

**THE OAK HIGHLANDS
HOMEOWNERS'
ASSOCIATION, INC.**

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This document is a condensed reprint of the Articles of Incorporation, By-Laws, and Declaration of Restrictive Covenants for the Oak Highlands Homeowners Association, Inc., as recorded and on file in the Register's Office for Davidson County, Tennessee in Book 7337, Page 529; Book 7367, Page 615; and Book 7350, Page 24; and as Amended in Book 8765, Page 77.

REPRINTED 10/17/98

ARTICLES OF INCORPORATION

OF

OAK HIGHLANDS HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of the State of Tennessee, the undersigned, of full age, has this day voluntarily executed this instrument for the purpose of forming a corporation not for profit and does hereby certify:

ARTICLE I

The name of the corporation is Oak Highlands Homeowners' Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at: 4980 Alexis Drive, Antioch, Tennessee 37013.

ARTICLE III

The name and street address of the Corporation's registered agent in the State of Tennessee shall be: Lillian L. Hawkins, 5729 Sonoma Trace, Cane Ridge, Tennessee 37013.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as Oak Highlands Subdivision, Nashville, Tennessee, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be bought within the jurisdiction of this Association for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration",

applicable to the property and recorded or to be recorded in the Office of the Register of Deeds, Davidson County, Tennessee, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all of any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidation with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Tennessee by law may now or hereafter have or exercise.

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Developer 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 among themselves 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 Developer (as defined in the Declaration) and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) five (5) years from and after the date of recordation of the deed evidencing the initial sale of a Lot to a purchaser other than Developer.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of seven (7) Directors, who must be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. Directors shall be elected for a term of three years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the

Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

These Articles of Incorporation (excluding Article II and Article III) may be amended by the assent of not less than seventy-five (75%) percent of the entire membership. Article II and Article III may be amended by the assent of not less than seventy-five (75%) percent of the entire membership, OR by a majority vote of the Board of Directors without the need for membership involvement.

ARTICLE XI

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Tennessee, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 27th day of July, 1987.

JOHN A. GUPTON, III
INCORPORATOR

BY-LAWS
OF
OAK HIGHLANDS HOMEOWNERS' ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Oak Highlands Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4980 Alexis Drive, Antioch, Tennessee 37013, but meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Oak Highlands Homeowners' Association, its successors and assigns.

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

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

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

Section 6. "Developer" shall mean and refer to the Nashville 50 Joint Venture, a Texas Joint Venture, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Register of Deeds, Davidson County, Tennessee.

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

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The Board of Directors may change the date and/or time of the annual meeting as they deem necessary but any such resulting date must fall within thirty (30) days of (either before or after) the date of the regularly scheduled annual meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

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

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be

represented.

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) directors, who must be members of the Association.

Section 2. Term of Office. Directors shall be elected for a term of three years.

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

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election of the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than

the number of vacancies that are to be filled. Such nominations shall be made from among members.

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

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, or independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within fifteen (15) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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

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

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

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

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

Section 7. Multiple Offices. The offices of secretary and treasurer may be held

by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act; and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

AMENDMENTS

Section 1. 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, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership. However,

it is expressly provided that any Amendment to Article I as to the principal office of the Corporation may be effected by a majority vote of the Board of Directors without the need for a meeting of the members, but a majority of a quorum of members shall have the right to veto any such Amendment enacted by the Board.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

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

**DECLARATION OF
RESTRICTIVE COVENANTS
for
OAK HIGHLANDS - NASHVILLE, TENNESSEE**

This Declaration of Restrictive Covenants, is made and published by The NASHVILLE 50 JOINT VENTURE, a Texas joint venture, having its office in Dallas, Dallas County, Texas (hereinafter referred to as the "Developer").

WHEREAS, the Developer is the owner of a residential subdivision known as Oak Highlands (the "Subdivision"), a plan of which is of record in Book 6900, Page 432, Register's Office for Davidson County, Tennessee (the "Plan"), and more particularly described as:

See EXHIBIT "A" attached hereto and made a part hereof,

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

WHEREAS, Developer further desires to establish for Developer's benefit and for the mutual benefit and advantage of all future owners and occupants of Oak Highlands, or any portion thereof, certain rights, easements, privileges, obligations, restrictions, covenants, liens, assessments, and regulations governing the use and occupancy of Oak Highlands and the maintenance protection and administration of the common use facilities thereof, all of which are declared to be in furtherance of a plan to promote and protect the operative aspects of residency or occupancy in Oak Highlands and on all portions thereof, and are intended to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title, or interest in all or any portion of the Properties and which shall inure to the benefit of each owner thereof:

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

ARTICLE I

Definitions

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

- (a) "Association" shall mean and refer to Oak Highlands Homeowners'

Association, Inc., a nonprofit corporation to be organized and existing under the laws of the State of Tennessee, its successors and assigns.

(b) "Board" shall mean and refer to the Board of Directors of the Association.

(c) "Building" shall mean and refer to a single-family residential building which may be built on each lot.

(d) "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as Exhibit "B" and made a part hereof, and as may be amended from time to time.

(e) "Common Area" shall mean and refer to all facilities within the Properties used in common by the Owners, including all roads, gates, any wall, landscaping around the Properties, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The roads are designated on the Plat and constitute easements encumbering the Lots, all as shown on the Plat.

(f) "Declaration" shall mean and refer to this Declaration of Restrictive Covenants applicable to the Properties and which is recorded in the Office of the Register of Deeds for Davidson County, Tennessee.

(g) "Developer" shall mean and refer to The Nashville 50 Joint Venture, a Texas joint venture, having a principal place of business in Dallas, Texas, its successors and assigns.

(h) "Lot" shall mean and refer to any plot of land to be used for single-family residential purpose and so designed on the Plat with the exception of the Common Area.

(i) "Majority of Owners" shall mean and refer to the holders of more than fifty percent (50%) of the total votes of the Members.

(j) "Member" shall mean and refer to any person or persons who shall be an Owner, and as such, shall be a Member of the Association.

(k) "Oak Highlands" shall mean and refer to that certain residential community known as Oak Highlands which is being developed on real property now owned by Developer in the City of Nashville, Davidson County, Tennessee, and described in Exhibit "A" attached hereto.

(l) "Owner" shall mean and refer to the record owner, whether one or more

persons or entities, of the fee interest in any Lot which is part of Oak Highlands, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.

(m) "Plat" shall mean and refer to the Plan of Oak Highlands of record in Book 6900, Page 432, Register's Office for Davidson County, Tennessee.

(n) "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust, or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

(o) "Properties" shall mean and refer to any and all of that certain real estate described in Exhibit "A" attached hereto.

ARTICLE II

Properties Subject to This Declaration

Section One. Subjection of the Properties to Declaration and By-Laws. The Developer, as legal title holder in fee of the Properties, hereby submits and subjects the Properties to the provisions of this Declaration and By-Laws. This Declaration shall constitute covenants running with the land and binding upon all parties now owning or hereafter having or acquiring any right, title, or interest in the Properties or any part thereof, and shall inure to the benefit of each Owner hereof. Every person hereafter acquiring a Lot or any portion of the Properties by acceptance of such interest is subject to the terms of this Declaration, and by acceptance of the same shall be deemed to have consented to and agreed to be bound by the terms, conditions, and covenants of this Declaration.

ARTICLE III

The Association

Section One. Organization. The Association is a not-for-profit Tennessee corporation, charged with the duties and invested with the powers prescribed by law and set forth in the Articles, the By-Laws, and this Declaration. Neither the Articles nor By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. No one except members of the Association and officers, directors, agents, representatives, or employees of Developer may be officers and directors of the Association. The Board of Directors of the Association, and such officers as the Board may elect or

appoint, shall conduct the affairs of the Association, in accordance with this Declaration, the Articles, and By-Laws, as the same may be amended from time to time.

Section Two. Membership.

(a) Qualifications. Each owner of a Lot, including Developer, shall be a member of the Association, and shall be entitled to one membership for each Lot owned. Ownership of a Lot shall be the sole qualification for membership in the Association.

(b) Member's Rights and Duties. Each member shall have the rights, duties, and obligations set forth in this Declaration, the Articles, the By-Laws, and the Association Rules, as the same may from time to time be amended.

(c) Transfer of Membership. The Association membership of each owner shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to said Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto, to the new owner thereof.

The Developer shall not be prohibited from assigning, pledging, hypothecating, or alienating his membership, but any transfer of title to a Lot by Developer shall in all cases automatically transfer the membership in the Association appurtenant thereto, to the new owner thereof, even if said membership has been assigned, pledged, hypothecated, or alienated by Developer.

Section Three. Voting.

(a) Number of Votes. The Association shall have two classes of voting membership.

Class A. Class A members shall be all owners with the exception of the Developer and shall be entitled to one vote for each Lot owned. When more than one person is the owner of a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

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

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership;

(2) Five (5) years from and after the date of recordation of the deed evidencing the initial sale of a Lot to a purchaser other than Developer.

(b) Joint Owner Disputes. The vote for each Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner or owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same Lot. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section Four. Duties of the Association. In addition to the powers delegated to it by its Articles, and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

(a) Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Areas, including, but not limited to, any recreation area and the private driveways together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area; to keep all improvements of whatever purpose from time to time located thereon in good order, condition, and repair; and to maintain the private driveways free and clear of obstructions and in a safe condition for vehicular use at all times.

(b) Taxes and Assessments. To pay all real and personal property taxes and assessments separately, levied upon or assessed against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or comprised by the Association; provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

Section Five. Powers and Authority of the Association. The Association shall have all of the powers of a not-for-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required, or permitted to be done by the Association under this Declaration, the

Article, and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation:

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

(b) Right of Enforcement. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or on behalf of any owner or owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions hereof.

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

(d) Employment of Agents. To employ the services of any person or corporation as manager, together with other employees, to, as may be directed by the Board, manage, conduct, and perform the business, obligations, and duties of the Association, and enter into contracts for such purpose, provided, however, that any such contract shall allow for termination by either party, with or without cause, upon thirty (30) days written notice. Such employees shall have the right to ingress and egress over the portions of the properties as is necessary for the purpose of performing such business, duties, and obligations.

Section Six. The Association Rules. By a majority vote of the Board, the Association may, from time to time, adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Association Rules"). The Association Rules shall govern the use of any common area, including but not limited to any recreation area and the private driveways, by the owners, by the families of the owners, or by any invitee, licensee, lessee, or contract purchaser of an owner; provided, however, that the Association Rules may not discriminate among others and shall not be inconsistent with this Declaration, the Articles, or By-Laws. A copy of the Association Rules as they may from time to time be adopted, amended, or

repealed, shall be mailed or otherwise delivered to each owner. In the event of any conflict between any such Association Rules and any of the other provisions of this Declaration, or the Articles or By-Laws, the provisions of such Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles, or the By-Laws, to the extent of such inconsistency. In the event of any conflict between the provisions of this Declaration and the provisions of the By-Laws or Articles of the Association, the provision of this Declaration shall prevail.

Section Seven. Personal Liability. No member of the Board or any committee of the Association, or any officer of the Association, or the Developer, or the manager, if any, shall be personally liable to any owner, or to any other party, including the Association for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, the Developer, or any committee, or any officer of the Association, or the Developer, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

Section Eight. Exercise of Association Powers by Board. The Board shall exercise for and on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not otherwise requiring the consent or approval of the members of the Association, or a portion of percentage thereof by other provisions of this Declaration, the Articles, or the By-Laws.

ARTICLE IV

Covenant for Maintenance Assessments

Section One. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each Lot owned, hereby covenants, and 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, for each Lot owned, to pay the Association: (1) Initial Assessments, (2) Annual Assessments, and (3) Special Assessments, such assessments to be established, made and collected as hereinafter provided. The Initial, Annual, and Special Assessments together with interest thereon, costs of collection thereof, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of each person, firm or entity who was an owner of such Lot at the time when such assessment became due and payable. The personal obligation for delinquent assessments shall not pass to an owner's successors in title unless expressly assumed by them, but no such assumption shall relieve any owner personally obligated hereby for delinquent

therefor.

Section Two. Purpose of Assessments. Assessments levied shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties, the improvements, operation, and maintenance of the Common Area and the additional maintenance areas and the performance of the duties of the Association as set forth in this Declaration.

Section Three. Annual Assessments. From and after the date of the sale of the first Lot to anyone other than Developer, the Board shall set an annual assessment of \$175.00 per annum, initially, which shall be paid by all Owners, said assessment taking into consideration current costs and those future needs of the Association that the Board decided to meet.

Section Four. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the members of the Association, special assessments ("Special Assessment") applicable to that year only for the purpose of defraying whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement upon the common area, including the necessary fixtures and personal property related thereto; provided that any such assessment shall be approved by vote or written assent of fifty-one percent (51%) of the members of the Association present, either in person or by proxy and entitled to vote at a meeting of the members of the Association called for such purpose at which a quorum is present.

Section Five. Notice and Quorum for Any Action Authorized under Section Three and Four. Any action authorized under Sections Three and Four of this Article IV which requires the approval of the members of the Association, shall be taken at a meeting called for that purpose, at which a quorum is present. Such meeting shall require notice and be held in the same manner as required by the By-Laws for the holding and noticing of special meetings of the members of the Association and the quorum requirements therefor shall be the same as for a special meeting of the members as set forth in the By-Laws.

Section Six. Uniform Rate of Assessment. Annual and Special Assessments shall be fixed by the Association on the basis of the proportion of number of lots owned to the total number of all Lots. Annual and Special Assessments shall be collected on a monthly basis in equal monthly payments, unless some other basis for collection is adopted by the Board. The annual assessment period shall commence on January 1st of each year, and terminate on December 31st of such year; provided, however, that the first annual assessment period shall commence when the first Lot is sold to someone other than Developer, and terminate on

December 31st next thereafter. Such assessment shall be adjusted according to the number of months remaining in the calendar year and shall be payable fifteen (15) days after notice of assessment is sent to every owner.

Section Seven. Effect of Non-Payment of Assessments; Remedies of the Association. Each owner of any Lot, on becoming an owner of any Lot, is and shall be deemed to covenant and agree to pay to the Association each and every one of the assessments provided for all in this Declaration; and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each owner agrees to pay reasonable attorneys' fees and costs thereby incurred, in addition to any other amounts due or any other relief or remedy obtained against said owner. Any Assessment not paid when due shall be deemed to be delinquent and if not paid within fifteen (15) days after its due date shall bear interest at the highest rate allowable by applicable law. In the event any monthly portion of the Annual Assessment is not paid within fifteen (15) days after the date on which it becomes due, then at the sole option of the Board the entire unpaid portion of the Annual Assessment may be declared due and payable and shall thereafter bear interest from date of delinquency at the highest rate allowable by applicable law. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

(a) Enforcement by Suit. By commencement and maintenance of a suit at law against any owner or owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for by Section Seven of this Article IV, costs of collection, court costs, and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent owner. Suit to recover a money judgment for unpaid assessments shall be maintained without foreclosing or waiving the lien hereinafter provided for.

(b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all owners of such Lots pursuant to this Declaration, together with interest thereon as provided for by Section Seven of Article IV, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys'

fees. At any time after the occurrence of any delinquency in the payment of any such assessment, the Board or any authorized representative thereof may make a written demand for payment to the delinquent owner. Said demand shall state the date and amount of delinquency. Each delinquency shall constitute a separate basis for a demand or claim of lien or a lien but any number of defaults may be included within a single demand or claim of lien, and any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board or its duly authorized representative may thereafter elect to file and record a claim of lien on behalf of the Association against the Lot of the defaulting owner, in the office of the Register of Deeds of Davidson County, Tennessee. Such claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent owner;
- (2) The legal description and street address of the Lot site against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper off-set allowed);
- (4) That the claim of lien is made by the Association pursuant to this Declaration; and
- (5) That a lien is claimed against said Lot in an amount equal to the amount stated, together with all other amounts becoming due from time to time in accordance with this Declaration.

Upon such recordation of a duly executed original or copy of such claim of lien, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except for tax liens for real property taxes on any Lot, and assessments on any Lot in favor of any municipal or other governmental assessing unit. Any such lien may be foreclosed by appropriate and customary action for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association for the purpose of conducting such power of sale foreclosure. The lien provided for herein shall be in favor of the

Association and shall secure payment of all sums set forth in the claim of lien, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said claim of lien. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law. Each owner by becoming an owner of a Lot, hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner, and also hereby expressly waives the defense of the statute of limitations applicable to the bringing of any suit or action thereon.

Upon the timely curing of any default for which a notice of claim of lien was filed by the Board, the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer of the Association to file and record an appropriate release of such claim of lien in the office of the Register of Deeds of Davidson County, Tennessee.

No owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the common area, or any part thereof, or any other part of the Properties, or abandonment of his Lot. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicial, by power of sale or otherwise, until the expiration of ten (10) days after a copy of said claim of lien, showing the date of recordation thereof has been mailed to the owner of the Lot which is described in such claim of lien.

Each owner does hereby waive, to the extent any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Tennessee now in effect, or in effect from time to time hereafter, including the statutory right of redemption.

Section Eight. Subordination to Certain Trust Deeds. The lien for the assessments provided herein in connection with a given Lot shall not be subordinate to the lien of any deed of trust or mortgage except the lien of a deed of trust or mortgage given and made in good faith and for value that is of record as an encumbrance against such given Lot prior to the recordation of a claim of lien for the assessments provided for in this Declaration against such given Lot (such deed of trust or mortgage hereinafter referred to as a "prior deed of trust"). The sale or transfer of any Lot shall not affect the assessment lien provided for herein nor the creation thereof by the recordation of a claim of lien on account of assessments becoming due whether prior to, on, or after the date of such sale or transfer and shall not diminish or defeat the personal obligation of any owner for delinquent assessments as provided for by Section One of this Article IV; provided, however,

that the sale or transfer of any Lot pursuant to a judicial foreclosure or foreclosure by power of sale of a prior deed of trust, or proceeding in lieu of foreclosure of a prior deed of trust, shall extinguish any assessment lien which has attached and become effective with regard to the Lot being so transferred prior to the time of such sale or transfer, and shall prohibit the creation of any assessment lien against such Lot on account of assessments which become due prior to the date of such sale or transfer; provided, however, that there shall be a lien on the interests of the purchaser at such sale which shall attach, be created, and become effective and be foreclosed in accordance with this Declaration and which shall secure all assessments becoming due after the date of any such sale or transfer.

Notwithstanding anything to the contrary, a mortgagee in possession prior to foreclosure of deed, in lieu of foreclosure shall become and shall be liable for any assessment incurred from and after the date of possession by such mortgagee, and foreclosure sale or deed in lieu of foreclosure shall not extinguish such liability. For the purpose of this Section Eight, a sale or transfer of a Lot shall occur on the date of recordation of a deed or other instrument of title evidencing the conveyance of record title to the Lot.

Section Nine. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

(a) All properties dedicated to and accepted by any local public authority; and

(b) The Common Area.

Section Ten. Mortgagee Protection Clause. No breach of the covenants, conditions, or restrictions herein contained, nor the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior deed of trust made in good faith and for value, but all of said covenants, conditions, and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section Eleven. Developer's Maintenance Assessments. Developer shall pay all assessments of every type required of owners for lots owned by Developer.

ARTICLE V

Property Rights

Section One. Member's Easements of Enjoyment. Every member of the Association shall have a right and non-exclusive easement of enjoyment in and to the common area, and a non-exclusive easement for ingress and egress over and

through the private driveways, and such easements 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 limit the number of guests, and to adopt Association Rules regulating the use and enjoyment of the common area.
- (b) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common area and facilities and in aid thereof to mortgage said property, provided that the rights of such mortgage shall at all times be subordinate to the rights of the owners under this Declaration.
- (c) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains delinquent.
- (d) The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been approved by three-fourths (3/4) of the entire Class A membership and three-fourths (3/4) of the entire Class B membership.

Section Two. Delegation of Use. Any member may delegate his right to the use and enjoyment of the common area and the private driveways to the members of his single family, his tenants, or contract purchasers who reside on his Lot. The term "single family" shall mean a group of one or more persons each related by blood, marriage, or legal adoption, or a group of one or more persons not so related, together with their domestic servants, who maintain a common household in a dwelling upon a Lot.

Section Three. Title to Common Area. The Developer hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the common area to the Association, free and clear of all encumbrances, except this Declaration, and easements and utility rights when of record, prior to the conveyance of the first Lot to an owner other than Developer.

Section Four. Parking Rights. The use of any and all parking within the common area, including the private driveways, together with the terms and conditions with regard to such use, shall be subject to and at all times governed by the Association Rules as the same are in effect from time to time. Each owner shall have a non-exclusive easement of ingress and egress in, upon and over private driveways for the purpose of access to and from his Lot.

ARTICLE VI

Architectural Control

Section One. Approval of Plans and Specifications. No building, fence, wall, or other structure (including a detached garage) shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Oak Highlands Homeowners Association, Inc., or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or Board's designated committee, as the case may be fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. No fence or wall of any nature may be extended toward the front or street side property line beyond the front of the residences. Developer may not vary the established building lines without prior approval, in writing, from the Board of Directors of the Oak Highlands Homeowners Association.

Any proposed variances must comply with applicable zoning regulations.

Section Two. Building Materials. The exterior building material of all structures shall extend to ground level and shall be either brick, stone, wood siding, stucco, brick veneer or stone veneer, or a combination of same. All residences shall be a minimum of eighty percent (80%) brick construction on the front face of each home inclusive of windows and doors. However, the Board of Directors of the Oak Highlands Homeowners Association recognizes that the appearance of other exterior building materials (such as stucco type material) may be attractive and innovative, and reserves the right to approve in writing the use of other exterior building materials. Brick, outside trim, color, and roof color must be approved by the Board of Directors of the Oak Highlands Homeowners Association (or its appointed Architectural Committee).

Section Three. Minimum Floor Areas.

(a) The ground floor area of a one story house shall be a minimum of 1,500 square feet, exclusive of the garage.

(b) The total floor area of a one and one-half story house shall be a minimum of 1,750 square feet, exclusive of garage.

(c) The total floor area of a two story house shall be a minimum of 1,900 square feet, exclusive of the garage.

(d) Finished basement areas, garages, and open porches are not included in computing floor areas.

Section Four. Landscaping, Driveways. After the construction of a residence, the lot owner shall immediately grade, seed, and straw that portion of the lot between the front and street side walls of the residence and the pavement of any abutting streets and install foundation landscaping in keeping with the character of the surrounding lots. All driveways shall be either broom finished concrete, or exposed aggregate concrete, or interlocking brick. No asphalt paving or gravel driveways are permitted.

Section Five. Mail and Paper Boxes; Hedges. No mailbox, paper holder, or hedge shall be placed or planted on any lot unless its design and placement or planting are approved in writing by the Board of Directors of the Oak Highlands Homeowners Association, its appointed Architectural Committee, or by any person or association to whom the Board may assign the right.

Section Six. Drainage. Drainage of each lot shall conform to the general drainage plans for the development.

Section Seven. Garages. Each dwelling unit shall have a minimum of a two car attached or detached garage. There shall be no carports unless specifically approved by the Board of Directors of the Oak Highlands Homeowners Association.

ARTICLE VII

Use Restrictions

Section One. Land Use. No lot shall be used except for private single-family residential purposes. No structure shall be erected, placed, or altered or permitted to remain on any lot except one single-family dwelling designed for the occupancy of one family (including any domestic servants living on the premises), not to exceed two and one-half stories in height (or thirty-five feet, 35'), and which shall contain a private garage (attached or detached).

Section Two. Setbacks. No structure shall be located on any lot nearer to any lot line than the minimum building setback lines shown on the recorded plat, for

said respective lot, except bay windows and steps may project into said areas, and open porches may project into said areas to the extent allowed by the Planning Commission of the Metropolitan Government of Nashville and Davidson County, Tennessee. Provided however, that no part of any building shall be located closer than five feet (5') to the side yard on any lots unless approved in writing by the Board of Directors of the Oak Highlands Homeowners Association.

Section Three. Nuisances. No noxious or offensive trade or activity shall be conducted on any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section Four. Use of Other Structures and Vehicles.

(a) No structure of a temporary character shall be permitted on any lot except temporary tool sheds, field offices, or field sales offices, used by a builder or the Developer, which shall in all cases be approved, in writing, by the Board of Directors of the Oak Highlands Homeowners Association, and any such structure must be removed when construction or development is substantially completed.

(b) No outbuilding, trailer, basement, tent, shack, garage, barn, or structure other than the main residence erected on a lot shall at any time be used as a residence, temporarily or permanently.

(c) No trailer, truck, commercial vehicle, camper trailer, camping vehicle or boat shall be parked or kept on any lot at any time unless housed in a garage or basement. No automobile which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street. No trailer, boat, truck, or other vehicle, except an automobile, shall be parked on any street in the subdivision for a period in excess of twenty-four (24) hours.

Section Five. Dish Antennae. No dish antennae or satellite antennae shall be erected or placed on any lot.

Section Six. Animals. No animals, including reptiles, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept provided that they are not kept, bred, or maintained for any commercial or breeding purposes. All household pets, including dogs and cats, shall at all times be confined to the lot occupied by the owner of such pet.

Section Seven. Clotheslines. No outside clotheslines shall be erected or

placed on any lot.

Section Eight. Business; Home Occupations. No trade or business of any kind (and no practice of medicine, dentistry, osteopathy, and like endeavors) shall be conducted on any lot, or on the Common Area, except that members of the recognized professions in the community may receive the usual and ordinary calls at their homes. Nothing shall be done on any lot which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Article VIII, a new house may be used by the builder thereof as a model home for display or for the builder's own office, provided said use terminates within two (2) years from completion of the house.

Section Nine. Signs. The allowance, use, character, size, and appearance of all signs shall be subject to regulation by the Board of Directors of the Oak Highlands Homeowners Association. No sign for advertising or for any other purpose shall be displayed on any lot or on a building or a structure on any lot, except one sign for advertising the sale or rent thereof, which shall not be greater in area than eight (8) square feet; except that Developer may erect larger signs when advertising the development. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations. Builders may construct and maintain signs, billboards and advertising signs, or devices, as is customary in connection with the sale of newly constructed residential dwellings. Identifying signs shall be allowed at each entrance to the Subdivision. Notwithstanding the foregoing, the Board expressly reserves the right to restrict, prohibit, or order the removal of any sign located or placed with the Properties.

Section Ten. Disposal of Trash. No lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage. Trash or garbage or other waste shall not be kept except in sanitary conditions.

Section Eleven. Drains. No storm water drains, roof downspouts, or ground water shall be introduced into the sanitary sewage system. Connections on each lot shall be made with water-tight joints in accordance with all applicable plumbing code requirements.

Section Twelve. Oil and Mining Operations. No oil drilling, oil development, operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon, in or under any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, in or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section Thirteen. Lawful Use. No immoral, improper, offensive, or unlawful

use shall be made of the Common Area or Lots and Living Units, nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section Fourteen. Alteration. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association.

Section Fifteen. Rules for Common Area. The Association is authorized to adopt rules for the use of the Common Area and such rules shall be furnished in writing to the Owners. There will be no violation of these rules.

Section Sixteen. Repair of Vehicles. No vehicles of any type shall be permanently or semi-permanently parked on the Properties or in the vicinity of any Living Unit or in the Common Area for purposes of accomplishing repairs thereto, or the reconstruction thereof except as permitted by the Rules and Regulations adopted by the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being operated.

Section Seventeen. Fences. No chain link fence shall be erected or placed on any lot. (This prohibition shall not apply to chain link fences erected and completed prior to October 17, 1992.) All fencing must be approved, in writing, by the Board or its designated committee.

ARTICLE VIII

Exterior Maintenance

It shall be the duty of each owner to keep the grass on the lot properly cut, to keep the lot free from weeds and trash, and to keep it otherwise neat and attractive in appearance. Should any owner fail to do so, then in addition to maintenance upon Common Area, the Association, upon approval by a majority of the Board of Directors, shall be authorized to perform the above maintenance upon each Lot which is subject to assessment hereunder, including the: painting, repairing, replacing, and caring for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. In addition, upon the failure of any Lot or Unit Owner to comply with any condition or requirement of Article VI, Article VII, or Article VIII, the Board of Directors may take such action as is necessary to comply therewith, and the Owner on demand shall reimburse the Oak Highlands Homeowners Association for the expense incurred in so doing. All such enforcement provisions shall be vested in the Board of Directors who may, by a majority vote, authorize work to remedy the non-complying conditions and add the costs of such work to the assessment to which the subject Lot is subject.

ARTICLE IX

Easements

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

ARTICLE X

Obligation to Construct or Reconvey

Each Lot Owner, other than Developer, shall within twenty-four (24) months after the date of conveyance of lot without a dwelling thereon, commence in good faith the construction of a single family dwelling approved according to Article VI, upon each lot conveyed. The Board of Directors of the Oak Highlands Homeowners Association, Inc. may elect, in writing, and at their sole option, to extend the twenty-four (24) month period set forth in this Article. The Association recognizes that the Developer may contract with a purchaser(s) for the sale of a lot(s) under whatever terms the contracting parties may agree upon, provided the terms are not inconsistent with any provision of the Oak Highlands Homeowners Association, Inc. Articles of Incorporation, By-Laws, or Declaration of Restrictive Covenants, including any amendments thereto.

ARTICLE XI

Insurance

Section One. Casualty Insurance on Insurable Area. The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area 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 in the Common Assessments made by the Association.

Section Two. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Special Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Lot Owner.

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

Section Four. Notice to First Mortgagees. In the event of substantial damage to or destruction of the Common Elements, the institutional holder of any first deed of trust or mortgage on a Unit will be entitled to timely written notice of any such damage or destruction, if such notification has been requested by said holder of a First Mortgage or Deed of Trust.

Section Five. Liability Insurance. The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, mortgage of record, if any, the Association, its officers, directors, Board and employees, the Developer, and the Managing Agent, if any, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner for his corresponding percentage of ownership in the Common Elements.

ARTICLE XII

General Provisions

Section One. Enforcement. The Association, the Developer, 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, the Developer 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 Two. 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 Three. Amendment. Unless canceled, altered, or amended under the provisions of this Article, the covenants and restrictions of this Declaration shall run with and bind the land, 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. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be recorded.

Section Four. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of the members.

Developer, intends to complete the development of the Property in accordance with current plans. Notice is given that Developer reserves the right to subject the whole Property including adjacent property with cross easements and restrict the whole Property according to the terms of this Declaration and By-Laws; and to satisfy future municipal requirements. The Common Area of the Association initially covered hereby shall inure to the benefit of the co-owners of any new Lots which may become subjected to this Association by amended plat, or separate plats, and the Common Area allocable to the membership of each new Lot shall inure to the benefit of the co-owners of Lots recorded earlier, each to enjoy the Common Area of the other and to have and to hold the same as if each new lot has been developed and subjected to this Association simultaneously. All Common Area shall be jointly maintained and the expenses relative thereto borne in proportion to the number ONE over the total number of Lots which are part of the Association, including annexed lots.

Section Five. Board's Determination Binding. In the event of any dispute or disagreement between any Lot owners 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 each and all such Lot Owners.

Section Six. Notices. Notices provided for in the Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board at its address, or any Unit Owner, as the case may be, at the owner's lot number address, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Lot Owners. Any Lot Owner may designate a different address for notices to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person upon written acknowledgment of the receipt thereof. Hand delivery of unaddressed notices to owners or their dwellings shall also be considered effective notice under the Declaration and/or By-Laws.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Lot shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Lot is subject to such mortgage or trust deed.

Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the properties;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a Lot subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of more than sixty (60) days.

Section Seven. Transfer of a Lot-Notice to Association.

(a) **Unrestricted Transfers.** A Lot Owner may, without restriction under this Declaration, sell, give, devise, lease, or otherwise transfer his Lot, or any interest therein, to any person, provided that any lease agreement between any Lot Owner and any other person shall have a minimum duration of twelve (12) months and shall be specifically subject to the provisions of these Restrictions.

(b) **Notice to Association of Certain Transfers.** Whenever a Lot Owner shall propose to sell his Lot, or any interest therein, said Lot Owner shall give the Association notice of the transfer at the date of transfer.

Section Eight. Rights and Obligations. Each Grantee of the Developer, by the acceptance of a deed of conveyance accepts the same subject to all restrictions, conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights,

and powers created or reserved by this Declaration. All future Lot Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By-Laws which are more than administrative in nature such as, but not limited to, reservations and future rights of the Developer are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits, and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Lot Owners, tenants, and Occupants of a Lot shall be subject to, and shall comply with, the provisions of the By-Laws referred to herein, as they may be amended from time to time. The acceptance of a deed of conveyance devised or of a lease to a Lot, or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the said By-Laws and any Rules and Regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted, and ratified by such Lot Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease, thereof.

The terms and conditions of the Declaration, By-Laws, and Rules and Regulations may be incorporated by reference in, and become part of, the agreement between any first mortgage and any present or future Lot Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of the Declaration, By-Laws, and Rules and Regulations may be considered as a default by the first mortgagee, whereupon said first mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Lot Owner.

Section Eight. Common Open Space. The Association for the ownership and maintenance of common open space, that has been established in this document, shall not be dissolved nor shall it dispose of any common open space, by sale or otherwise (except to an organization conceived and established to own and maintain the common open space), without first offering to dedicate the same to the Metropolitan Government of Nashville and Davidson County and the said dedication be approved by the Metropolitan Planning Commission. However, the conditions of any transfer shall conform to the adopted final master development plan (Council Bill No. 086-1542).

In the event that the Association established to own and maintain common open space, or any successor organization, shall at any time after the establishment of the planned unit development fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the planned unit development and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the common open space for a period of one year. When the zoning administrator determines that the organization is not prepared for the maintenance for the common open space such agency shall continue maintenance for yearly periods.

The cost of such maintenance by such agency shall be assessed proportionally against the properties within the planned unit development that have a right of enjoyment of the common open space, and shall become a lien on said properties.

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