deed of Trust on the interest of such Lot Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the mortgagee or beneficiary thereunder either takes possession of the lot encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. Sale or transfer of any lot shall not affect the assessment lien. This subparagraph shall not be amended, changed, modified, or rescinded without the prior written consent of all mortgagees and beneficiaries of record.

Section 8. Effect of Delinquent and/or Nonpayment of Assessments: Remedies of the Association. Any assessment paid more than fifteen (15) days after the due date shall be subject to and include a "late charge", as determined by the Association, to cover the extra expense involved in handling delinquent payments. In addition to the late charge hereinabove recited, any assessment not paid within thirty (30) days after the due date shall bear interest at the highest permissible rate of interest per annum allowed under the laws of the State of Tennessee. Any and all delinquent assessments shall constitute a continuing lien against the lot and improvements thereon, without any further action by the Association. The Association may bring an action at law or equity against the owner(s) personally obligated to pay the assessments and/or foreclose the lien against the property. Should enforcement be necessary, the owner(s) shall be obligated to pay all costs and attorney's fees

associated therewith. No owner(s) may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of the lot.

No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE V

### ARCHITECTURAL CONTROL

Section 1. Unit Decorating and Maintenance. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good conditions at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Unit.

Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his Unit and its Limited Common Elements. The expenses for the maintenance, repair or replacement of a Unit's Limited Common Elements (including but not limited to the water heater, furnace, air conditioner, heating, and air conditioning ducts, and plumbing and electrical wiring and other items serving only such Unit), shall be borne by the Owner of the Unit to which such Limited Common Elements are appurtenant; and, at the discretion of the Board, maintenance of, repairs to, and replacements within the other Limited Common Elements may be assessed in whole or in part to Unit Owners benefitted thereby. Further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to, and replacements within the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name and for the account of such benefitted Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the property from all mechanic's or materialmen's lien claims that maintain, repair, or replace the electrical wiring, plumbing, or other utilities of a Unit; however, if it shall become necessary to gain entry to another Unit, it shall be the responsibility of the Association to provide such maintenance, repair or replacement, but the cost of such maintenance, repair, or replacement may be assessed to the Unit Owners benefitted thereby, as hereinabove provided.

Section 2. Exterior Improvements. No building, fence, wall or other structure(s) shall be commenced, erected or maintained upon Property, nor shall any exterior addition or improvements to



or change or alteration (including painting or re-painting) therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. All matters submitted to the Board of Directors or the Architectural Review Committee shall be decided and announced in writing within thirty (30) days after submission by the owners or builders. (This Article shall not be intended to apply to improvements and/or construction made by Declarant under its development plan for the Property).

Section 3. Architectural Review Committee Membership. The Architectural Review Committee shall be composed of no less than three (3) or more representatives appointed by the Board. All matters submitted to the Architectural Review Committee shall be decided and announced in writing within fourteen (14) days after submission to the owners or builders.

The Architectural Review Committee shall serve for seven (7) years from the date of the filing of this Declaration or upon the sale of all of the Lots in the subdivision by the Declarant, whichever shall occur first. At any time after the expiration of seven (7) years or the sale by Declarant of all Lots within the subdivision, the then record Owners of the majority of the Lots within the said subdivision shall have the power through a duly recorded written instrument to change the membership of the Committee, or to withdraw or restore to the Committee any of its powers and duties.

The Committee shall have the right to disapprove any plans submitted hereunder because of failure to comply with any restrictions contained herein, failure to include any information required herein, objection to exterior design, or such other matters which would render the proposed structure or use thereof inharmonious with the structures located upon other lots within the neighborhood.

## ARTICLE VI INSURANCE/TAXES

Section 1. Casualty Insurance on Insurable Common Area. The Association shall keep all insurable improvements and fixtures of the Common Elements insured against loss or damage by fire or other hazards and casualties for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable with the Association as the owner and beneficiary of such insurance. The Association shall also maintain adequate liability insurance and fidelity bond coverage as may be required and/or directed by underwriting guidelines established by the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Administration (FHA), and/or the Veterans Administration (VA), if any. The insurance coverage with respect to the Common Elements shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association

are Common Expenses included in the common assessments made by the Association; however, at the option of the Board and/or Unit Owners, premiums for such insurance may be separately billed to Unit Owners in equal shares..

Section 5. Lot Owners' Insurance Each Lot Owner shall be responsible for obtaining his own insurance on his improvements of his Lot, contents of his Unit and Limited Common Elements serving his Unit, as well as his additions and improvements thereto, and those parts of the Lot and/or Unit for which the responsibility of maintenance and repair is that of the Lot Owner, and for decorations, furnishings, and personal property therein, and personal property stored elsewhere on the Property, if any. In addition, the Lot Owner may insure, at his sole cost and expense, against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Lot Owners.

Section 6. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Lot Owner for his Lot, the Unit and its Limited Common Elements and its appurtenant interest in the Common Elements, if any. In the event that such taxes for any year are not separately taxed to each Lot Owner, but rather are taxed on the Property as a whole, then each Lot Owner shall pay his proportionate share thereof.

## ARTICLE VII RESTRICTIONS

Section 1. Additional Resrictions. In addition to the Architectural Standards and Controls recited in Article V, above, the following restrictions shall encumber the Property:

(a) Residential Use. No part of the Lots, Units or the Common Elements may be used for purposes other than housing and the related common purposes for which the Property was designed and as allowed by applicable zoning laws.

(b) Improper Activities. No immoral, improper, unlawful or offensive activity shall be carried on any Lot, in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to other Owners. A Unit Owner shall not do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements that will increase the rate of insurance on the Property.

(c) Parking Spaces. Parking spaces shall be delineated on the Plat(s) and shall be assigned by the Association.

(d) Grills. No person may operate a grill on the porches or within ten (10) feet of a Building within the Property. For purposes of this provision, the term "grill" means any grill, hibachi, cooker, charcoal burner, portable gas stove, propane stove or barbecue pit. The term "grill" particularly includes charcoal grills, propane grills and natural gas grills. The use of lighter fluid or any other highly flammable product is prohibited.

(e) Leasing of Units. No Unit may be conveyed pursuant to a time-sharing arrangement nor leased or rented for a term of less than 60 days. All leases and rental agreements shall be in writing

and subject to the reasonable requirements of the Board of Directors.

The Common Elements shall be used only by Unit Owners and their agents, servants, tenants, family members, customers, invitees, and licensees for access, ingress to, and egress from the respective Units and for such other purposes incidental to use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

(a) Outdoor television and dish antennas may be installed, if property screened, with the prior approval of the Association, provided such antennas shall be thereafter taken down and removed by the Owner at such time as a cable television receiving comparable service is available within Plumlee Townhomes.

(b) No decorative appurtenances, such as sculptures, birdhouses, birdbath, fountains or other decorative embellishments shall be placed on or in any front yard or on any part of a Lot visible from any street or other Lot, unless the placement and design of such embellishments has been approved by the Association.

Section 2. Use and Enforcement. The property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices and/or sales office(s) for the Declarant, all as may more particularly be set forth in this Declaration or amendments hereto).

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the property in addition to those contained herein, and to impose reasonable user fees for use of common area facilities. This authority shall include, without limitation, the power to regulate the speed and flow of traffic on roads within the property. Such regulations and use restrictions shall be binding upon all owners, occupants and invitees until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of a majority of the total Class "A" members and by concurring vote of the Class "B" member, so long as such membership shall exist.

Section 3. Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any lot or portion of the common area, except for: 1) directional or informational signs, under the sign criteria established and approved by the Declarant and/or the Association, and 2) signs not in excess of six (6) square feet erected by an Owner upon that Owner's Lot to advertise the sale or lease of that lot, under the sign criteria established and approved by the Declarant and/or the Association. The Association shall have the right to remove any such unapproved sign, advertisement, billboard or structure that is placed on the property, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 4. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto that govern the conduct of owners and that provide for sanctions against Owners shall also apply to all occupants, guests and invitees of

any Lot. Every Owner shall cause all occupants of his or her lot to comply with the Declarations, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 5. Animals and Pets. No animals, livestock, poultry of any kind shall be raised, bred, or kept on any portion of the property, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted on a Lot. No pets are permitted to roam free; those that, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the owners of other Lots or the Owner of any portion of the Property 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 and cats shall at all times, whenever said pets are outside a Lot, shall be confined on a leash held by a responsible person. No dogs of the pit bull or rottweiler breeds shall be permitted. No wild animals shall be permitted.

Section 6. Nuisance. No portion of the Lot shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be unsightly to the eye; nor shall any substance, thing, or material be kept upon any portion of the property 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 of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the property. 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 the property.

Section 7. 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 his or her 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 property.

Section 8. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Lot or Unit.

## ARTICLE VIII

### GENERAL PROVISIONS

Section 1. Enforcement. 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 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.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendments. The covenants, conditions and restrictions of the Declaration shall run and bind the land, for a term of twenty (20) years from the date of recording, after which time they shall be automatically extended for successive periods of ten (10) years. The said Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five (75%) percent of the members and thereafter by an instrument signed by not less than sixty-seven (67%) percent of the members. Any amendment to the said Declaration must be recorded and shall be subject to Section 4 below.

Section 4. Common Areas. Any Common Areas shall be subject to the following:

(a) The City of Hendersonville may require that the Declarant and/or Owners to provide for and establish an organization for the ownership and maintenance of any Common Area and such organization shall not be dissolved nor shall it dispose of any Common Areas, by sale or otherwise (except to an organization conceived and established to own and maintain the Common Areas), without first offering to dedicate the same to the Government of the City of Hendersonville, and the said dedication be approved by the City of Hendersonville Planning Commission (or other agency designated by said city).

(b) In the event that the organization established to own and maintain Common Areas, or any successor organization, shall at any time fail to maintain the Common Areas in reasonable order and condition, the zoning administrator may serve written notice upon such organization and/or the Owners and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator (or other agent designated to act for said city) shall call upon any public or private agency to maintain the Common Areas for a period of one (1) year. When the zoning administrator determines that the organization is not prepared for the maintenance for the Common Areas such agency shall continue maintenance for yearly periods.

(c) The cost of such maintenance by such agency shall be assessed proportionally against the Owners within the subdivision development that have a right of enjoyment of the common areas, and shall become a lien on the Lots.

Section 5. Captions. The captions herein are inserted only as a matter of convenience, and in no way define, limit or describe the scope of these provisions or the intent of any provision hereof.

Section 6. Gender. The use of the masculine gender in this Declaration and in the By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

IN WITNESS WHEREOF, the undersigned, Declarant a herein, has hereto set its hand, by its duly authorized officer, this 23<sup>rd</sup>. Day of September, 2013.

DECLARANT:

MOT Partners,  
a Tennessee General Partnership

By: Coby Hanai, Managing General Partner  
Coby Hanai, Managing General Partner

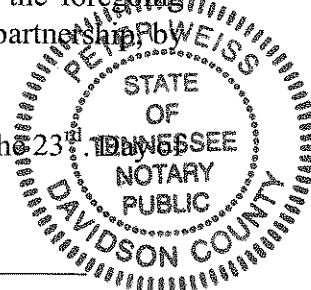
STATE OF TENNESSEE )  
COUNTY OF DAVIDSON )

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Coby Hanai, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon his oath acknowledged himself to be the Managing General Partner of MOT Partners, the within named bargainer, a Tennessee General Partnership, and that he as such Managing General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the general partnership by himself, as such Managing General Partner.

Witness my hand and official seal at office at Nashville, Tennessee, on this the 23<sup>rd</sup>. Day of September, 2013.

My Commission Expires: 9/9/2014

[Signature]  
Notary Public



IN WITNESS WHEREOF, the undersigned, Moss, has hereto set his hand, this \_\_\_ Day of September, 2013.

MOSS:

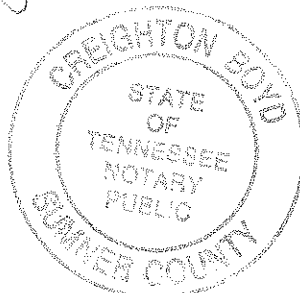
[Signature]  
Chad B. Moss, unmarried

STATE OF TENNESSEE )  
COUNTY OF Sumner )

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Chad B. Moss, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon his oath acknowledged that he executed the foregoing instrument for the purposes therein contained.

Witness my hand and official seal at office at Hendersonville, Tennessee, on this the 25 Day of September, 2013.

My Commission Expires: 6/21/2016  
[Signature]  
Notary Public



Azapaza, LLC, a Tennessee limited liability company, as record title holder of Unit 1 through Unit 4, inclusive ("Units 1-4"), of Plumlee Townhomes (Condominiums), as more fully described on Exhibit "A" to Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Page 620, Register's Office for Sumner County, Tennessee, joins in the execution of this Declaration for the sole purpose of agreeing to declare that the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 596-636, as supplemented and amended by the Supplement and Amendment to the Declaration of Establishment of Plumlee Townhomes (Condominiums), as of record in Record Book 3300, Pages 637-639, Register's Office for Sumner County, Tennessee, be terminated and of no further force or effect from the date of execution of this instrument, as may be or may have been applicable to Units 1-4. The said Azapaza, LLC, a Tennessee limited liability company, further declares that Units 1-4 shall not be subject to the provisions of this Declaration or the By-Laws, as attached hereto, as Exhibit "A". The said Azapaza, LLC, a Tennessee limited liability company, further agrees that MOT Partners, a Tennessee General Partnership, its successors and/or assigns; Chad D. Moss, unmarried, his heirs, successors and/or assigns; and, the Lot Owner's of Plumlee Townhomes (a Planned Unit Development Subdivision), and each of their licensees, invitees, representatives, agents, employees and guests, shall have and are granted a perpetual non-exclusive right of ingress, egress and regress (the "Access Easement") from and to Plumlee Drive over and across the twenty-five (25) foot right of way to the northerly most property line of Plumlee Town Homes Phase Two, as of record in Plat Book 27, Page 193, Register's Office for Sumner County, Tennessee, as more fully described according to Exhibit "B" attached hereto. In consideration of the grant of the Access Easement, the said MOT Partners, a Tennessee General Partner, as Declarant, and Chad D. Moss, unmarried, agree that the said Access Easement shall be treated as a Common Element for purposes of both use and maintenance and shall be repaired, maintained and/or replaced, as a Common Element, pursuant to the provisions of the Declaration.

Azapaza, LLC, a Tennessee limited liability company  
By: Cole H. Oram  
Cole H. Oram, Chief Financial Officer

STATE OF NEW YORK )  
COUNTY OF WESTCHESTER)

Before me, the undersigned, a Notary Public within and for the State and County aforesaid, personally appeared Cole H. Oram, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon his oath acknowledged himself to be the Chief Financial Officer of Azapaza, LLC, the within named bargainer, a Tennessee limited liability company, and that he as such Chief Financial Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company, by himself, as such Chief Financial Officer.

Witness my hand and official seal at office at Armonk, New York, on this the 18<sup>th</sup> Day of September, 2013.

My Commission Expires: 9/27/17

Susan R. Greenbaum  
Notary Public

SEAL

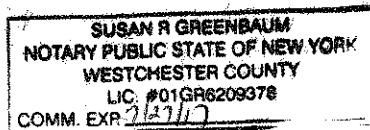


EXHIBIT "A"

**BY-LAWS OF  
PLUMLEE TOWNHOMES OWNERS'  
ASSOCIATION, INC.**

ARTICLE I

Members (Lot Owners)

Section 1. Eligibility. The members of Plumlee Townhomes Owners' Association, Inc., a Tennessee mutual benefit non-profit corporation, shall consist of the Owners of the property known as Plumlee Townhomes (a Planned Unit Development Subdivision) located in Hendersonville, Sumner County, Tennessee (the "Property"). If a Lot Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Lot Owner or beneficiary.

Section 2. Succession. The membership of each Lot Owner shall terminate when he ceases to be a Lot Owner, and upon the sale, transfer, or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Lot Owner succeeding to such ownership interest.

Section 3. Regular Meetings. The first regular meeting of the Lot Owners (the "First Meeting") may be held, subject to the terms hereof on any date, at the option of the Board; provided, however, that the First Meeting shall be held not less than ten (10) days, nor more than one hundred twenty (120) days after Declarant has sold and delivered deeds for at least seventy-five (75%) percent of the Lots. Subsequent to the First Meeting there shall be a regular annual meeting of Lot Owners held each year within sixty (60) days of the anniversary of the First Meeting. All such meetings of Lot Owners shall be held at such place and at such time as specified in the written notice of such meeting which shall be delivered to all Lot Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meetings. Special meetings of Lot Owners may be called by the President or by a majority of the Directors of the Association, or by Lot Owners having at least two-fifths (2/5) of the votes entitled to be cast at such meeting. Special meetings shall be called by delivering written notice to all Lot Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meeting. Notices of meetings shall be delivered either personally or by mail to Lot Owners at the addresses given to the Board by Lot Owners for such



purpose, or to a Lot Owner's unit if no separate address for such purpose has been given to the Board.

Section 6. Voting. All Class "A" Lot Owners shall have one (1) vote. If any Lot Owner consists of more than one (1) person, the voting rights of such Lot Owner shall not be divided, but shall be exercised as if the Lot Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Lot Owner. In the event of disagreement among such persons and an attempt by two (2) or more of them to cast such vote, such persons shall not be recognized, and such vote shall not be counted. Declarant may exercise the voting rights with respect to Units owned by it, as delineated in the Declaration.

No Lot Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote until he has cured such default. A Lot Owner shall be deemed to be in default if he has not paid his assessments to the Board, or its agent, within fifteen (15) days after the due date thereof. A Lot Owner may protest the amount of the assessment, but it still must be paid during the pendency of his protest to the Board.

Section 7. Quorum. A quorum of Lot Owners for any meeting shall be constituted by Lot Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

## ARTICLE II

### Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (sometimes referred to herein as the "Board") shall consist of five (5) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that until such time as the First Meeting of members is held, the Directors (hereinafter called "Members of the First Board") shall be appointed by Declarant. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified. Two (2) members of the First Board shall hold office until the first regular annual meeting of Association members, two (2) other members of the First Board shall hold office until the second regular annual meeting of Association members, and one (1) member of the First Board shall hold office until the third regular annual meeting of Association members. Unless otherwise agreed, the two (2) members of the First Board receiving the highest number of votes shall hold office until the third regular annual meeting and the member receiving the next highest number of votes shall hold office until the second regular annual meeting.

Section 2. Qualification. Except for members of the First Board, each Director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a Director may be a beneficiary of such trust; and if a Lot Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Lot Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall consist of three (3) members appointed by the Board to serve from the close of one (1) annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the annual meeting.

Section 5. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Lot Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each Director, delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Directors attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 6. Removal. Any Director may be removed from office with or without cause by the vote of two-thirds (2/3) of Lot Owners.

Section 7. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Lot Owners.

Section 8. Quorum. A simple majority of Directors shall constitute a quorum.

Section 9. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the “Managing Agent”) to maintain, repair, replace, administer, and operate the Property or any part thereof for all Lot Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements;
- (e) to adopt rules and regulations, with written notice thereof to all LLot Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time and to establish reasonable financial assessments for infractions thereof;
- (f) to provide for the maintenance, repair and replacement of the Common Elements and payments therefore, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board’s authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (j) to fix the estimated annual budget, and to provide the manner of assessing and collecting from Lot Owners their respective shares of such estimated expenses, as hereinafter provided;
- (k) to enter into any lease agreement for lease of premises suitable for use as guest or

custodian apartments, upon such terms as the Board may approve;

- (l) to borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association;
- (m) to secure insurance policies as required by the Declaration, and in this regard, annually to review the amounts of coverage afforded by such policies;
- (n) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of Lot Owners as expressed in resolutions duly adopted at any annual or special meeting of Lot Owners;
- (o) to be responsible for and maintain all streets, roads, utilities, and any other services of a public nature that are classified as Common Elements in the Declaration.

Section 10. Authority of Board to Act for Association. Whenever in these By-Laws the Association is given the power to take any action, it is the intention of these By-Laws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Lot Owners.

Section 11. Non-Delegation. Nothing in these By-Laws shall be considered to grant to the Board, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to Lot Owners.

### ARTICLE III

#### Officers

Section 1. Designation. At each regular annual meeting of the Board, the Directors present at such meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a Director, who shall preside over meetings of the Board and of Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

Section 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by Lot Owners.

#### ARTICLE IV

##### Assessments

Section 1. Annual Budget. The Board shall establish an annual budget to provide for the needs of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from Lot Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and replacements, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Lot Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Lot Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate equal share of the common expenses for such year as shown by the annual budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly

assessments for any year, or shall be delayed in doing so, each Lot Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Lot Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or otherwise as directed by the Board. No Lot Owner shall be relieved of his obligation to pay any assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

Section 3. Partial Year or Month. Commencing with the date of occupancy of his Lot, each Lot Owner of newly developed units, shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days, or as soon thereafter as practicable, the Board shall cause to be furnished to each Lot Owner a statement for such year, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that, during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a supplemental assessment shall be made to each Lot Owner for his proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article II, Section 9 (c) hereof and expenditures and contracts specifically authorized by the Declaration and By-Laws, the Board shall not approve any expenditures in an amount in excess of ten (10%) percent of the annual budget for the then current year, unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the total ownership in the Common Elements.

Section 7. Lien. It shall be the duty of every Lot Owner to pay his equal share of the common expenses as provided in the Declaration, and as assessed in the manner herein provided.

If any Lot Owner shall fail or refuse to make any such payment of assessments when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment together with interest at the rate of Fifteen (15%) per cent per annum. Such

delinquent payment, together with penalty and interest, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Lot Owner in the Property.

The Association, or its successors and assigns, acting through the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees to be fixed by the court. Furthermore, if any Lot Owner shall fail or refuse to pay when due his proportionate share of the common expenses, and such Lot Owner withholds payment thereof after demand by the Association in writing setting forth the amount claimed, the Association shall have the right to possession of such Lot. The Association, acting through its Board, shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Declaration, or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of its receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of fifteen (15) days written notice to the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessment(s) or other charges due and owing from said Unit Owner.

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrances which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Lot Owners are responsible for the existence of any such lien, the Lot Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

Section 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Lot Owners in proportionate amounts.

## ARTICLE V

### Use and Occupancy Restrictions

In addition to the Use and Occupancy Restrictions, as provided in the Declaration, the following Rules and Regulations shall also control the use and occupancy by Unit Owners:

Section 1. General. No unlawful, noxious or offensive activities shall be carried on any Lot or in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Lot Owner shall maintain his unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Lots or on the Common Elements. No Lot Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside of his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the Rules and Regulations of the Association), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or C.B. radio transmitters, or other equipment, fixtures or items of any kind, without the written permission of the Managing Agent, acting in accordance with the Board's direction. No Unit Owner shall display, hang, store, or use any sign outside his Unit, in a hallway, or elsewhere, which may be visible from the outside of his Unit, including but not limited to signs advertising resale and/or leasing of the Unit, without the prior written permission of the Managing Agent, acting in accordance with the Board's direction.

No Unit Owner may alter, decorate or in any way modify the exterior of his Unit. The Association shall allow, subject to prior written consent by the Association, a Unit Owner to construct a dividing screen on the porch of his Unit, providing said dividing screen is constructed by, or in accordance with, the plans and specifications established and approved by the Declarant.

No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time temporarily or permanently.

Section 2. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time by Rules and Regulations of the Association.

Section 3. Use by Declarant. During the period of sale by Declarant of any Lots, Declarant, and Declarant's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Building and Property as may be required for the purposes of sale of Lots. In addition, Declarant reserve the right to enter into, upon, over and under any Lot for a period of one (1) year after the date of sale of the Lot for such



purposes as may be reasonably necessary for Declarant or their agents to service any Lot. While Declarant own any of the Lots and until each Lot is sold by Declarant occupied by Owners, Declarant and their employees may use and show one (1) or more of such unsold or unoccupied Lots, as a model home and may use one (1) or more of such unsold or unoccupied Lots as a sales office, and may maintain customary signs in connection therewith. During the period of sale by Declarant, the Declarant shall be allowed a seat on the Board of Directors and voting privileges as provided in Article II herein.

Section 4. Storage. Articles of personal property belonging to any Unit Owner, such as but not limited to, baby carriages, bicycles, wagons, toys, furniture, clothing, and other articles, shall not be stored or kept in the Common Elements, but shall be confined to the Unit. Storage of boats, trailers, campers, and motor homes on the Property shall not be kept or stored on the Property, except as may be authorized by and subject to the of Rules and Regulations of the Association applicable thereto.

Section 5. Wiring. No Lot Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories, or equipment to the heating or plumbing system without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accordance with the Board's direction.

Section 6. Rules and Regulations. Lot Owners shall be subject to such further restrictions as may be contained in Rules and Regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time to time by the Board. All such Rules and Regulations shall be binding Rules and Regulations of the Association unless rejected by at least sixty-seven (67%) percent of the votes of Unit Owners, and copies of such Rules and Regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

## ARTICLE VI

### Contractual Powers

Section 1. Dealings. No contract or other transaction between this Association and one (1) or more of its Directors, or between the Association and any corporation, firm or association in which one (1) or more of the Directors of the Association are Directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (a) the fact of the common directorship or financial interest is disclosed or known to

the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or,

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes approves or ratifies a contract or transaction.

Section 2. Management of the Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer, and operate the property, or any part thereof, to the extent deemed advisable by the Board. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense

Prior to the appointment of the First Board as provided herein, the Declarant, on behalf of the Association, may employ a management company, to act as Managing Agent for the Property.

## ARTICLE VII

### Amendments

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Any proposed amendment in these By-Laws shall require written notice of the proposed amendment to be delivered to members of the Association in writing at least fifteen (15) days prior to any meeting at which the subject amendment will be considered.

These By-Laws may be amended or modified from time to time by action or approval of sixty-seven percent (67%) of the Lot Owners. Such amendments shall be recorded in the Office of the Register's Office of Sumner County, Tennessee.

## ARTICLE VIII

### Indemnification

Section 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to these By-Laws, against all contractual and other liabilities to others arising out of contracts made by, or other acts of such Directors, officers, or committee members on behalf of Unit Owners, or arising out of their status as Directors, officers, or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses

(including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such Director, officer or committee member may be involved by virtue of such person's being or having been such Director, officer, or committee member, provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member.

Section 2. Success on Merits. To the extent that a member of the Board, or an officer of the Association, or a member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonable incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the persons or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Lot Owner arising out of any contract made by or other acts of the Directors, officers, or members of such committees, or out of the aforesaid indemnity in favor of the Directors, officers, or members of such committees, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. Every agreement made by the Directors, officers, or members of such committees, or by the Managing Agent on behalf of Lot Owners shall provide that the Directors, officers, members of such committees, or the Managing Agent, as the case may be, are acting only as agents for Lot Owners and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Lot Owners in the Common Elements. The indemnification provided by this Article

VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association, or disinterested members of the Board of otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board, officer of the Association, or a member of such committee, and shall inure to the benefit of their heirs, executors, administrators, successors, and assigns of such person or entity.

## ARTICLE IX

### Mortgages

Section 1. Notice to Board. A Lot Owner who mortgages his Lot shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and deed of trust or mortgage with the Board; and the Board shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges. The Board, whenever so requested, in writing by a mortgagee of a Lot, shall promptly report any then unpaid common charges due from, or any other default by, the owner of the mortgaged Lot.

Section 3. Notice of Default. The Board, when giving notice to a Lot Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Lot whose name and address has therefore been furnished to the Board.

Section 4. Examination of Books. Each Lot Owner and each mortgagee of a Lot shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

Section 5. Interest of Valid First Mortgagee. The interest of valid first mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated the terms of these By-Laws, the Declaration and the contract in its deed of trust, then said first mortgagee may at its option declare a default in its deed of trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the deed of trust notwithstanding any enforcement instituted by the Board.

## ARTICLE X

### Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same

meaning as set forth in the Declaration for Plumlee Townhomes (a Planned Unit Development Subdivision), of record in the Office of the Register of Deeds for Sumner County, Tennessee.

The term "Member" as used in these By-Laws, means "Unit Owner" as defined in the Declaration.

#### ARTICLE XI

##### Conflicts

In the event any of the By-Laws conflict with the provisions of any statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

In the event of any dispute or disagreement between any Lot Owner relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on all Lot Owners.

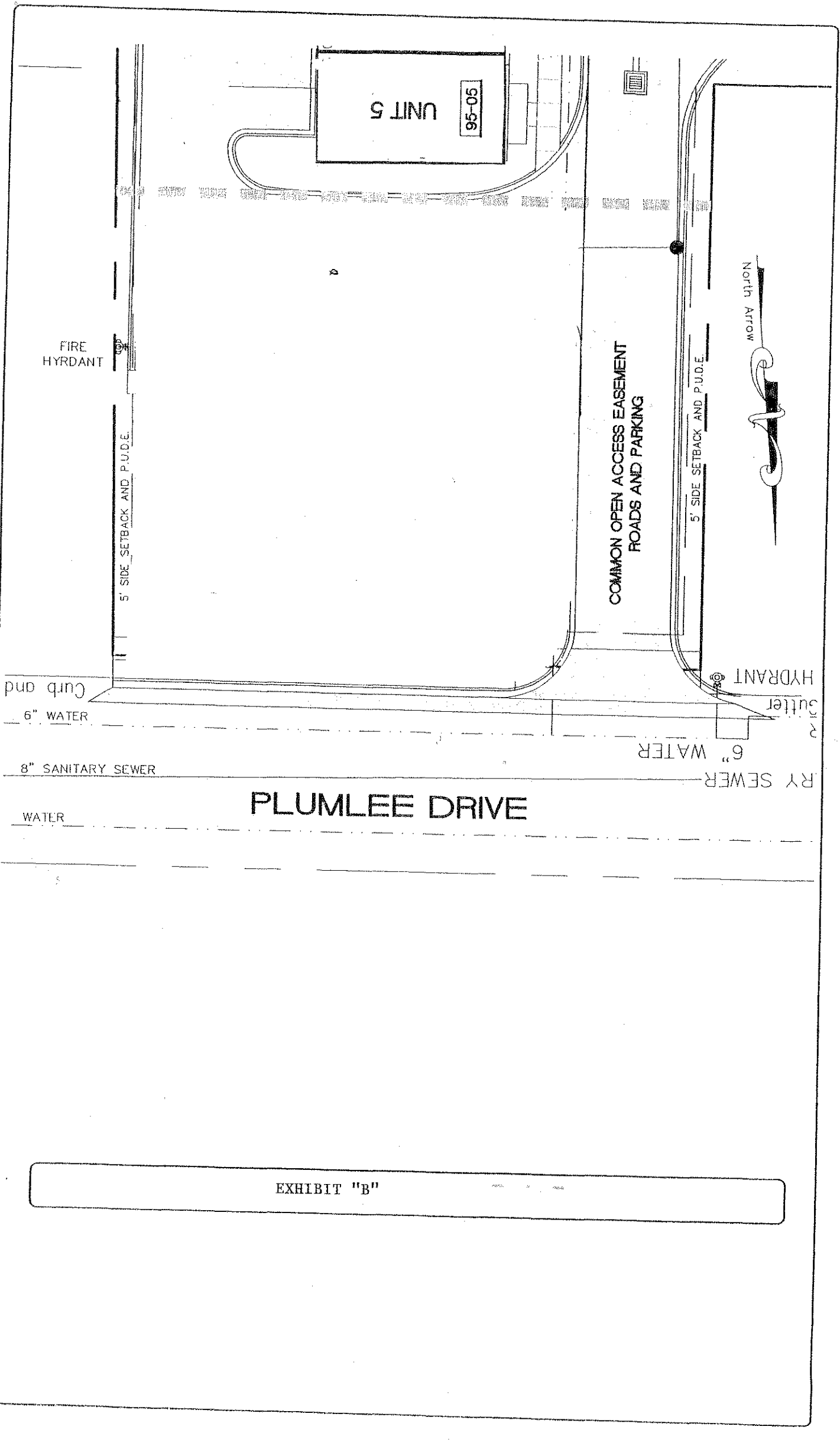


EXHIBIT "B"