

DECLARATION
FOR
THE GARDEN HOMES AT THE RIDGES

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DECLARATION

FOR

THE GARDEN HOMES AT THE RIDGES

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THIS SPACE FOR REGISTER'S RECORDING INFO

Per TCA § 66-24-115
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STATE OF TENNESSEE
COUNTY OF WASHINGTON

DECLARATION FOR
THE GARDEN HOMES AT THE RIDGES

THIS DECLARATION is hereby made and entered into by RGT PARTNERSHIP, a Tennessee general partnership consisting of Reno G. Burleson, Grover C. Burleson, Sr. and Thomas J. Burleson (the "Developer").

WITNESSETH:

WHEREAS, the Developer is the legal title holder of certain improved real estate, consisting of 6.4510 acres (the "Parcel") located in Washington County, Tennessee, described as Block D, Phase I, The Ridges Residential Community, as shown on a subdivision map recorded in Plat Book 14, Page 3, in the Washington County Register of Deeds' Office, which maps were prepared by Tysinger, Hampton & Partners (Rick Kevin Bowers, TRLS No. 1481), 3428 Bristol Highway, P. O. Box 982, Johnson City, Tennessee, 37605; and

WHEREAS, the Developer intends to and does hereby submit the Parcel together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges thereto belonging or in any way pertaining (the "Property") to the provisions of the Horizontal Property Act of the State of Tennessee for the express purpose of establishing thereon a planned unit development to be known as The Garden Homes at The Ridges; and

WHEREAS, the Developer further desires to establish said planned unit development for its own benefit and for the mutual benefit of all future owners or Occupants of the Property or any part thereof, and intends that all future owners, Occupants, deed of trust beneficiaries, and any others acquiring any interest in the Property, shall hold such interest subject to certain rights, easements and privileges

in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property; and

NOW, THEREFORE, the Developer declares as follows:

1. **Definitions.** As used herein, unless the context otherwise requires:
 - (a) "Act" means the Horizontal Property Act of the State of Tennessee, Tenn. Code Ann. Section 66-27-101, et seq., as amended.
 - (b) "Association" means The Garden Homes at The Ridges Association ("GH Association"), a Tennessee nonprofit corporation, the Charter of which is recorded on Roll 99, Image 1834, of the Washington County Register of Deeds' Office.
 - (c) "Board" means the Board of Directors of GH Association, a Tennessee nonprofit corporation.
 - (d) "Building" or "Buildings" means the structures within the Units. Architectural plans for the buildings ("Architectural Plans") are being simultaneously recorded herewith. See Plat Book 14, Page 8.
 - (e) "Bylaws" means the Bylaws, and any amendments thereto, of GH Association attached hereto as Exhibit A and made a part hereof. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be a part of the Bylaws.
 - (f) "Common Elements" means all of the Property, except for Private Elements and Limited Common Elements. All yard areas outside the Private Elements are Common Elements.
 - (g) "Declaration" means this instrument, as amended from time to time.
 - (h) "Deed of trust" shall include a mortgage, and "deed of trust beneficiary" shall include a mortgagee and a holder of a Deed of trust.

- (i) "Developer" means RGT PARTNERSHIP, a Tennessee general partnership consisting of Reno G. Burleson, Grover C. Burleson, Sr. and Thomas J. Burleson, its successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.
- (j) "Limited Common Elements" means all improvements, such as driveways, which service more than one, but less than all, the Units.
- (k) "Majority" or "majority of the Unit Owners" means the owners of more than fifty percent (50%) of the voting rights of the Unit Owners.
- (l) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.
- (m) "Parcel" means the parcel or tract of real estate, consisting of 6.4510 acres (the "Parcel") located in Washington County, Tennessee, described as Block D, Phase I, The Ridges Residential Community, as shown on a subdivision map recorded in Plat Book 14, Page 3, in the Washington County Register of Deeds' Office, which maps were prepared by Tysinger, Hampton & Partners (Rick Kevin Bowers, TRLS No. 1481), 3428 Bristol Highway, P. O. Box 982, Johnson City, Tennessee, 37605.
- (n) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
- (o) "Plat" means the plat or survey of the Parcel submitted to the provisions of the Act showing the number of each Unit, expressing its area, location and other data necessary for identification, said Plat for The Garden Homes at The Ridges, being of record at Plat Book 14, Page 3, Register's Office for Washington County, Tennessee. Plats of an "as built" site plan shall be recorded upon completion of the construction of all Units, and upon such recordation "Plat" shall mean the plat described above, any such additional plat, or all such plats collectively, as the circumstances may require.
- (p) "Private elements" means all land and improvements lying within the areas shown with dashed lines on the Plat and all improvements which service only one Unit.
- (q) "Property" means all the land and space comprising the Parcel, and all improvements and structures thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures

and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

- (r) "Record" or "recording" refers to the record or recording in the office of the Register of Deeds for Washington County, Tennessee.
 - (s) "Unit" means each area designated on the Plat within the dashed lines privately owned by the Unit Owners. Each Unit is numbered as shown on the Plat. Any Unit may be jointly or commonly owned by more than one person. It is intended that the term "Unit" as used in this Declaration shall have the same meaning as the term "apartment" as defined in Tenn. Code Ann. §66-27-102 (a) (1) (A) (iii) and (iv) and (a) (1) (B).
 - (t) "Unit Owner" or "Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit, and of the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto, and shall be deemed the same as a "co-owner" under the Act. Unless specifically provided otherwise herein, the Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.
2. **Property Subject to Restrictions.** In addition to this Declaration, the Property is subject to the Declaration of Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for The Ridges as recorded on Roll 89, Image 2825, Washington County, Tennessee Register of Deeds' Office, Reciprocal Easement and Restrictive Covenants as recorded on Roll 91, Image 774, Washington County, Tennessee Register of Deeds' Office and First Supplement to Declaration of Restrictions, Easements, Covenants, Conditions, Assessments and Liens for "The Ridges" (Affecting Block D, Phase I, The Ridges Residential Community) as recorded on Roll 98, Image 765, Washington County, Tennessee Register of Deeds' Office.
 3. **Submission of Property to the Act.** The Developer, by recording this Declaration, does hereby submit and subject the Parcel and the Property to the provisions of the Act and hereby establishes a planned unit development as authorized and described in the Act and to be hereafter known as The Garden Homes at The Ridges.
 4. **Plat.** The Plat, together with this Declaration sets forth the numbers, areas, locations, and other data as required by the Act.
 5. **Units.** The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, Deed of trust

or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause such Owner's Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

6. **Votes.** Any vote or action to be taken under this Declaration by the Unit Owners shall be taken on a basis such that each Unit has one (1) vote and shall be taken in accordance with the Bylaws. If any Unit Owner consists of more than one (1) person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) person in accordance with the proxy or other designation made by persons constituting such Unit Owner.
7. **Association of Unit Owners and Administration and Operation of the Property.** There has been formed a townhouse corporation having the name The Garden Homes at The Ridges Association, a Tennessee nonprofit corporation, which Association shall be the governing body for all of the Unit Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation and care of the Property as provided in the Act, this Declaration and Bylaws. The Bylaws for the Association shall be the Bylaws attached to this Declaration as Exhibit A and made a part hereof, and any amendments thereto. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the Bylaws. The fiscal year of the Association shall be determined by the Board within the confines of applicable law, and may be changed from time to time as allowed by law as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the use and benefit of Unit Owners in accordance with the provisions of the Declaration and Bylaws. To the extent allowed by law, the Association, through its Board, shall represent the Unit Owners in any proceedings, negotiations, settlements and agreements affecting all or part of the Common Elements. Each Unit Owner shall be a member of the Association so long as such Owner is a Unit Owner. A Unit Owner's membership shall automatically terminate when such Owner ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association (21) shall be divided among the respective Unit Owners with one (1) vote granted to each Unit.
8. **Management of Property.** The Board shall have the authority to, but shall not be required 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.

9. **Use by Developer.** During the period of construction and sale of any Units by the Developer, the Developer, and the Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to ingress to and egress from the Buildings and Property as may be required for purposes of construction or sale of the Units. While the Developer owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Developer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units, or as a sales office, and may maintain customary signs in connection therewith.
10. **Non-Liability of the Directors, Board, Officers and Developer.** Neither the directors, Board, officers of the Association, nor the Developer shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers, or Developer, except for the matters set forth in Section 9 of the Charter. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, and Developer, and their respective heirs, personal and legal representatives, successors and assigns, or any of them, in accordance with, and as provided in, the Bylaws and Charter of the Association.
11. **Interest of Association in Common Elements.** Ownership of the Common Elements is allocated as described in Section 13 hereof. The Association shall have no ownership interest in the Common Elements.
12. **Board's Determination Binding.** In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.
13. **Ownership of the Common Elements.** Each Unit Owner is hereby allocated, as an appurtenance to each Unit Owner's respective Unit, a one-twenty-first (1/21) interest in the Common Elements. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages or fractional share (1/21) of Ownership. The ownership of each Unit shall not be conveyed separate from the percentage or fractional

share of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

14. **Use of the Common Elements.** Except as herein set forth, each Unit Owner shall have the right to use the Common Elements, except the Limited Common Elements, in common with all other Unit Owners. Such right to use the Common Elements shall extend to each Unit Owner, and such Owner's agents, servants, tenants, family members, invitees and licensees. However, only a Unit Owner whose unit is served by Limited Common Elements shall have the right to the use of such Limited Common Elements. Each Unit Owner shall have an unrestricted right of ingress and egress to his or her Unit over a driveway which is a Limited Common Element. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, Bylaws and any rules and regulations established by the Association. In addition, the Association shall have the authority to lease, convey or grant easements with respect to parts of the Common Elements, subject to the other provisions of this Declaration and the Bylaws.
15. **Expenses, Assessments and Enforcement.**
 - (a) **Common Expenses.** Each Unit Owner, including the Developer, shall pay his or its proportionate 1/21 share of the expenses of the administration and operation of the Common Elements, including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto, and of any other expenses incurred in accordance with the Declaration and Bylaws (which expenses are herein sometimes referred to as "common expenses"). The amount of any assessment for common expenses shall be in such amounts and at such times as determined in the manner provided in the Bylaws. No Unit Owner shall be exempt from payment of such Owner's proportionate share of the common expenses by waiver or non-use of enjoyment of the Common Elements or Limited Common Elements, or by abandonment of such Owner's Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof, together with interest thereon at the rate of ten percent (10%) per annum, after said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act. Each assessment for common expenses against a Unit shall be the personal obligation of the Owner of the Unit at the time

the assessment is due. A successor in title to a Unit shall not be personally obligated to pay any unpaid assessments for common expenses that have been levied against a Unit unless such successor in title expressly assumes the payment of the same. Provided, however, any lien encumbering a Unit as above described shall not be affected by transfer of a Unit.

- (b) **Special Assessments - Common Elements.** In addition to the annual assessments for common expenses authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon or part of 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 votes of Unit Owners.
- (c) **Special Assessments - Maintenance and Repair Obligations.** In the event any Unit Owner fails to maintain or repair his, her, its or their Unit in accordance with the provisions of this Declaration, the Bylaws or the rules adopted by the Board, then the Association may perform, or have performed, such maintenance or repair and assess the cost thereof to the defaulting Unit Owner.
- (d) **Enforcement.** In the event any Unit Owner fails to pay such Owner's assessment for such Unit's proportionate share of any common expense or any special assessment against such Unit when such is due, then in any such event the Association shall have a lien against the Unit of the defaulting Unit Owner securing payment of the sums due, and shall be entitled to enforce such lien by foreclosure or suit, or both.

16. **Deeds of Trust.**

- (a) **Unit Owners' Rights.** Each Unit Owner shall have the right, subject to the provisions herein, to make separate deeds of trust for such Owner's respective Unit together with such Owner's respective (1/21) ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create, or cause to be made or created, from the date hereof, any Deed of trust or other lien on or affecting the Property or any part thereof, except for such Owner's Unit and the respective (1/21) percentage interest in the Common Elements appertaining thereto.
- (b) **Deed of Trust Protection.** The lien for common expenses and special assessments payable by a Unit Owner shall be subordinate to the lien of

a recorded Deed of trust in favor of a bonafide lender on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses that become due and payable from and after the date on which the beneficiary thereunder takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses on its Deed of trust. This Subsection (b) shall not be amended, changed, modified or rescinded without the prior written consent of all deed of trust beneficiaries of record.

17. **Separate Real Estate Taxes.** Real estate taxes shall be separately taxed to each Unit Owner for such Owner's Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay such Owner's proportionate share thereof in accordance with such Owner's respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.
18. **Insurance and Damage.**
 - (a) **Common Elements.**
 - (1) **Standard Extended Coverage Hazard Insurance.** The Board shall have the authority to and may, but is not required to, obtain insurance for the Common Elements, (e.g., landscaping and any structures subsequently placed on the Common Elements), against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements, other than the land itself. The Board may also insure against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed to be the cost of restoring the Common Elements or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual Unit Owners. The premiums for such insurance shall be a common expense.
 - (2) **Use of Proceeds.** In the event of damage to or destruction of any Common Elements as a result of fire or other casualty covered by

insurance proceeds, the Board shall, without intervention of any Unit Owner, arrange for the prompt repair and restoration of the damaged portions of all Common Elements substantially in accordance with the original plans and specifications therefor. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all Unit Owners, in proportion to each Unit's percentage of ownership in the Common Elements. The Association shall not be responsible for the repair, replacement or restoration of any portion of a Unit, or any furniture, furnishings, fixtures, appliances or equipment installed in a Unit by a Unit Owner or Occupant unless insurance therefor is specifically provided for in the insurance policy obtained by the Board.

- (3) Comprehensive General Liability Insurance. The Board shall also have authority to and shall obtain comprehensive general liability insurance, in such amounts as it deems desirable, insuring each Unit Owner, deed of trust beneficiaries 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. Workers' compensation insurance and other liability insurance, as the Board deems desirable, may be obtained in the discretion of the Board. The premiums for all insurance relating to the Common Elements shall be a common expense. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.
- (b) Director/Officer Liability Insurance. The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officers of the Association, and members of any committee appointed pursuant to the Bylaws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee.
- (c) Private Elements Insurance. Each Unit Owner shall insure his own Unit and contents against such Owner's personal liability and loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Unit and shall name the Association as loss payee for purposes of insuring that the proceeds are used for repair

and restoration and so the Association will be advised by the insurer that coverage is in effect.

19. Maintenance, Repairs and Replacements.

- (a) **Private Elements.** Any damaged or destroyed Unit must be repaired or restored to its condition before the damage or destruction occurred, and in compliance with this Declaration, the Architectural Plans, the Plat, and all other restrictions, rules or regulations applicable to the Property. Said restoration must be completed as soon as reasonably practicable. Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs to, and replacements within such Owner's Unit; provided, however, the Board may choose to provide such maintenance and repairs or some portion thereof as part of the common expense.
- (b) **Common Elements.** Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of, and shall be furnished by, the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the Bylaws, rules and regulations of the Association.
- (c) **Limited Common Elements.** To the extent not covered by the Association's insurance, the expenses for the maintenance, repair or replacement of Limited Common Elements shall be borne by the Owners of the Units to which such Limited Common Elements are appurtenant. At the discretion of the Board, maintenance of, repairs to and replacements of Limited Common Elements may be performed by the Association and the cost thereof assessed to Unit Owners benefitted thereby. At the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement 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 contractors' and subcontractors' sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.
- (d) **Unit Owner Liability.** Individual Unit Owners shall be liable for damage to Common Elements, Limited Common Elements, and other Units under the following circumstances:

- (1). Such damage is caused by the act or neglect of a Unit Owner, or the agent, servant, tenant, family member, invitee, licensee or household pet thereof; or
- (2). Such damage is due to circumstances relating to the Unit Owner's Unit, or private elements connected with or servicing the Unit Owner's Unit (e.g. damage caused by burst sewer line servicing one Unit).

When a Unit Owner is, in the Board's opinion, liable for damage to the Common Elements, Limited Common Elements, or other Units, the responsible Unit Owner shall pay for such damage upon demand by the Board.

- (e) **Access By Association.** The authorized representative of the Association, Board or of the Managing Agent, with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation, maintenance, repair or replacement of any individual Unit, Limited Common Elements, or Common Elements, or any equipment, facilities or fixtures affecting or serving any other Unit, Common Element or Limited Common Element.
20. **Alterations, Additions or Improvements.** Except as otherwise provided herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the Bylaws. Any Unit Owner may make alterations, additions or improvements within the Building of the Unit Owner without the prior written approval of the Board, but not to the exterior.
 21. **Decorating.** Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all decorating within such Owner's Unit. Each Unit Owner shall be entitled to the exclusive use of his Unit, and such Unit Owner shall maintain said Unit in good condition at such Owner's sole expense, as may be required by the Board from time to time. Maintenance and use of said Unit shall be subject to the rules and regulations of the Association. Decorating of the Common Elements shall be furnished by the Association as part of the common expenses.
 22. **Encroachments and Easements.** If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common

Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist.

The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the planned unit development.

23. **Association's Right to Purchase at a Foreclosure Sale.** The Board shall have the power and authority to bid and purchase any Unit, or interest therein, at a sale pursuant to a Deed of trust foreclosure, a foreclosure of the lien for common expenses under the Act, or an order or direction of a court, or at any other involuntary sale, upon the unanimous consent or approval of all other Unit Owners. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit.

The Board shall have authority to make such loan, Deed of trust arrangements, and other financing arrangements, including the imposition of special assessments proportionately among the other respective Unit Owners, as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit, or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

24. **Use and Occupancy Restrictions.** Subject to the provisions of the Bylaws and applicable restrictions, no part of the Property 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. Each Unit shall be used as a residence, and for no other purpose.

(a) Personal or professional business. Notwithstanding the preceding paragraph, professional and quasi-professional people may use their residence (not in violation of applicable zoning laws) as an ancillary or secondary facility to an office established elsewhere, but not for the purpose of receiving customers, patients or clients on a regular basis. The foregoing restrictions as to residence shall not be construed in such manner as to prohibit a Unit Owner from:

- (1) maintaining a personal professional library,
- (2) keeping personal, financial, business or professional records or accounts, or
- (3) handling personal business or professional telephone calls or correspondence.

Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

- (b) **Leased Units.** No Unit shall be leased or rented for less than ninety (90) days, and all leases of Units shall be in writing and subject to the requirements of this Declaration, the Bylaws and the rules and regulations of the Association.
- (c) **Common Elements.** The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units as the Board may from time to time authorize; provided, however, that any areas designed for a specific use shall be used only for such specific purposes approved by the Board. 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, or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

25. **Remedies.** In the event of any violation of the provisions of the Act, Declaration, Bylaws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of such Owner's Unit), the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies that may be provided for in the Act, Declaration, Bylaws, or said rules and regulations, or that may be available at law or in equity, and may foreclose the lien or prosecute an action against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to sell the Unit through foreclosure or judicial process as provided hereinbefore, or for any combination of remedies, or for any other relief. All fees and expenses of the Board in connection with any such actions or proceedings, including court costs, attorneys' fees, and all damages, liquidated or otherwise, together with interest thereon at the rate of ten percent (10%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and the Board shall have a lien for all of the same. In the event of any such default by any Unit Owner, the Board shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board, and its employees or agents under its direction, the right, in addition to any other rights provided for in this Declaration,

- (a) to enter (either peaceably or forcibly without liability to such Unit Owner for such entry) upon the Unit, or any portion of the Property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or
- (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or
- (c) to take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

If any Unit Owner (either by such Owner's conduct or by the conduct of any other Occupant of his Unit) shall violate the Act, or any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and if such default or violation shall continue for five (5) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Owner a notice in writing terminating the rights of the said defaulting Owner to continue as a Unit Owner and to continue to occupy, use or control such Owner's Unit, and thereupon an action in equity may be filed by the Board against said defaulting Owner for a decree of mandatory injunction against such defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in the Property shall be sold (subject to the lien of any existing Deed of trust) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Owner from reacquiring such Owner's interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to said defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit

Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of possession or assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide that the purchaser shall take the interest in the Unit Ownership sold subject to this Declaration.

In addition to the other remedies provided for herein, in the event of a default by a Unit Owner in the payment of such Unit Owner's respective share of the common expenses which default continues for a period of thirty (30) days, the Board shall have the power and authority to place such Unit Owner's name on a list of delinquent Unit Owners, which list may be posted at a place designated by the Board for notices or mailed or delivered to all other Unit Owners.

Any aggrieved Unit Owner shall also have all rights of action available in law or equity should another Unit Owner, or the Association, fail to comply with the requirements of the Declaration, Bylaws, or rules and regulations of the Association. Such aggrieved Unit Owner shall be entitled to attorney fees and costs under the same circumstances as the Association would be entitled to such fees and costs.

26. Amendments.

- (a) Generally. Except as specifically stated elsewhere herein, any provisions of this Declaration may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Unit Owners owning not less than two-thirds (2/3) of the total Units and acknowledged and approved by a majority of the first lien Deed of trust bonafide lender beneficiaries, [provided, however, that all lien holders of record have been notified in writing of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such notification is made a part of the instrument changing, modifying or rescinding this Declaration].
- (b) Exceptions.
 - (1) Unanimous consent required. If the Act, the Declaration or the Bylaws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Unit Owners or all lien holders, or both, as required by the Act or this Declaration.

- (2) Developer's rights. Notwithstanding the above, the Developer, acting alone, may make and record any amendment to this Declaration which A) is required to obtain approval for insuring mortgages or Units in the Development, or B) is necessary or desirable, in the sole discretion of the Developer, for completion of the Development.
- (c) Recording Required. The change, modification or rescission, shall be effective upon recording of such instrument in the office of the Register of Deeds for Washington County, Tennessee,
- (d) Act Prevails. No provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.
27. **Notices.** Notices provided for in the Act, Declaration or Bylaws shall be in writing, and shall be addressed, if to a Unit Owner, to the address of such Owner's Unit, and if to the Association or Board, as the case may be, to The Garden Homes at The Ridges Association, c/o RGT Partnership, 725 West Walnut Street, Johnson City, TN 37604, or at such other address as may be 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 Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice 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 with written acknowledgment of the receipt thereof.
- Upon written request to the Board, the holder of any recorded Deed of trust, or deed of trust beneficiary, encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such Deed of trust. The Association may charge a reasonable fee for such notices and the same shall be assessed to the Unit Owner whose Unit is so encumbered.
28. **Severability.** If any provision of the Declaration or Bylaws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the Bylaws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.
29. **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 Unit Owners and

Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the Bylaws that 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 to be covenants running with the land, and shall bind any person having at any time an 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 Unit Owners, tenants and Occupants of a Unit shall be subject to, and shall comply with, the provisions of the Bylaws appended hereto and recorded herewith as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the said Bylaws and any rules and regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Unit Owner, tenant or Occupant, and all of such provisions shall be deemed to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

30. **Trustee as Unit Owner.** In the event title to any Unit is conveyed to a trustee under the terms of a trust agreement in which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holder trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Unit.
31. **Condemnation.** In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, the award made for such taking shall be payable to the Association and all deed of trust beneficiaries affected. If a majority of the Board in their discretion, with written consent of a majority of the deed of trust beneficiaries affected, approve the repair and restoration of

such Common Elements, then the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board and the deed of trust beneficiaries do not approve the repair and commence restoration of such Common Elements within one hundred eighty (180) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of such Unit's percentage of ownership in the Common Elements to the Unit Owners and the deed of trust beneficiaries as their interests may appear.

32. **Rights Reserved.** The Unit Owner's right of enjoyment in the property commonly owned by the Association as herein created shall be subject to:
- (a) The right of the Association, as provided in its Bylaws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations; and
 - (b) The right of the Association to charge reasonable fees for the use of the parts of the Common Elements; and
 - (c) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that, except as allowed by (d) just below, no such diminution, dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless the Developer, its successors or assigns, and the members of the Association entitled to cast two-thirds (2/3) of the total votes of members, and the appropriate consent(s) of a majority of the first lien bonafide lender deed of trust beneficiaries have all been recorded, agreeing to such act; and
 - (d) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the individual Units.
33. **Provisions Protecting Mortgagees.** Specifically, the following declarations shall be fully effective and controlling over any other terms of the Declaration, or Bylaws which are in conflict:

- (a) A beneficiary, insurer or guarantor to any first lien bona fide lender Deed of trust secured by a Unit, at its request, is entitled to a financial statement of the Association for the preceding fiscal year.
- (b) Any first lien bona fide lender deed of trust beneficiary of a Unit which comes into possession of the Unit pursuant to the remedies provided in the deed of trust, foreclosure under the deed of trust, or deed in lieu of foreclosure shall take the property free of any claims for unpaid assessments, fees or charges (except for specific assessments against the mortgaged unit which specifically benefitted the subject Unit), which accrue prior to the time such beneficiary comes into possession of the Unit.
- (c) Unless at least two-thirds (2/3) of the first lien deed of trust beneficiaries (based upon one (1) vote for each Deed of trust held), and Unit Owners owning at least two-thirds (2/3) of the total Units have given their prior written approval, the Association shall not be entitled to:
 - (1) Change the percentage interests of ownership or pro rata obligations of all or any Unit or Unit Owner.
 - (2) Partition or subdivide any Unit or the Common Elements.
 - (3) By act or omission seek to (a) abandon the planned Unit Development status of the Property, except as allowed by Sections 66-27-118 and 67-27-119, Tenn. Code Ann., subject however to the specific requirements relating thereto contained in this Declaration, or (b) encumber, sell or transfer the Common Elements, except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements.
 - (4) Use hazard insurance proceeds for losses to any Property (whether to individual Units or Common Elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided in Section 66-27-118, Tenn. Code Ann., in case of substantial loss to the Units and/or Common Elements to the planned Unit Development.
- (d) Unit Owners, first lien bona fide lender deed of trust beneficiaries, and insurers or guarantors of any first lien bona fide lender Deed of trust, shall have the right to examine the books, records, current copies of the Declaration, Bylaws, and rules and regulations of the Association and/or


the planned Unit Development during normal business hours and upon request.

- (e) An adequate reserve fund for maintenance, repair and replacement of Common Elements which must be replaced on a periodic basis shall be established and funded by regular monthly payments rather than only by special assessments.
- (f) As set forth in Section 66-27-120, Tenn. Code Ann., all taxes, assessments and charges which may become liens prior to a Deed of trust under the laws of the State of Tennessee shall relate only to the individual Unit and not to the planned Unit Development as a whole.
- (g) Any agreement for professional management of the planned unit development project, whether it be by the Developer, its successors and assigns, or any other person or entity, may be terminated on ninety (90) days' written notice and the terms of any such contract shall so provide and shall not be of a duration in excess of three (3) years. Prior to passage of control from the Developer, the Association shall not be bound, directly or indirectly, to contracts or leases unless there is a right of termination of such upon not more than ninety (90) days' notice without penalty.
- (h) Upon written request, the Association shall give to any deed of trust beneficiary of a Unit, the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), any lending institution servicing such deeds of trust as are acquired by the FHLMC or FNMA, or any insurer or guarantor of a Deed of trust on a Unit, timely notice in writing of any loss to or the taking of the Common Elements of the planned Unit Development if such loss or taking exceeds Ten Thousand (\$10,000.00) Dollars, or of any other condemnation or casualty loss that affects either a material portion of the project or the Unit securing its Deed of trust, a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, or any proposed action that requires the consent of a specified percentage of deed of trust beneficiaries.
- (i) A first lien deed of trust beneficiary of a Unit Owner upon written request is entitled to written notification from the Association of any default in the performance by such Unit Owner of any obligation under this Declaration, Bylaws or rules and regulations of the Association, which is not cured within sixty (60) days.

34. **Miscellaneous.** The captions used herein are for reference purposes only and shall not limit or broaden the meaning of any section. When used herein, the singular shall include the plural, the plural the singular, and the use of one gender shall apply to any gender, if the context so requires.
35. **Attorney's Opinion.** Pursuant to Tenn. Code Ann. §66-27-103, Developer has obtained an attorney's opinion that this Declaration complies with the requirements of the Tennessee Horizontal Property Act, Tenn. Code Ann. §66-27-101, et seq. and that The Garden Homes at The Ridges constitutes a planned Unit Development created thereunder. A copy of said attorney's opinion is attached as Exhibit B.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on this the 23 day of October, 1996.

RGT Partnership
a Tennessee General Partnership

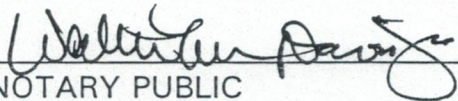
By: 
Thomas J. Burleson, general partner

STATE OF TENNESSEE
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

Personally appeared before me, the undersigned Notary Public in and for the State and County aforesaid, THOMAS J. BURLESON, with whom I am personally acquainted or who was proved on the basis of satisfactory evidence to me to be the person who executed the foregoing instrument and who, being by me duly sworn, acknowledged, under oath, that he is a General Partner of RGT PARTNERSHIP, a Tennessee General Partnership, the within named bargainor; that he is authorized and empowered to execute the foregoing instrument on behalf of and as the voluntary act and deed of said Partnership; that he did so execute this instrument by signing the name of said Partnership by himself as such General Partner, and that he did so for the purposes therein contained as the voluntary act and deed of said Partnership.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 23rd day of October, 1996.


NOTARY PUBLIC

My commission expires:
1.26.99



EXHIBIT A

SEE BYLAWS UNDER SEPARATE TAB

WALTER LEE DAVIS, JR.

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
121 EAST UNAKA AVENUE
JOHNSON CITY, TN 37601-4697

WALTER LEE DAVIS, JR.
ATTORNEY/CPA

TELEPHONE (423) 929-7000
FACSIMILE (423) 926-3991

RENÉ RIGGS GILLIAM
ATTORNEY

October 21, 1996

ATTORNEY'S OPINION

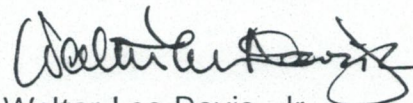
(Exhibit B to the Declaration for The Garden Homes at The Ridges)

RE: The Garden Homes at The Ridges
Compliance with Tennessee Horizontal Property Act,
Tenn. Code Ann. 66-27-101, et seq.

REQUESTED BY: Developer
RGT Partnership
725 West Walnut Street
Johnson City, TN 37604

I am an attorney licensed to practice law in Tennessee. It is my opinion that all legal documents required by the Tennessee Horizontal Property Act, Tenn. Code Ann. 66-27-101, et seq., for the creation of a planned unit development are included either directly or incorporated by reference in the Declaration for The Garden Homes at The Ridges ("Declaration"). Pursuant to Tenn. Code Ann. §66-27-103, specifically included in or attached to the Declaration are the Declaration, Bylaws (Exhibit A to the Declaration), a Plat showing private and common elements, (referred to in the Declaration and recorded in Plat Book 14, Page 3, Washington County, Tennessee Register of Deeds' Office) a townhouse corporation charter (recorded on Roll 99, Image 1834, Washington County, Tennessee Register of Deeds' Office) and this Attorney's Opinion. Therefore, it is my legal opinion that The Garden Homes at The Ridges is a planned unit development created under the Tennessee Horizontal Property Act, Tenn. Code Ann. 66-27-101, et seq.

Respectfully submitted,



Walter Lee Davis, Jr.

Attorney

Tennessee BPR # 615

THIS SPACE FOR REGISTER'S RECORDING INFO

Per TCA § 66-24-115

Prepared By:

WALTER LEE DAVIS, JR.
Attorney at Law
121 East Unaka Avenue
Johnson City, TN 37601-4697
Phone (423) 929-7000
Fax (423) 926-3991

State of Tennessee, County of WASHINGTON
Received for record the 22 day of
NOVEMBER 1996 at 9:25 AM. (RECH 123276)
Recorded in official records film
Roll 102 Image 2316-2318
State Tax \$.00 Clerks Fee \$.00,
Recordings \$ 12.00, Total \$ 12.00,
Register of Deeds CHARLES BEARD
Deputy Register DEBBIE JARRETT

STATE OF TENNESSEE
COUNTY OF WASHINGTON

AMENDMENT TO DECLARATION FOR
THE GARDEN HOMES AT THE RIDGES

THIS AMENDMENT TO DECLARATION is hereby made and entered into by RGT PARTNERSHIP, a Tennessee general partnership consisting of Reno G. Burleson, Grover C. Burleson, Sr. and Thomas J. Burleson (the "Developer").

WITNESSETH:

WHEREAS, the original Declaration for The Garden Homes at The Ridges which was filed October 24, 1996, and recorded on Roll 101, Images 158-209, in the Washington County Register Of Deeds' Office, ("the Declaration"), referred to a Charter for The Garden Homes at The Ridges Association, a Tennessee not for profit corporation, a copy of which Charter was filed October 1, 1996, on Roll 99, Image 1834, in the Washington County Register of Deeds' Office, ("the Charter"), but information required by statute was inadvertently omitted from said Charter; and

WHEREAS, a Revised Charter of The Garden Homes at The Ridges Association was filed with the Tennessee Secretary of State on October 28, 1996, assigned Corporation Control No. 0320099, and recorded in the Washington County Register of Deeds' Office on November 8, 1996, at Roll 101, Image 2878; ("the Revised Charter") and

WHEREAS, the above referenced Revised Charter, Section 13, contains the previously omitted information; and

WHEREAS, the Declaration, Section 26, (b), (2), provides that "the Developer, acting alone, may make and record any amendment to this Declaration which A) is required to obtain approval for insuring mortgages or Units in the Development, or

B) is necessary or desirable, in the sole discretion of the Developer, for completion of the Development;"

NOW, THEREFORE, the Developer declares as follows:

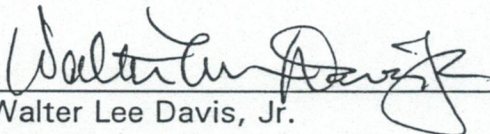
All references to the Charter in the Declaration and all Exhibits thereto shall be and hereby are amended so as to refer to the Revised Charter.

Walter Lee Davis, Jr. joins in this Amendment to Declaration for the purpose of restating, as of the date hereof, the Attorney's Opinion which is Exhibit B to the original Declaration.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration on this the 19th day of November, 1996.

RGT PARTNERSHIP
a Tennessee General Partnership

By: 
Thomas J. Burleson, General Partner


Walter Lee Davis, Jr.

STATE OF TENNESSEE
COUNTY OF WASHINGTON

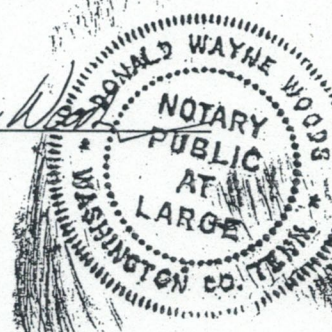
ACKNOWLEDGMENT

Personally appeared before me, the undersigned Notary Public in and for the State and County aforesaid, THOMAS J. BURLESON, with whom I am personally acquainted or who was proved on the basis of satisfactory evidence to me to be the person who executed the foregoing instrument and who, being by me duly sworn, acknowledged, under oath, that he is a General Partner of RGT PARTNERSHIP, a Tennessee General Partnership, the within named bargainor; that he is authorized and empowered to execute the foregoing instrument on behalf of and as the voluntary act and deed of said Partnership; that he did so execute this instrument by signing the name of said Partnership by himself as such General Partner, and that he did so for the purposes therein contained as the voluntary act and deed of said Partnership.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 20th day of November, 1996.

Donald Wayne Wood

NOTARY PUBLIC



My commission expires:
10-31-00

STATE OF TENNESSEE
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

On this 19th day of November, 1996, before me, the undersigned Notary Public, personally appeared WALTER LEE DAVIS, JR. with whom I am personally acquainted, or who was proved on the basis of satisfactory evidence to me to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed, for the purposes therein set out.

WITNESS MY HAND AND OFFICIAL SEAL in office this the date first herein written.

Wanda S. Pierce

NOTARY PUBLIC



My Commission Expires:
January 26, 1999

THIS SPACE FOR REGISTER'S RECORDING INFO

Per TCA § 66-24-115

Prepared By:

WALTER LEE DAVIS, JR.

Attorney at Law

121 East Unaka Avenue

Johnson City, TN 37601-4697

Phone (423) 929-7000

Fax (423) 926-3991

State of Tennessee, County of WASHINGTON
 Received for record the 19 day of
 MARCH 1999 at 9:20 AM. (REC# 192137)
 Recorded in official records file
 Roll 165 Image 1575-1577
 State Tax \$.00 Clerks Fee \$.00
 Recording \$ 14.00 Total \$ 14.00
 Register of Deeds GINGER B. JILTON
 Deputy Register DEBBIE JARRETT

STATE OF TENNESSEE
 COUNTY OF WASHINGTON

SECOND AMENDMENT TO DECLARATION
 FOR THE GARDEN HOMES AT THE RIDGES

THIS SECOND AMENDMENT TO DECLARATION FOR THE GARDEN HOMES AT THE RIDGES, made and entered into by RGT PARTNERSHIP, a Tennessee general partnership consisting of Reno G. Burleson, Grover C. Burleson, Sr. and Thomas J. Burleson (the "Developer"),

WITNESSETH:

WHEREAS, the original Declaration for The Garden Homes at The Ridges which was filed October 24, 1996, and recorded on Roll 101, Images 158-209, in the Washington County Register Of Deeds' Office, and which was amended by Amendment to The Declaration for the Garden Homes at the Ridges dated November 19, 1996, and recorded on Roll 102, Image 2316 - 2318, in the Washington County, Register of Deeds' Office ("the Declaration"), in Section 26, (b), (2), provides that "the Developer, acting alone, may make and record any amendment to this Declaration which A) is required to obtain approval for insuring mortgages or Units in the Development, or B) is necessary or desirable, in the sole discretion of the Developer, for completion of the Development;" and

WHEREAS, the Developer has determined the following amendment to be necessary and desirable for completion of the Development, then

THEREFORE, the Developer hereby amends the first paragraph of Section 22 to read as follows:

"Encroachments and Easements. If any portion of the Common Elements shall actually encroach upon any Unit or


Building; or if any Unit *or Building* shall actually encroach upon any portions of the Common Elements, or if any Unit *or Building* shall actually encroach upon another Unit *or Building*, as the Common Elements and Units *and Buildings* are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit *or Building* Owners involved, to the extent of such encroachments, so long as the same shall exist. (ITALICIZED WORDS ARE ADDED BY THIS AMENDMENT).

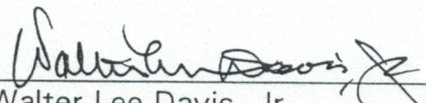
The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonable necessary or useful for the proper maintenance or operation of the planned unit development."

Walter Lee Davis, Jr. joins in this Amendment to Declaration for the purpose of restating, as of the date hereof, the Attorney's Opinion which is Exhibit B to the original Declaration.

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration on this the 12th day of March, 1999.

RGT PARTNERSHIP
a Tennessee General Partnership

By: 
Thomas J. Burleson, General Partner

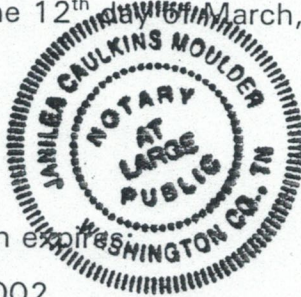

Walter Lee Davis, Jr.

STATE OF TENNESSEE
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

Personally appeared before me, the undersigned Notary Public in and for the State and County aforesaid, THOMAS J. BURLERSON, with whom I am personally acquainted or who was proved on the basis of satisfactory evidence to me to be the person who executed the foregoing instrument and who, being by me duly sworn, acknowledged, under oath, that he is a General Partner of RGT PARTNERSHIP, a Tennessee General Partnership, the within named bargainer; that he is authorized and empowered to execute the foregoing instrument on behalf of and as the voluntary act and deed of said Partnership; that he did so execute this instrument by signing the name of said Partnership by himself as such General Partner, and that he did so for the purposes therein contained as the voluntary act and deed of said Partnership.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 12th day of March, 1999.



Janilea Caulkins Moulder
JANILEA CAULKINS MOULDER,
NOTARY PUBLIC

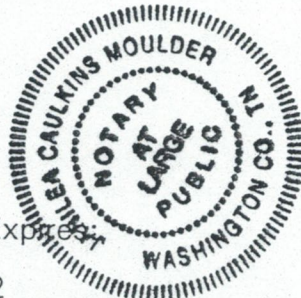
My commission expires
October 28, 2002

STATE OF TENNESSEE
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

On this 12th day of March, 1999, before me, the undersigned Notary Public, personally appeared WALTER LEE DAVIS, JR. with whom I am personally acquainted, or who was proved on the basis of satisfactory evidence to me to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed, for the purposes therein set out.

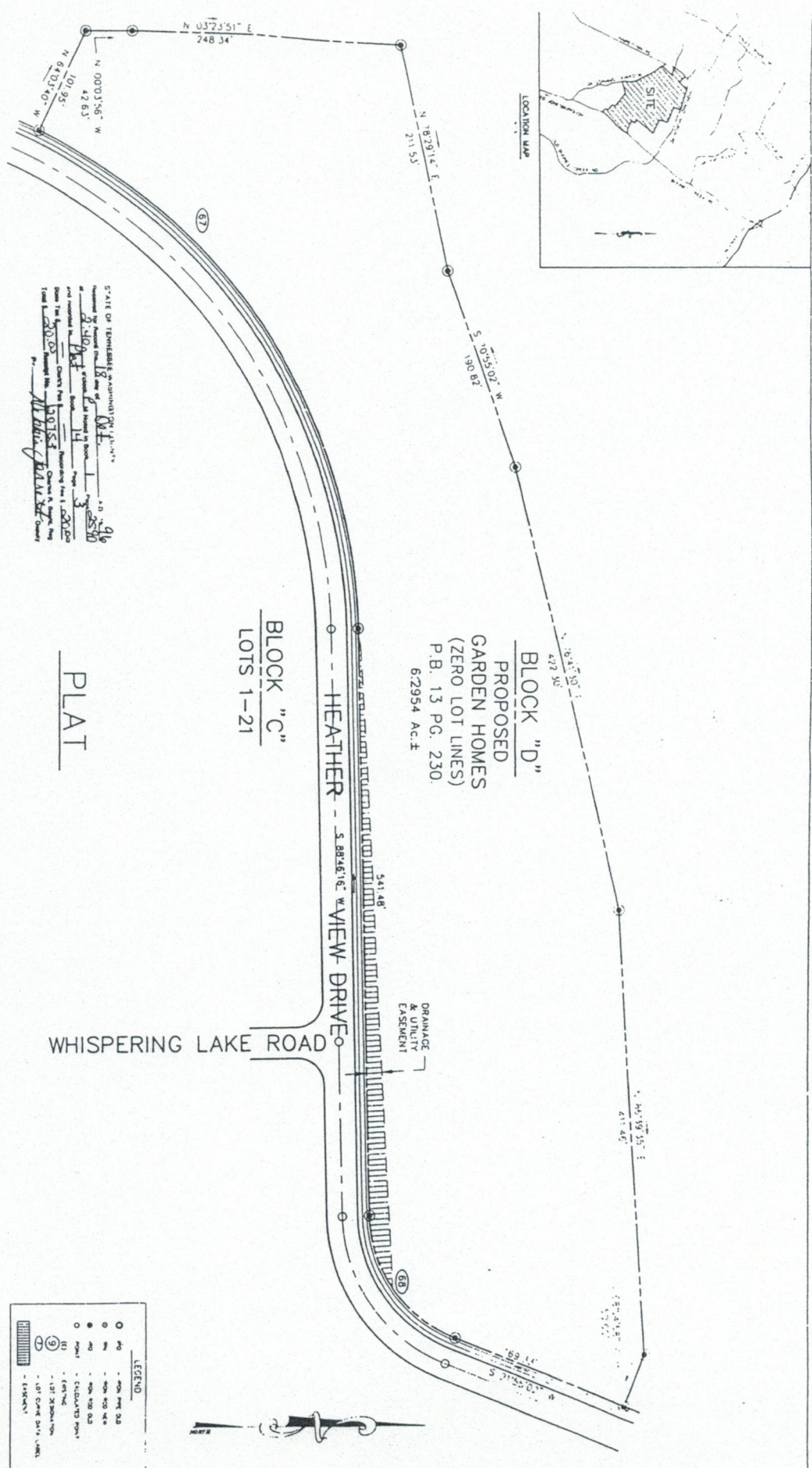
WITNESS MY HAND AND OFFICIAL SEAL in office this the date first herein written.



Janilea Caulkins Moulder
JANILEA CAULKINS MOULDER,
NOTARY PUBLIC

My Commission Expires
October 28, 2002





5.41E OF INTERESTED PARTIES TO THE MAP TO BE RECEIVED FOR RECORD FROM 10/18/04. THE STATE OF FLORIDA RECORDS DEPARTMENT HAS BEEN ADVISED OF THIS RECORDATION AND HAS RECORDED THE SAME IN BOOK 11, PAGE 3,110 AND THE DEPARTMENT OF REVENUE HAS RECORDED THE SAME IN BOOK 11, PAGE 3,110. THIS RECORDATION IS SUBJECT TO THE STATE OF FLORIDA RECORDS DEPARTMENT'S POLICY ON RECORDED DOCUMENTS.

DATE: 10/18/04
 TIME: 1:30 PM
 BY: [Signature]
 FOR: [Signature]

ROLL 100 IMAGE 2100

PROPERTY LINE CURVE DATA

CURVE #	CHORD	CHORD LENGTH	DELTA	RADIUS	ARC LENGTH
67	S 57.21.19° W	54.7.31'	62.74.56°	523.00'	573.73'
68	S 53.20.39° W	137.72'	66.51.13°	125.00'	145.65'

TH&P
 TRINIDAD, VAUGHN & PARTNERS
 ENGINEERS ARCHITECTS PLANNERS
 1428 BRISTOL DRIVE
 P.O. BOX 982
 JOHNSON CITY, TENNESSEE 37605
 TEL (615) 282-1821
 FAX (615) 282-1821

- LEGEND**
- 40' - 60' PLAT
 - 60' - 100' PLAT
 - 100' - 150' PLAT
 - 150' - 200' PLAT
 - 200' - 300' PLAT
 - 300' - 400' PLAT
 - 400' - 500' PLAT
 - 500' - 600' PLAT
 - 600' - 700' PLAT
 - 700' - 800' PLAT
 - 800' - 900' PLAT
 - 900' - 1000' PLAT
 - 1000' - 1200' PLAT
 - 1200' - 1500' PLAT
 - 1500' - 2000' PLAT
 - 2000' - 2500' PLAT
 - 2500' - 3000' PLAT
 - 3000' - 4000' PLAT
 - 4000' - 5000' PLAT
 - 5000' - 6000' PLAT
 - 6000' - 7000' PLAT
 - 7000' - 8000' PLAT
 - 8000' - 9000' PLAT
 - 9000' - 10000' PLAT

CERTIFICATE OF OWNERSHIP AND DESCRIPTION

1. I, the undersigned, certify that I am the owner of the property shown and described herein and that I have duly complied with all applicable laws, rules, regulations, ordinances and resolutions of the local government in the preparation of this plat and that I have no other interest in the same and that I have no other claims or liens thereon.

DATE: 10/18/04

CERTIFICATE OF THE ACCURACY OF THE SURVEY

1. I, the undersigned, certify that the survey was conducted in accordance with the laws, rules, regulations, ordinances and resolutions of the local government and that the same is a true and correct representation of the actual conditions on the ground.

DATE: 10/18/04

CERTIFICATE OF APPROVAL FOR RECORDING

1. I, the undersigned, certify that the foregoing plat conforms with all applicable laws, rules, regulations, ordinances and resolutions of the local government and that the same is a true and correct representation of the actual conditions on the ground.

DATE: 10/18/04

REPLAT OF BLOCK 'D' GARDEN HOMES AREA OF THE RIDGES RESIDENTIAL COMMUNITY

TOTAL ACRES: 6.4310 AC.F

TOTAL LOTS: 0

WEEKS NEW ROAD: 0

OWNER: R.M. SUNDERS

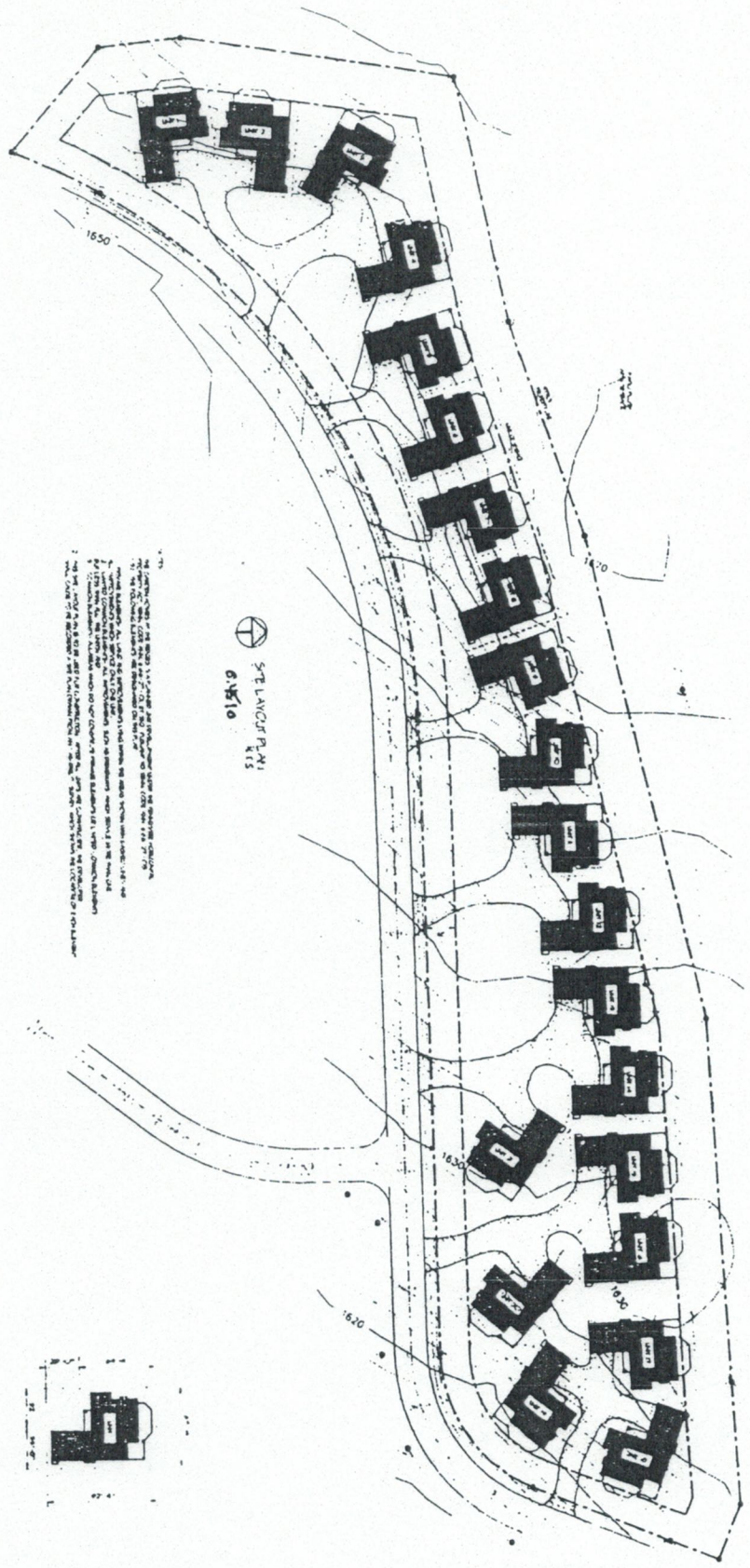
PLAT NUMBER: 13

SCALE: 1" = 60'

CAD FILE: COM

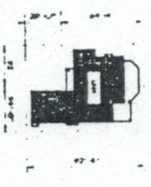
YEAR JOB #: 94320000
 3 8956 SHEET 1 OF 2

GARDEN HOMES



SEE LAYOUT PLAN
 0.15/10

NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
 2. ALL UTILITIES TO BE LOCATED AND DEPTH TO BE DETERMINED BY THE CONTRACTOR.
 3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS.
 4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES.
 5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES.
 6. THE CONTRACTOR SHALL MAINTAIN THE CURB AND GUTTER THROUGHOUT CONSTRUCTION.
 7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE REMOVAL OF ALL EXCESS MATERIAL.
 8. THE CONTRACTOR SHALL MAINTAIN THE SITE IN A SAFE AND SOUND MANNER.
 9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL ADJACENT PROPERTIES.
 10. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES.
 11. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES.
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 17. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES.
 18. THE CONTRACTOR SHALL MAINTAIN THE CURB AND GUTTER THROUGHOUT CONSTRUCTION.

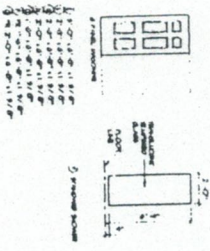


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 12. THE CONTRACTOR SHALL MAINTAIN THE CURB AND GUTTER THROUGHOUT CONSTRUCTION.

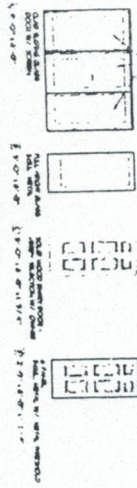
REV 9-10-96	GARDEN HOMES 18 UNIT GARDEN HOMES, PHASE ONE, ST. MARY'S 	UNIT & 10911 AIA 1-1-96



INTERIOR



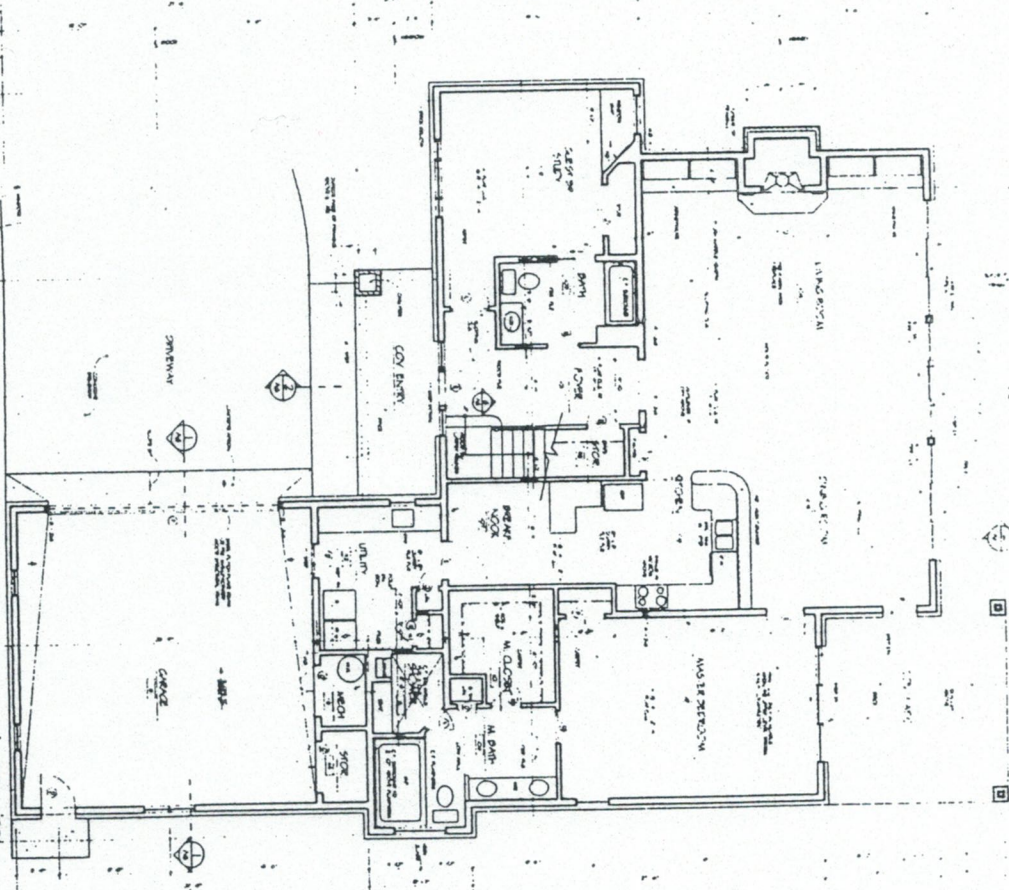
EXTERIOR



DOOR SCHEDULE

NO.	TYPE	FINISH	NOTES	REMARKS
1	DOOR	WOOD	CARPET	
2	DOOR	WOOD	WOOD FLOOR	
3	DOOR	WOOD	WOOD FLOOR	
4	DOOR	WOOD	WOOD FLOOR	
5	DOOR	WOOD	WOOD FLOOR	
6	DOOR	WOOD	WOOD FLOOR	
7	DOOR	WOOD	WOOD FLOOR	
8	DOOR	WOOD	WOOD FLOOR	
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15	DOOR	WOOD	WOOD FLOOR	
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22	DOOR	WOOD	WOOD FLOOR	
23	DOOR	WOOD	WOOD FLOOR	
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99	DOOR	WOOD	WOOD FLOOR	
100	DOOR	WOOD	WOOD FLOOR	

MANLEVEL PLAN

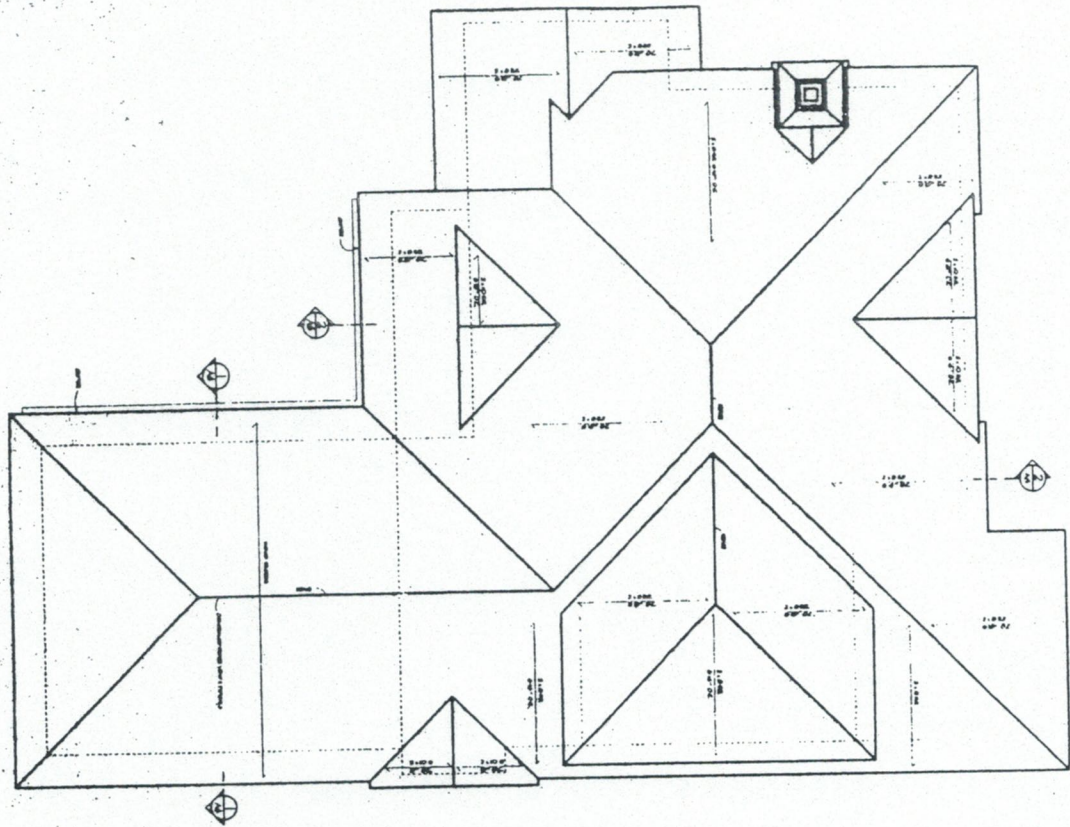


REV. 9-10-96

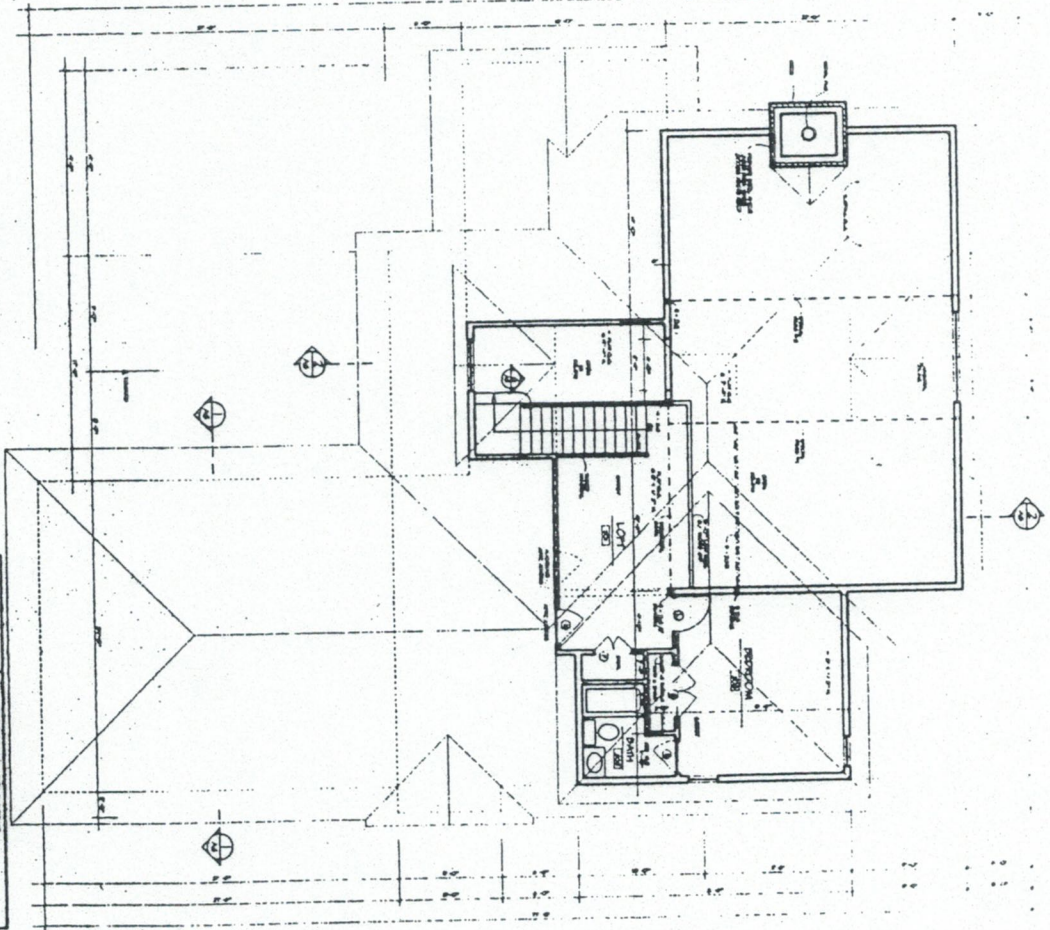
GARDNER HICKMAN
 ARCHITECTS
 1100 N. 10TH ST.
 SUITE 100
 DENVER, CO 80202
 TEL: 303-733-1111
 FAX: 303-733-1112



ROOF PLAN
RTK



1ST FLOOR PLAN
RTK

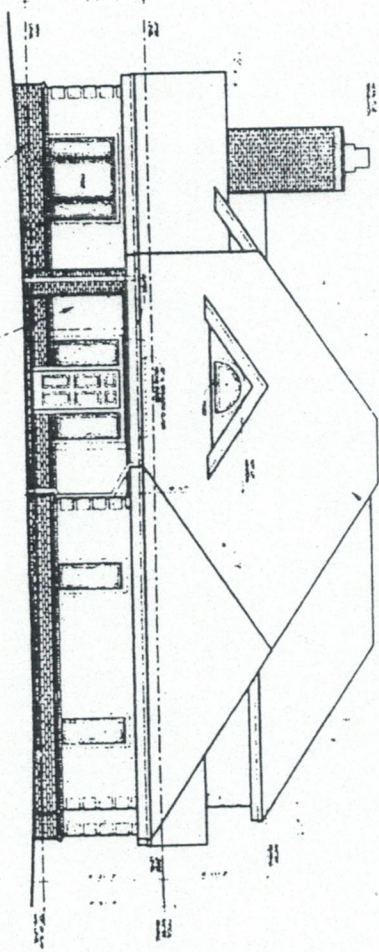
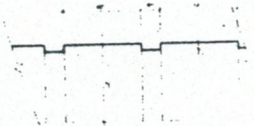


REV. P-40-96

QUADRON HOUSING
15 WEST 10TH AVENUE
DENVER, CO 80202
TEL: 333-1111
FAX: 333-1111

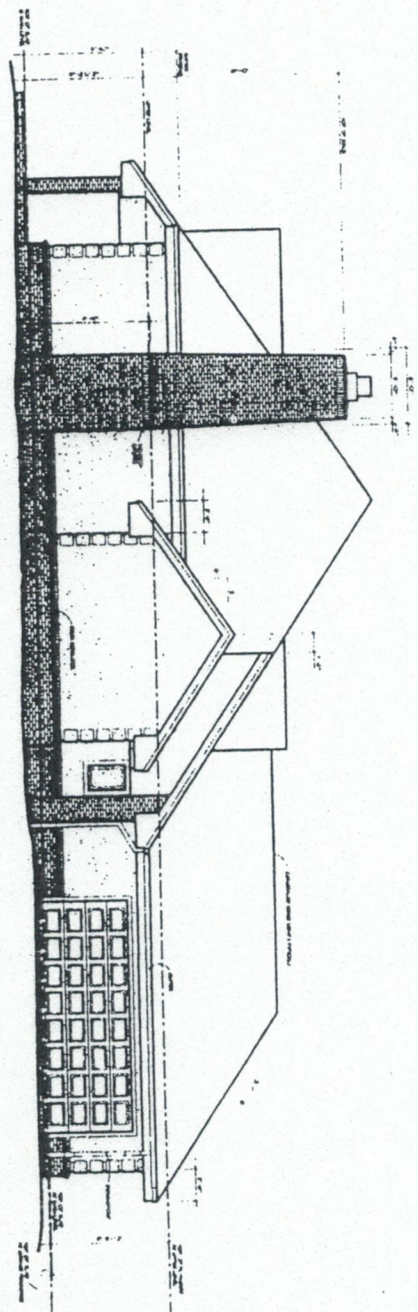


CORNER DETAIL



ENTRY ELEVATION

N.T.S.

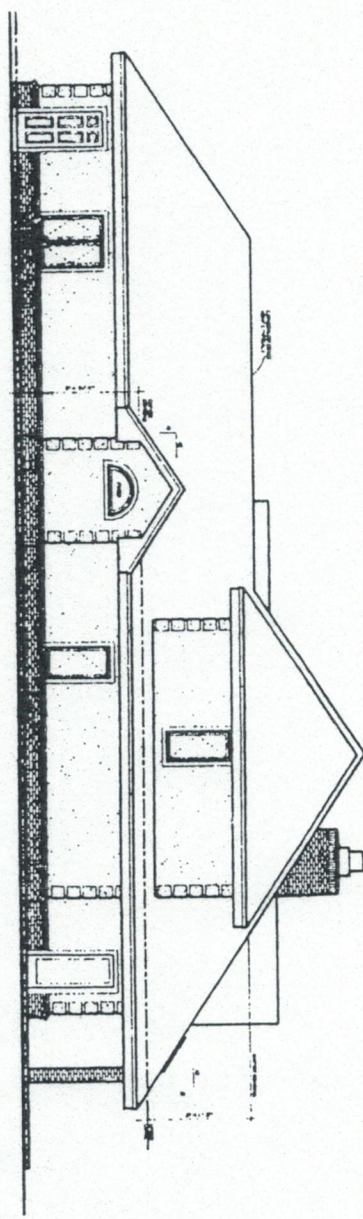


LEFT SIDE ELEVATION

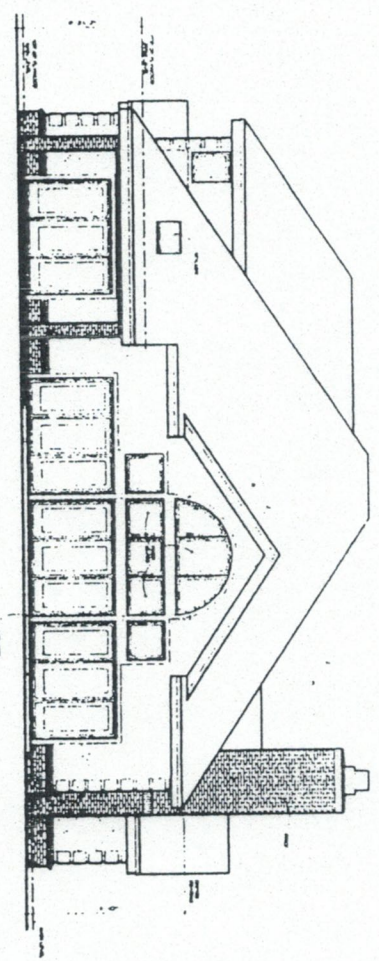
N.T.S.

REV. 9-4-74	DAVIDSON HOMES 16 WEST EIGHTH STREET, SUITE 107 MINNEAPOLIS, MINN. 55402 TEL. 822-1111	MAKE & PRINT ALL DRAWINGS 1-4-74





REAR SIDE ELEVATION
A-12



VIEW ELEVATION
A-13

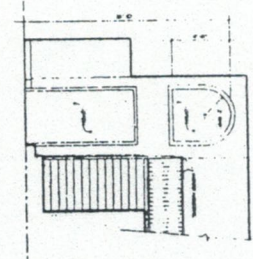
REV. 9-10-86

GARDNER HOMES
 10 KING STREET, SUITE 100, JACKSON, MS 39201
 (601) 944-1111

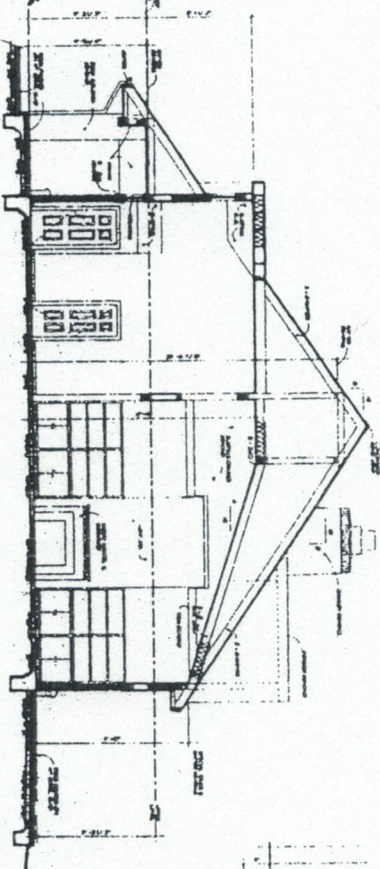
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 1-8-86



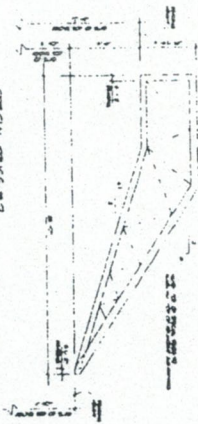
6 INTERIOR ELEVATION AT FLOOR



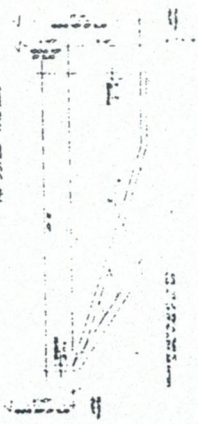
7 PLUMBING SECTION



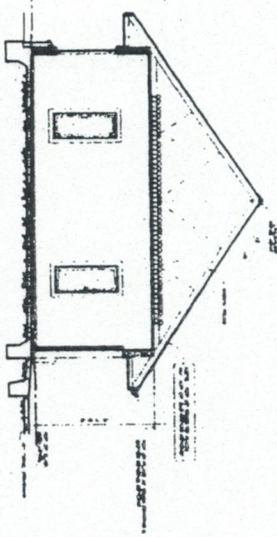
SPECIAL TRUSS # 2



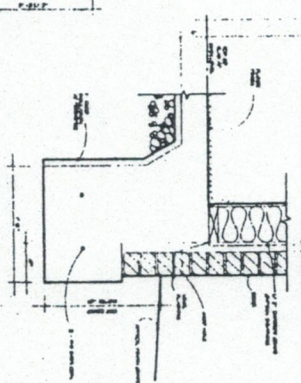
SPECIAL TRUSS # 1



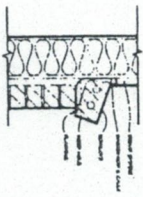
8 PLUMBING SECTION



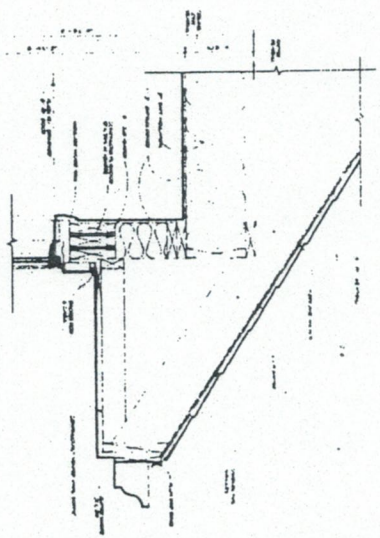
5 FOUNDATION DETAIL



4 BRICK BOW-LOCK DETAIL



3 MAIN LEVEL OPENING DETAIL



94-C-4-V.12

DAVIDSON HOUSING
 12 WEST BROADWAY, SUITE 1000, NEW YORK, N.Y. 10038
 (212) 512-1111

ASBESTOS
 REMOVAL & TESTING
 1-800-451-1111



(Exhibit A to the Declaration for The Garden Homes at The Ridges)

BYLAWS
OF
THE GARDEN HOMES AT THE RIDGES ASSOCIATION

Prepared By:

WALTER LEE DAVIS, JR.
Attorney at Law
121 East Unaka Avenue
Johnson City, TN 37601-4697

PHONE (423)929-7000
FAX (423)926-3991

BYLAWS OF
THE GARDEN HOMES AT THE RIDGES ASSOCIATION

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**BYLAWS OF
THE GARDEN HOMES AT THE RIDGES ASSOCIATION**

**ARTICLE 1
GENERAL MATTERS**

SECTION 1. Defined Terms. Capitalized terms not defined in these Bylaws are used as such terms are defined in the Declaration for The Garden Homes at the Ridges, recorded herewith, in the Register of Deeds' Office of Washington County, Tennessee.

SECTION 2. The Association. The Garden Homes at the Ridges Association (the "Association") is a Tennessee nonprofit corporation, formed under the Tennessee Nonprofit Corporation Act. The Garden Homes at the Ridges is a planned unit development created under the Tennessee Horizontal Property Act, and the Association is the "townhouse corporation" required by the Tennessee Horizontal Property Act.

SECTION 3. Conflicts. The Tennessee Horizontal Property Act sets forth certain requirements for creation of a planned unit development, including the creation of a townhouse corporation, Property Owner membership in the corporation, and certain bylaws requirements. The Tennessee Nonprofit Corporation Act subjects corporations engaging in activities regulated by other statutes to the limitations of such statutes. Therefore, where the requirements of the Tennessee Nonprofit Corporation Act and the Tennessee Horizontal Property Act differ, these Bylaws are intended to meet the requirements of the Tennessee Horizontal Property Act. Furthermore, should any matter arise which is addressed in the Horizontal Property Act and the Nonprofit Corporation Act, and said acts are inconsistent, the Horizontal Property Act shall control. If any of these Bylaws conflict with the provisions of the Declaration or the Horizontal Property Act, said Declaration or Act, as the case may be, shall control. Tenn. Code Ann. §§ 48-53-101 and 66-27-101, et seq.

**ARTICLE II
POWERS**

SECTION 1. General Powers. The Association has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things not inconsistent with law necessary or convenient to carry out its affairs. Further, the Association and its directors shall exercise all powers of members or directors, as the case may be, which are referenced in the Tennessee Horizontal Property Act, the Declaration, or these Bylaws. Tenn. Code Ann. § 48-53-102 (a)

SECTION 2. No issuance of shares. The Association shall not have or issue shares of stock. Tenn. Code Ann. § 48-53-102 (b)

SECTION 3. Emergency Powers. In anticipation of or during an emergency, the board of directors of the Association may: (1) modify lines of succession to accommodate the incapacity of any director, officer, employee or agent; and (2) relocate the principal office, designate alternative principal offices or regional offices, or authorize the officers to do so. During an emergency, unless emergency bylaws provide otherwise: (1) Notice of a meeting of the board of directors need be given only to those directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio; and (2) One (1) or more officers of the Association present at a meeting of the board of directors may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. Corporate action taken in good faith during an emergency under this section to further the ordinary affairs of the Association binds the Association and may not be used to impose liability on a corporate director, officer, employee, or agent. Tenn. Code Ann. § 48-53-103

ARTICLE III MEMBERS AND MEMBERSHIPS

SECTION 1. Criteria for Admission of Members. The members of the Association shall consist of the respective Unit Owners of the Property, in accordance with the respective percentages of ownership in the Common Elements of the Property owned by the respective Unit Owners. The term "member(s)" refers to Unit Owner(s). If a Unit Owner is a land title holding trust under the terms of which all powers of management, operation and control of the Unit remain in the trust beneficiary, then the member shall be said the said beneficiary. Tenn. Code Ann. § 66-27-102(a)15 and § 66-27-103(b)

SECTION 2. Consent. No person shall be admitted as a member without the person's consent, said consent being impliedly given upon the purchase of a Unit subject to the Declaration and these Bylaws. Tenn. Code Ann. § 48-56-101 (b)

SECTION 3. Certificates. The Association may issue certificates evidencing membership therein, but such certificates shall not include provisions inconsistent with the Charter, Bylaws, or chapters 51-68 of title 48, Tennessee Code Annotated. Tenn. Code Ann. 48-56-101 (c)

SECTION 4. Consideration. The purchase of a Unit shall constitute consideration for membership. Tenn. Code Ann. § 48-56-102.

SECTION 5. Differences in rights and obligations of members. All members have the same rights and obligations with respect to voting, dissolution, redemption and transfer, unless the charter or these Bylaws establish classes of membership with

different rights or obligations. All members have the same rights and obligations with respect to any other matters, except as set forth in or authorized by the charter or these Bylaws. Tenn. Code Ann. § 48-56-201.

SECTION 6. Transfers. No member may transfer a membership or any right arising therefrom, except that the membership of each Unit Owner shall terminate when such Owner ceases to be a Unit Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. Tenn. Code Ann. § 48-56-202 and § 66-27-108(b)

SECTION 7. Member's liability for dues, assessments and fees. A member becomes liable to the Association for dues, assessments or fees by consenting (expressly or impliedly) to such obligation. Members consent to the obligation of dues, assessments and fees when such member purchases a Unit which is subject to the Declaration, including these Bylaws. Tenn. Code Ann. § 48-56-204

SECTION 8. No Resignation. Pursuant to the requirement of the Tennessee Horizontal Property Act that the Declaration shall provide that each owner of a Private Element shall own a pro rata share of the total membership in the townhouse corporation, members of the Association may not resign so long as such member owns a Unit. Tenn. Code Ann. § 66-27-107(d) and § 66-27-114(b)

SECTION 9. Suspension. Certain membership privileges may be suspended pursuant to a procedure which is fair and reasonable, which takes into consideration all of the relevant facts and circumstances, and is carried out in good faith. Tenn. Code Ann. § 48-56-302

SECTION 10. Delegates. All authority and rights of all members are hereby temporarily delegated to the Developer, and the Developer shall administer all corporate activities and appoint all officers and members of the board of directors, until sixteen (16) of the twenty-one (21) Units in the planned unit development are sold and the construction of the Building in each such sold Unit is completed. Said authority delegated to the Developer shall be unlimited for the aforesaid time period, and the removal of the Developer as a delegate shall take place upon the sale of and completion of construction upon the sixteenth Unit sold by the Developer. The directors and officers appointed by the Developer shall continue to serve until the first annual meeting following the removal of Developer as a delegate. Tenn. Code Ann. § 48-56-501

ARTICLE IV MEMBERS' MEETINGS AND VOTING

SECTION 1. Annual meeting. On the sixtieth (60th) day following the end of the Association's fiscal year of each and every year, if not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday, the Association shall hold an annual meeting of its members. Annual membership meetings shall be held at the time and place specified in the notice of such meeting, but such place shall be within fifteen (15) miles of the Property. At the annual meeting the president and chief financial officer shall report on the activities and financial condition of the Association; and the members shall consider and act upon such other matters as may be raised consistent with the notice requirements. The failure to hold an annual meeting at a time stated in or fixed in accordance with the Association's Bylaws does not affect the validity of any corporate action. Tenn. Code Ann. § 48-57-101

SECTION 2. Special meeting. The Association shall hold a special meeting of members on call of its board of directors or, if the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date, and deliver to the Association's secretary one (1) or more written demands for the meeting describing the purpose or purposes for which it is to be held. The record date for determining the members entitled to demand a special meeting is the date the first member signs the demand. If a notice for a special meeting demanded under this section is not given within one (1) month after the effective date of the written demand or demands, any person or persons signing the demand or demands may set the time and place of the meeting and give notice pursuant to these Bylaws. Special meetings of members may be held at the place designated in the notice, but such place shall be within fifteen (15) miles of the Property. Only business within the purpose or purposes described in the meeting notice may be conducted at a special meeting of members. Tenn. Code Ann. § 48-57-102

SECTION 3. Action by written consent. Action required or permitted to be taken at a meeting of members may be taken without a meeting if all members entitled to vote on the action consent in writing to taking such action without a meeting. If all members entitled to vote on the action consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the members. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each member entitled to vote on the action in one (1) or more counterparts, indicating each signing member's vote or abstention on the action and delivered to the Association for inclusion in the minutes or filing with

the corporate records. The record date for determining members entitled to take such action without a meeting is the date the first member signs the consent. A consent signed under this section has the effect of a meeting vote and may be described as such in any document. Tenn. Code Ann. § 48-57-104

SECTION 4. Notice of meeting. The Association shall give notice to the members of the place, date and time of each annual and special meeting of members no fewer than ten (10) days nor more than two (2) months before the meeting date. Notice of an annual meeting shall include a description of any matter or matters which must be approved by the members under Tenn. Code Ann. § 48-58-302, § 48-58-507, § 48-60-103, § 48-60-202, § 48-61-103, § 48-62-102 or § 48-64-102. Notice of a special meeting shall include a description of the matter or matters for which the meeting is called. Unless the Bylaws require otherwise, if an annual or special meeting of members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is fixed, however, notice of the adjourned meeting must be given under this section to the members of record of the new record date. When giving notice of an annual or special meeting of members, the Association shall give notice of a matter a member intends to raise at the meeting if (1) requested in writing to do so by a person entitled to call a special meeting; and (2) the request is received by the secretary or president of the Association at least ten (10) days before the Association gives notice of the meeting. Tenn. Code Ann. § 48-57-105

SECTION 5. Waiver of notice. A member may waive any notice before or after the date and time stated in the notice. The waiver must be in writing, be signed by the member entitled to the notice, and be delivered to the Association for inclusion in the minutes or filing with the corporate records. A member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting (or promptly upon the member's arrival) objects to holding the meeting or transacting business at the meeting; and A member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented. Tenn. Code Ann. § 48-57-106

SECTION 6. Record date. The board may fix future dates as the record dates for determining members who are entitled to notice of a meeting, members who are entitled to vote at a meeting, and members who are entitled to exercise any rights in respect of any other lawful action. If no such record date is fixed, the record date shall be the close of business on the business day preceding the day on which notice is given, the date of the meeting, or the close of business on the day on which the board adopts the resolution relating to the exercise of rights, as the case may be. The

board must fix a new date for determining the right to notice or the right to vote if a meeting is adjourned to a date more than four (4) months after the record date for determining members entitled to notice of the original meeting. A record date fixed under this section may not be more than seventy (70) days before the meeting or action requiring a determination of members occurs. Tenn. Code Ann. § 48-57-107

SECTION 7. Action by written ballot. Any action which may be taken at any annual or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. A written ballot shall set forth each proposed action; and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot constitutes a majority of the Unit Owners. A written ballot may not be revoked. Tenn. Code Ann. § 48-57-108 and 66-27-112(a)(2)

SECTION 8. Solicitations. All solicitations for votes by written ballot shall: (1) Indicate the number of responses needed to meet the quorum requirements; (2) State the percentage of approvals necessary to approve each matter other than election of directors; and (3) Specify the time by which a ballot must be received by the Association in order to be counted. Tenn. Code Ann. § 48-57-108 (d)

SECTION 9. Members' list for meeting. After fixing a record date for a notice of a meeting, the Association shall prepare an alphabetical list of the names of all its members who are entitled to notice of a meeting. The list must show the address and number of votes each member is entitled to vote at the meeting. The Association shall prepare on a current basis through the time of the membership meeting a list of members, if any, who are entitled to vote at the meeting, but not entitled to notice of the meeting. Tenn. Code Ann. § 48-57-201(a)

SECTION 10. Inspection of member's list. The list of members must be available for inspection by any member for the purpose of communication with other members concerning the meeting, beginning two (2) business days after notice is given of the meeting for which the list was prepared and continuing through the meeting, at the Association's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. A member, a member's agent, or attorney is entitled on written demand to inspect and, subject to the limitations of Tenn. Code Ann. §§ 48-66-102(c) and 48-66-105, to copy the list, at a reasonable time and at the member's expense, during the period it is available for inspection. The Association shall make the list of members available at the meeting, and any member, a member's agent, or attorney is entitled to inspect the list at any time during the meeting or any adjournment. Tenn. Code Ann. § 48-57-201 (b) and (c)

SECTION 11. Voting entitlement generally. Each member is entitled to one (1) vote for each Unit owned, on each matter voted on by the members. If a membership stands of record in the names of two (2) or more persons, the majority will control; if there is no majority in agreement, then the vote shall not be counted.

Memberships standing in the name of another nonprofit or for profit corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe or, in the absence of a bylaw provision, as the board of directors of such corporation may determine. The corporation whose membership is being voted may rely on the representations of such officer, agent, or proxy as to the authority unless such authority is questioned. Tenn. Code Ann. § 48-57-202

SECTION 12. Quorum requirements. A majority of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter. When a quorum is once present to organize a meeting, a meeting may be adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present. Tenn. Code Ann. §§ 48-57-203 and 66-27-112 (a)(2)

SECTION 13. Voting requirements. If a quorum exists, action on a matter by a voting group is approved if the votes cast favoring the action constitutes a majority of the members. Therefore, it is possible for a quorum to be present, and the Association still be unable to adopt a decision. This and the preceding section are in compliance with the provision of the Tennessee Horizontal Property Act that a majority of co-owners is required to adopt a decision. Tenn. Code Ann. § 66-27-112 (a)(2)

SECTION 14. Proxies. A member may appoint a proxy to vote or otherwise act for the member by signing an appointment form either personally or by an attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven (11) months unless a different period is expressly provided in the appointment form. Tenn. Code Ann. § 48-57-205(a) and (b)

SECTION 15. Proxies generally revocable. An appointment of a proxy is revocable by the member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include the appointment of: (1) A pledgee; (2) A person who purchased or agreed to purchase the membership; (3) A creditor of the Association who extended it credit under terms requiring the appointment; (4) An employee of the Association whose employment contract requires the appointment; or (5) A party to a voting agreement created under Tenn. Code Ann. § 48-57-301. An appointment made irrevocable becomes revocable when the interest with which it is coupled is extinguished. Appointment of a revocable proxy is revoked by the person appointing the proxy attending any meeting and voting in person; or signing and delivering to the

secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form. Tenn. Code Ann. § 48-57-205(c)

SECTION 16. Death of Member Appointing Proxy. The death or incapacity of the member appointing a proxy does not affect the right of the to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises authority under the appointment. Tenn. Code Ann. § 48-57-205(d)

SECTION 17. Voting for directors; cumulative voting. Directors shall be elected by a plurality of the votes cast by the members entitled to vote in the election at a meeting at which a quorum is present. Members do not have a right to cumulate their votes for directors. Tenn. Code Ann. § 48-57-206

ARTICLE V DIRECTORS

SECTION 1. Qualifications of directors. All directors must be natural persons and members of the Association (or if a member is a trustee of a trust, a Director may be a beneficiary of such trust, and if a member or such beneficiary is a corporation, partnership or limited liability company, a Director may be an officer, partner, member or employee of such member or beneficiary). Tenn. Code Ann. § 48-58-102

SECTION 2. Number of directors. The board of directors shall consist of three (3) natural persons. Tenn. Code Ann. § 48-58-103

SECTION 3. Election, designation, and appointment of directors. All directors shall be appointed by the Developer until sixteen (16) of the twenty-one (21) Units in the planned unit development are sold and the construction of the Building in each Unit is completed. The directors appointed by the Developer shall continue to serve until the first annual meeting following the sale of and completion of construction upon the sixteenth Unit. Beginning with such annual meeting, all directors shall be elected at the annual meeting of members, and at each annual meeting thereafter.
Tenn. Code Ann. 48-58-104

SECTION 4. Terms of directors generally. The term of each director shall be one (1) year. Directors may be elected for successive terms. The term of a director filling a vacancy in the office of a director elected by members expires at the next election of directors by members; and the term of a director filling any other vacancy expires at the end of the unexpired term which such director is filling.

Despite the expiration of a director's term, the director continues to serve until a successor is elected, designated or appointed and qualifies. Tenn. Code Ann. § 48-58-105

SECTION 5. Resignation of directors. A director may resign at any time by delivering written notice to the board of directors, its chair or president, or to the Association. A resignation is effective when the notice is effective unless the notice specifies a later effective date. If a resignation is made effective at a later date, the board may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. Tenn. Code Ann. § 48-58-107

SECTION 6. Removal of directors elected by members or directors. The members may remove one (1) or more directors elected by them with or without cause. A director may be removed under this section only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors. A director elected by members may be removed by the members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one (1) of the purposes, of the meeting is removal of the director. An entire board of directors may be removed. The board of directors may remove a director without cause who has been elected by the board by the vote of two thirds (2/3) of the directors then in office. Tenn. Code Ann. § 48-58-108

SECTION 7. Vacancy on board. If a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors or a vacancy resulting from a removal with or without cause: (1) the members may fill the vacancy, (2) the board of directors may fill the vacancy; or (3) if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs. Tenn. Code Ann. § 48-58-111

SECTION 8. Compensation of directors. Directors shall receive no compensation for their services as Directors unless a resolution duly adopted by a majority of members provides for compensation and the amount of compensation. Tenn. Code Ann. § 48-58-112

SECTION 9. Regular and special meetings. Regular meetings of the board of directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year. Special meetings of the board of directors may be called by the presiding officer of the board, the president, or any two (2) directors. A board may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use

of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. Tenn. Code Ann. § 48-58-201

SECTION 10. Action without meeting. Action required or permitted by the Tennessee Nonprofit Corporation Act to be taken at a board of directors' meeting may be taken without a meeting. If all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document. Tenn. Code Ann. § 48-58-202

SECTION 11. Notice of meetings. Regular meetings of the board may be held without notice. Special meetings of the board must be preceded by at least two (2) days' notice to each director of the date, time, and place, but not the purpose, of the meeting. Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment. Tenn. Code Ann. § 48-58-203

SECTION 12. Waiver of notice. A director may waive any notice required before or after the date and time stated in the notice. Except as provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Tenn. Code Ann. § 48-58-204

SECTION 13. Quorum and voting. A quorum of a board of directors consists of a majority of the directors in office immediately before a meeting begins. When a quorum is once present to organize a meeting, a meeting may be later adjourned despite the absence of a quorum caused by the subsequent withdrawal of any of those present. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board. A director who is present at a meeting of the board of directors when corporate action is taken is deemed to have assented to the action taken unless: (1) The director objects at the beginning of the meeting (or promptly upon the director's arrival) to holding it or transacting business at the

meeting; (2) The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (3) The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Association immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken. Tenn. Code Ann. § 48-58-205

SECTION 14. Committees. The board of directors may create one (1) or more committees of the board. A committee may consist of one (1) natural person. Except as provided in Tenn. Code Ann. § 48-58-302, members of committees of the board of directors may be members of the board of directors or other natural persons, and they shall serve at the pleasure of the board of directors. The creation of a committee and appointment of members to it must be approved by the greater of a majority of all the directors in office when the action is taken. The sections of these Bylaws, and the Tennessee Nonprofit Corporation Act which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board, apply to committees of the board and their members as well. To the extent specified by the board of directors, each committee of the board may exercise the board's authority under Tenn. Code Ann. § 48-58-101. A committee may not, however: (1) authorize distributions; (2) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets; (3) elect, appoint or remove directors or fill vacancies on the board or on any of its committees; or (4) adopt, amend or repeal the charter or Bylaws. Tenn. Code Ann. § 48-58-206

SECTION 15. General standards of conduct for directors. A director shall discharge all duties as a director, including duties as a member of a committee, (1) in good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner the director reasonably believes to be in the best interests of the Association. In discharging such duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (1) one (1) or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented; (2) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or (3) a committee of the board of directors of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence. A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted unwarranted. A director is not liable for any action taken as a director or any failure to take action, if the director performed the duties of the office in compliance with this section, or if the director is immune from suit under the provisions of Tenn. Code Ann. § 48-58-601. A director shall not be deemed to be

a trustee with respect to the Association or with respect to any property held or administered by the Association, including without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property. Tenn. Code Ann. § 48-58-301

ARTICLE VI OFFICERS

SECTION 1. Required officers. The Association shall have a president and a secretary, and may have a vice president and a treasurer. Officers shall be elected or appointed by the board of directors. The board of directors shall delegate to one (1) of the officers responsibility for preparing minutes of the directors' and members' meetings and for authenticating records of the Association. The same individual may simultaneously hold more than one (1) office in the Association, except the offices of president and secretary. Tenn. Code Ann. § 48-58-401

SECTION 2. Duties of officers. Each officer has the authority and shall perform the duties prescribed by the board of directors, to the extent consistent with these Bylaws. The president shall preside over all member meetings, and the secretary shall maintain the minute book wherein resolutions shall be recorded. Tenn. Code Ann. §§48-58-402 and 66-27-112 (a) (2)

SECTION 3. Standards of conduct for officers. An officer with discretionary authority shall discharge all duties in the same manner required of directors under the section of these bylaws setting forth the standard of conduct for directors. An officer is not liable for any action taken as an officer or any failure to take any action, if the officer performed the duties of office in compliance with this section. Tenn. Code Ann. § 48-58-403

SECTION 4. Resignation and removal of officers. An officer may resign at any time by delivering notice to the Association. A resignation is effective when the notice is effective unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Association accepts the later effective date, its board of directors may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. A board may remove any officer at any time with or without cause. Tenn. Code Ann. § 48-58-404

ARTICLE VII OFFICERS AND DIRECTORS- SPECIAL MATTERS

SECTION 1. Director and officer conflict of interest. A conflict of interest transaction is a transaction with the Association in which a director or officer of the Association

has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director or officer if the transaction was fair at the time it was entered into or is approved as provided in Tenn. Code Ann. § 48-58-302 (b). Tenn. Code Ann. § 48-58-302 (See section (c) for examples of indirect interest and sections (d) and (e) for provisions relating to the authorization of conflict of interest transactions.)

SECTION 2. Loans to or guarantees for directors and officers. The Association may not lend money to or guarantee the obligation of a director or officer of the Association. This section does not apply to loans and guarantees authorized or permitted by any statute which regulates any special class of corporation. Neither a sale on credit in the ordinary course of business nor a life insurance policy loan shall be subject to the restrictions of this section. Tenn. Code Ann. § 48-58-303

SECTION 3. Insurance. The Association may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the Association, or who, while a director, officer, employee, or agent of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the Association would have power to indemnify the individual against the same liability. Tenn. Code Ann. § 48-58-508

SECTION 4. Authority to indemnify. With respect to claims or liabilities arising out of service as a director or officer of the Association, the Association may indemnify and advance expenses to each present and future officer and director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the Tennessee Nonprofit Corporation Act, both as now in effect and as hereafter adopted. Tenn. Code Ann. §§ 48-58-501 and 507

SECTION 5. Mandatory indemnification. The Association shall indemnify an officer or director who is wholly successful, on the merits or otherwise, or who is immune from suit under the provisions of Tenn. Code Ann. § 48-58-601, in the defense of any proceeding to which the director was a party because the director is or was a director of the Association against reasonable expenses incurred by the director in connection with the proceeding. Tenn. Code Ann. § 48-58-503 and 507

SECTION 6. Advance for expenses. The Association may pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding if: (1) The director furnishes the Association a written affirmation of the director's good faith belief that the director has

met the standard of conduct described in § 48-58-502 or is immune from suit under the provisions of § 48-58-601; (2) The director furnishes the Association a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director is not entitled to indemnification; and (3) A determination is made that the facts then known to those making the determination would not preclude indemnification under this part. The undertaking required by (2) above must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment. Tenn. Code Ann. §§ 48-58-504 and 507

SECTION 7. Determination and authorization of indemnification. The Association may not indemnify a director or officer unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth herein § 48-58-502. The determination shall be made by: (1) the board of directors by majority vote of a quorum consisting of directors not at the time parties to the proceeding; (2) if a quorum cannot be obtained, a majority vote of a committee duly designated by the board of directors (in which designation directors who are parties may participate), consisting solely of two (2) or more directors not at the time parties to the proceedings; (3) Independent special legal counsel: (A) Selected by the board of directors or its committee; or (B) If a quorum of the board cannot be obtained and a committee cannot be designated, selected by majority vote of the full board of directors (in which selection directors who are parties may participate); or (4) the members, but directors who are at the time parties to the proceeding may not vote on the determination. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by independent special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled to select counsel. Tenn. Code Ann. § 48-58-506

SECTION 8. Applicability of indemnification provisions. The above referenced indemnification and advancement of expenses shall not be deemed exclusive of any other rights to which a director or officer seeking indemnification or advancement of expenses may be entitled, provided, that no indemnification may be made to or on behalf of any director or officer if a judgment or other final adjudication adverse to the director or officer establishes the director's or officer's liability: (1) for any breach of the duty of loyalty to the Association or its members; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (3) under Tenn. Code Ann. § 48-58-304. Nothing contained in said chapters 51-68 of this title shall affect any rights to indemnification to which corporate personnel, other than directors and officers, may be entitled by contract or otherwise under law. This part does not limit the Association's power to pay or reimburse expenses incurred

by a director in connection with appearing as a witness in a proceeding at a time when the director has not been made a named defendant or respondent to the proceeding. Tenn. Code Ann. § 48-58-509

ARTICLE VIII AMENDMENT OF CHARTER AND BYLAWS

SECTION 1. Authority to amend. The Association may amend its charter at any time to add or change a provision that is required or permitted in the charter or to delete a provision not required in the charter. Whether a provision is required or permitted in the charter is determined as of the effective date of the amendment. Tenn. Code Ann. § 48-60-101

SECTION 2. Amendment by board of directors. The board of directors may adopt amendments to the Association's charter without member approval to: (1) delete the names and addresses of the initial directors; (2) delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the secretary of state; (3) designate or change the address of the principal office of the Association; (4) change the corporate name by substituting the word "corporation," "incorporated," "company," or the abbreviation "corp.," "inc.," "co.," for a similar word or abbreviation in the name, or by adding, deleting or changing a geographical attribution to the name; (5) designate the street address and zip code of the Association's current registered office, the county in which the office is located, and the name of its current registered agent at that office, as required by § 48-68-101(b); (6) Delete the initial principal office, if an annual report is on file with the secretary of state; or (7) Make any other change expressly permitted by chapters 51-68 of this title to be made by director action without member action. Tenn. Code Ann. § 48-60-102.

SECTION 3. Amendment by board of directors and members. An amendment to the Association's charter to be adopted must be approved, except as provided in Tenn. Code Ann. § 48-60-102, by a majority of the voting power. The members may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or on any other basis. If the board initiates an amendment to the charter, the board may condition the amendment's adoption on receipt of a higher percentage of affirmative votes or on any other basis. If the board or the members seek to have the amendment approved by the members at a membership meeting, the Association shall give notice to its members of the proposed membership meeting in writing in accordance with Tenn. Code Ann. § 48-57-105. The notice must state that the purpose, or one (1) of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment. If the board or the members seek to have the amendment approved by the members by written consent or written ballot, the material soliciting the approval shall contain

or be accompanied by a copy or summary of the amendment. Tenn. Code Ann. §§ 48-60-103 and 66-27-112 (a)(2)

SECTION 4. Articles of amendment. The Association, when amending its charter, shall deliver to the secretary of state for filing articles of amendment setting forth the information required by Tenn. Code Ann. § 48-60-105.

SECTION 5. Restated charter. The Association's board of directors may restate its charter in accordance with the requirements of Tenn. Code Ann. § 48-60-106.

SECTION 6. Amendment of Bylaws by board of directors or members. The Association's board of directors may amend or repeal the Association's Bylaws unless: (1) The charter or Tenn. Code Ann. , title 48, chapters 51-68 reserve this power exclusively to the members in whole or in part; or (2) The members in amending or repealing a particular bylaw provide expressly that the board of directors may not amend or repeal that bylaw. The Association's members may amend or repeal these Bylaws even though the Bylaws may also be amended or repealed by its board of directors. An amendment to the Bylaws shall be approved by members by a majority of the voting power. An amendment to the Bylaws which relates solely to the dues required for membership and which establishes or changes a specific amount for dues shall be approved by a majority of the members. Tenn. Code Ann. § 48-60-202 and 66-27-112(a)(2)

SECTION 7. Modification of system of administration. No modification of the system of administration may be operative until it is embodied in a recorded instrument which shall be recorded in the same office and in the same manner as was the Declaration and original Bylaws. Tenn. Code Ann. 66-27-112(b)

ARTICLE IX RECORDS AND REPORTS

SECTION 1. Corporate records. The Association shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or directors without a meeting, and a record of all actions taken by committees of the board of directors in place of the board of directors. The Association shall maintain appropriate accounting records. The Association or its agent shall maintain a record of its members in a form that permits preparation of a list of the names and addresses of all members, in alphabetical order showing the number of votes each member is entitled to vote. Records shall be maintained in written form or in another form capable of conversion into written form within a reasonable time. The Association shall keep a copy of the following records at its principal office: (1) its charter or restated charter and all amendments to it currently in effect; (2) Its Bylaws

or restated Bylaws and all amendments to them currently in effect; (3) resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members; (4) the minutes of all meetings of members and records of all actions approved by the members for the past three (3) years; (5) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years under § 48-66-201; (6) A list of the names and business or home addresses of its current directors and officers; and (7) Its most recent annual report delivered to the secretary of state. Tenn. Code Ann. § 48-66-101

SECTION 2. Inspection of records by members. A member or a member's agent or attorney is entitled to inspect and copy, at a reasonable time and location specified by the Association, the records of the Association, pursuant to the requirements of Tenn. Code Ann. § 48-66-102 and 103, including, but not limited to, the requirement that the member give the Association a written demand at least five (5) business days before the date on which the member wishes to inspect and copy. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. Tenn. Code Ann. 48-66-102 and 103

SECTION 3. Financial statements for members. The Association shall prepare annual financial statements, which may be consolidated or combined statements of the Association and one (1) or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year and an income statement for that year. If the financial statements are prepared for the Association on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis. If requested in writing by any member, the Association shall furnish such statements to the member. If annual financial statements are reported upon by a public accountant, the public accountant's report must accompany them. If not, the statements must be accompanied by the statement of the president or the person responsible for the Association's financial accounting records: (1) stating the president's or other person's reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and (2) describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year. The Association shall mail the annual financial statements to each requesting member within one (1) month after notice of the request; provided, that with respect to the financial statements for the most recently completed fiscal year, the statements shall be mailed to the member within four (4) months after the close of the fiscal year. Tenn. Code Ann. § 48-66-201

SECTION 4. Report of indemnification to members. If the Association indemnifies or advances expenses to a director in connection with a proceeding by or in the right of the Association, the Association shall report the indemnification or advance in writing

to the members with or before the notice of the next meeting of members. Tenn. Code Ann. § 48-66-202

ARTICLE X ASSESSMENTS

SECTION 1. Annual Budget. The board shall cause to be prepared an estimated annual budget for each fiscal year of the Association after the Developer relinquishes control. Such budget shall take into account the estimated common expenses and cash requirements for the year. To the extent that the assessments and other cash income collected from the Unit 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 be taken into account. The annual budget shall provide for a reserve for contingencies for the year and a reserve for 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 Unit 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 Unit Owner shall pay, as such Owner's respective monthly assessment for the common expenses, one-twelfth (1/12) of such Owner's proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with such Owner's respective ownership interest in the Association as set forth in the Declaration. 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 Unit Owner shall continue to pay each month the amount of such Owner's respective monthly assessment as last determined. Each Unit Owner shall pay such Owner's monthly assessment on or before the first day of each month as directed by the board. No Unit Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Unit, the Common Elements or the Limited Common Elements.

SECTION 3. Annual report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the board shall cause to be furnished to each Unit Owner, and to any other party required by the Declaration, a statement for such year so ended, showing the receipts and expenditures and such other information as the board may deem desirable.

SECTION 4. 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 common expenses and limited common expenses for the remainder

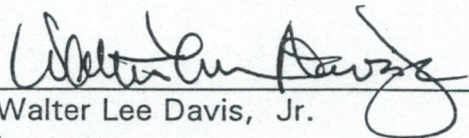
of the year will be inadequate, then the board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of the year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for such Owner's proportionate share of such supplemental budget.

**ARTICLE XI
INCORPORATION OF PROVISIONS IN OTHER DOCUMENTS**

All provisions of the Declaration for the Garden Homes at The Ridges, recorded herewith, the Declaration of Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for The Ridges as recorded on Roll 89, Image 2825, Washington County Register of Deeds' Office, Reciprocal Easement and Restrictive Covenants as recorded on Roll 91, Image 774, and First Supplement to Declaration of Restrictions, Easements, Covenants, Conditions, Assessments and Liens for The Ridges (Affecting Block D, Phase I, The Ridges Residential Community), as recorded on Roll 98, Image 765, are hereby incorporated into these Bylaws.

The undersigned hereby certifies that the foregoing Bylaws were duly adopted as the Bylaws of The Garden Homes at The Ridges Association.

DATED this 24th day of October, 1996.



Walter Lee Davis, Jr.
Incorporator

State of Tennessee, County of WASHINGTON
Received for record the 24 day of
OCTOBER 1996 at 3:25 PM. (RECH 121164)
Recorded in official records film
Roll 101 Image 158- 209
State Tax \$.00 Clerks Fee \$.00,
Recordings \$208.00, Total \$ 208.00,
Register of Deeds CHARLES BEARD
Deputy Register SANDRA CLOUSE