

This Instrument Prepared By:
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Murfreesboro, Tennessee 37130

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS APPLYING TO RICHLAND DOWNS
SUBDIVISION
RUTHERFORD COUNTY, TENNESSEE**

Richland Downs, LLC, a Tennessee limited liability company (“Developer”), being the owner in fee simple of the real estate that has been subdivided and named Richland Downs Subdivision according to survey and plat of same, which plat is of record in Plat Book 49, page 142-144 Register's Office of Rutherford County, Tennessee, (the “Plat”) and which plat is made a part hereof by reference, does hereby agree and bind itself, its successors and assigns, that all the property described in said Plat, as well as any further properties incorporated as hereinafter described shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest to the property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof. This instrument shall be referred to as the “Declaration.”

**ARTICLE I
DEFINITIONS**

A. Association. Association shall mean and refer to the Richland Downs Homeowners' Association, Inc., its successors and assigns.

B. Board of Directors or Board. Board of Directors or Board shall mean the governing body of the Association as provided in this instrument, the Charter and the By- Laws thereof.

C. By-Laws. By-Laws means the By-Laws of the Richland Downs Homeowners' Association, Inc.

D. Common Areas. Common Areas, if any, shall mean all real property and the improvements thereon as designated on the Plats and/or owned or maintained by the Association for the common use and enjoyment of the Owners.

E. Common Elements. All improvements made within Common Areas and all other improvements made to the Property maintained by the Association are Common Elements.

F. Common Expenses. Common Expenses mean and include (a) expenses of administration, operation, management, repair or replacement of the Common Areas of the Property, (b) expenses declared common by the provisions of the instrument or the Charter, or By-Laws of the Association, (c) all sums lawfully assessed by the Board, and (d) expenses as provided in any duly authorized management agreement.

Heather Dawbarn, Register
Rutherford County Tennessee
Rec #: 1225796
Rec'd: 175.00 Instrument #: 2510488
State: 0.00
Clerk: 0.00 Recorded
Other: 2.00 8/23/2023 at 9:07 AM
Total: 177.00 in
Record Book 2370 Pgs 3778-3812

G. Developer. Developer shall mean and refer to Richland Downs, LLC, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Developer for the purposes of development.

H. Documents. Documents and the Richland Downs Documents mean this document which may hereinafter be referred to as Declaration, the Charter, the By-Laws, the Plat and any amendments or supplements thereto.

I. Lot. Lot shall mean and refer to any numbered plot of land shown upon any recorded subdivision map for the Property with the exception of the Common Areas and dedicated streets, if any. Title to lots will be held by an Owner or Owners (the "Lot Owner") in fee simple.

J. Majority or Majority of the Lot Owners. Majority or Majority of the Lot Owners means the owners of more than fifty (50%) percent of the undivided membership in the Association present and then eligible to vote. Any specific percentage of Lot Owners means that percentage of Lot Owners who in the aggregate own such specified percentage of the entire undivided membership in the Association, present and then eligible to vote.

K. Member. Member shall mean and refer to every person or entity who holds membership in the Association.

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

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¹⁴²M. Plat. Plat means the plats of survey of the Property of record in Plat Book 49, page 142, Register's Office of Rutherford County, Tennessee, showing the number of each Lot, location and other data necessary for identification and any new or amended plats added pursuant to this document. Developer is authorized and empowered irrevocably to amend the Plat (without joinder of any Lot Owner) to correct mistakes and to more clearly define common elements.

N. Property. Property (whether singular or plural) means all the land, property and space which is the subject of this instrument (by amendment or otherwise), comprising the land shown on the Plat.

O. Residence. Residence shall mean and refer to any portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.

ARTICLE II THE ASSOCIATION

A. Organization.

1. The Association shall not be incorporated or otherwise organized until such time as determined by Developer; it being the specific intent that Developer shall, in the interim, act with the same powers as herein provided to the Association.

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

3. A Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Richland Downs Documents. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration. Until the Association is incorporated, Developer shall act in place of the Association, with the same powers as herein granted the Association such as but not limited to the power to assess fees for the common area maintenance and to enforce all provisions of the Richland Downs Documents. Upon its incorporation, the Association shall be controlled by the Developer, and the Developer shall have the authority to appoint members to the Board from time to time as the Developer sees fit until such time as the Developer has sold all of the Lots within Richland Downs. Once Developer has sold all of the Lots in Richland Downs, the Developer shall appoint at least three (3) Owners to compose the Board of Directors, one (1) Owner for a 1-year term, one (1) Owner for a 2-year term, and one (1) Owner for a three (3) year term. Thereafter, the Owners shall elect Board members as set forth in the Bylaws for the Association.

B. Membership.

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

2. Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in the applicable Richland Downs Documents.

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

C. Voting Rights - Members, Classes of Members.

1. Class A. Members. Class A Members shall be all Owners with the exception of the Developer; but, in no event shall more than one (1) vote be cast with respect to any Lot in this class.

2. Class B. Members. Class B Members shall be the Developer and any successor thereto and shall be entitled to three (3) votes for each Lot owned.

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

1. Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitations, covenants, affirmative obligations, conditions, and other provisions of this Declaration, the Plat, the By-Laws and Charter, and the other Richland Downs Documents.

2. Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and; to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order, condition and repair.

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

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

5. Dedication for Public Use. Upon being directed by Developer or its successor to do so, as long as Developer is a Class B Member, to promptly dedicate such streets, roads and drives and such water, sewer or other utility lines or facilities and appropriate easements as may be specified by Developer or its successor to such municipalities, utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated by Developer or its successor.

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

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

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

9. Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Developer, or by a successor to Developer, during the period in which Developer is continuing to develop this project to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming the Richland Downs Documents to the requirements of such mortgagees or insurers, providing that any such agreements do not contravene the requirements of the Richland Downs Documents or any applicable law.

E. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Charter, the By-Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Charter and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

1. Assessments. To levy assessments on the Owners of lots and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

2. Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any Richland Downs covenants, conditions, obligations or duties and to enforce, by mandatory injunction or otherwise, all the provisions of the Declaration, Charter and By-Laws.

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

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

5. Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sell or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the owners of lots; (iii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the Properties, driveways, or the upkeep of lawns or plantings located upon the Properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

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

7. Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance, sidewalks or lot clean-up in the event owner fails to maintain as required.

8. Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Instrument or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board,

the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended insurance coverage covering the Common Areas, liability insurance, worker's compensation insurance and performance of fidelity bonds.

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

10. Professional Services. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, paths, drives or other paved areas upon any portion of the Properties not dedicated to any governmental unit and on the lots in the event the owners fail to keep such paved area maintained and repaired.

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

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

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

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

15. Borrow Funds from Developer. The Association shall be permitted from time to time to borrow funds from the Developer in amounts to be agreed upon by the Association and the Developer to pay the costs of operations and to fund the Association so that it can initially carry out its duties and obligations as set forth in this Declaration and the Bylaws, including, without limitation the cost of any initial and ongoing landscaping and landscape maintenance; provided, however, that no such funds shall be used for the development of the Property or for the initial construction of any amenities contained within Richland Downs. Any such loans to the Association

shall be evidenced by a promissory note in a form and with repayment terms reasonably acceptable to Developer and shall incur interest at the Prime Rate. For purposes of the provision, "Prime Rate" shall mean the rate, denoted as such, published as the base rate on corporate loans at large U.S. money center commercial banks in The Wall Street Journal under "Money Rates" on the applicable date.

ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENT

A. Creation of the Lien and Personal Obligation of Assessments.

1. Each Owner for any lot, by said acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay: (1) the initial assessment, (2) annual assessments or charges, and (3) special assessments for capital improvements or losses, or for failure to maintain and repair, such assessments to be established and collected as hereinafter provided.

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

B. Annual Assessments.

1. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the lots; the improvement, operation and maintenance of the Common Area; the duties and exercise of the powers of the Association; the payment of the proper expenses of the Association and all costs incurred in the performance by the Association of its duties, and the establishment of reasonable reserves for the maintenance repair and replacement of paths and paved areas within the Common Areas, landscaping and other improvements upon the Common Area.

2. Annual Assessments levied by the Association for each year shall be adequate to finance the operation and activities of the Association, to satisfactorily maintain the Common Area, and maintain adequate repair and replacement reserves.

C. Working Capital and Transfer Fees. In addition to the above Annual Assessments, each purchaser of a Lot shall be subject to the payment of a Working Capital Fee and a Transfer Fee both of which shall be due and payable at the closing of such Lot. The Working Capital Fee shall be \$250.00 per Lot and the Transfer Fee shall be set by the managing agent/company and Declarant per Lot. Both of these fees shall be due and payable immediately at the closing of a Lot. The fees as set forth herein shall be modifiable by the Board at any time. Each prospective purchaser shall be under a duty to have inquired about the amount of such fees prior to closing, which if not paid shall be a lien on the Lot.

D. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

E. Notice and Quorum for any Action Authorized under Section B. and D. Written notice for any meeting called for the purpose of taking any action authorized under Section B and/or D shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting and shall state the purpose of such meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of such class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the Association has not been organized and the Developer is acting in lieu of such Association, the above notice requirement is waived.

F. Rate of Annual Assessment. Annual assessments must be fixed at a uniform rate for all lots and may be collected on a monthly, quarterly, or yearly basis or otherwise at the discretion of the Board.

G. Date and Commencement of Annual Assessments.

1. The annual assessments provided for herein shall commence as to each lot on the first day of the month following the Developer's conveyance of such lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment of every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment, but failure to fix or to notify shall not constitute a waiver of this right or of owner's obligation to pay. The due date shall be established by the Board of Directors.

2. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of the assessments on a lot is binding upon the Association as of the date of its issuance.

H. Effect of Non-payment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per occurrence or highest rate allowed by state law, whichever rate is less, and shall be a lien against the lot, and shall further be the personal obligation of the person owning the lot at the time the assessment comes due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the

property, and interest, cost and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the lot.

1. And now, for the purpose of better and more effectually securing the payment of said lien indebtedness, rendering unnecessary court proceedings for the enforcement of said lien in the event of the non-payment of said indebtedness and payments thereof, as they become due, and for the consideration of One Dollar paid in cash, receipt of which is acknowledged, the said Lot Owners, their heirs, administrators, successors and assigns, hereinafter referred to as trustors, hereby transfer and convey unto Phillip Dodd, Trustee of Rutherford County, Tennessee, his successors and assigns, the real estate hereinbefore described and specifically the property owned by the owner subject to this Declaration, with the appurtenances, estate, title and interest thereto belonging upon the following uses and trusts:

Trustors agree to pay their prorata share of Common Expenses when due and further agree to pay all taxes and assessments thereon, annual, initial, or special, and to pay them when due, and, upon demand of said trustee or the lawful owner and holder of said indebtedness, to pay, discharge, or remove, any and all liens (except a First Mortgage or Deed of Trust) which may be hereafter placed against said property and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; to keep the improvements on said property in good repair and preservation pursuant to the requirements of this Declaration and the rules and regulations adopted by the Association, and in case the trustee or his successors or the lawful owner and holder of said indebtedness shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, said property, or the lien of this instrument, or appear in any court to prove the above indebtedness, all the costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed, and be payable by trustors upon demand of the trustee or lawful owner or holder of said indebtedness, and, upon failure to do any of these things, then said trustee, or the lawful owner and holder of said indebtedness may do any or all of these things and the amounts so paid shall bear interest at the rate of 18% per annum, or at the then highest contract rate of interest then legally collectible in Tennessee from the date of payment and shall be and become a part of the indebtedness secured hereby.

Now, if trustors shall pay their prorata share of Common Expenses aforesaid when due, and pay any and all sums when due, as aforesaid, then this trust conveyance shall be of no further force or effect. But if said indebtedness, or any payment thereof, or interest thereon, is not paid promptly when due, or if, failing to pay said other sums when due, as herein provided, trustors fail to reimburse the Trustee, or lawful owner and holder of said indebtedness for all sums, with interest, so expended by said Trustee, or lawful owner and holder of said indebtedness, within thirty (30) days from date of such payment, this trust conveyance shall remain in full force and effect, and the said Trustee, or its successor or assigns in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three publications in any newspaper, daily or weekly, published in Rutherford County, Tennessee, to sell said property at the east door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity or right (statutory or otherwise) of redemption, homestead, dower, spouse's elective share and all other rights and exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor or assigns in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The

Association may bid at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of said indebtedness, enter and take possession of said property, and shall only account for the net rents actually received. It is further agreed that, in the event the Trustee fails, before selling said property, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

1st. To the full and complete satisfaction of the interest of the first mortgage holder, unless arrangements have been made for the assumption of the first mortgage by the subsequent purchaser.

2nd. To the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided; also reasonable attorney's fees for advice in the premises, or for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien; also the expenses of any such litigation.

3rd. To the payment of all taxes which may be unpaid on said premises.

4th. To the payment of all unpaid indebtedness herein secured, and any and all sums expended in the protection of said property, as herein authorized.

5th. The residue, if any, will be paid to trustor(s) legally entitled thereto, their order, representatives or assigns.

In case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor to execute this trust by an instrument in writing to be recorded in the Register's Office of Rutherford County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

The word "Trustors" when used herein shall apply to parties both singular and plural.

I. Subordination of the Lien to Mortgages.

1. This transfer and conveyance, and the lien for common expenses payable by a Lot Owner which is secured by the transfer and conveyance shall both be subordinate to the lien of a recorded First Mortgage or Deed of Trust on the interest of such Lot Owner, regardless of whether the First Mortgage or Deed of Trust was recorded before or after this instrument, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. While the lien for assessments may be extinguished, the personal indebtedness therefor shall remain and be the personal obligation of the Lot Owner who owned the lot when the assessment came due. Any delinquent assessments

(after lien extinguishment) may be reallocated and assessed among all Lots as a Common Expense. This subparagraph shall not be amended, changed, modified or rescinded except for the appointment of a substitute Trustee without the prior written consent of all First Mortgagees and Beneficiaries of record.

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

J. Exempt Property. All property dedicated to, and adopted and accepted by a local public authority shall be exempt from the assessments created herein.

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

L. Owners Shall Indemnify. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any liability arising from the claim of any lien claimant or judgment debtor against the lot of any other Owner or of the Common Area. The Association or any affected owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law including all rights granted to the Association under Article II.

M. Developer and Licensed Builder Exemptions. Notwithstanding the prior provisions of this Article III, the Developer, and its successors and assigns, shall be exempt from all assessments, including the Working Capital and Transfer Fees. Licensed builders who have received title from Developer for the purpose of constructing a residence for resale shall also be exempt from all annual and special assessments and the Working Capital and Transfer Fees until such time as the property is sold, leased, or otherwise occupied. Transfer of title from the builder shall not relieve the new owner from liability for assessments and fees from date of the new owner's deed forward.

ARTICLE IV ARCHITECTURAL CONTROL

A. Approval of Plans and Architectural Committee.

1. No construction, reconstruction, remodeling alteration or addition to any building on any lot shall be constructed or undertaken without obtaining the prior written approval of the Board of Directors through the Architectural Committee as to the intended location of same and as to its plans and specifications showing the nature, shape, height, materials and such other specifics as may be required including its architectural style. Initially the Board of Directors shall appoint one (1) member for a (1) year term, one (1) member for a two (2) year term, and one (1) member for a three (3) year term. Thereafter, all Architectural Committee members shall be appointed for one (1) year terms. The Board of Directors shall have the right to appoint additional members to and to remove members from the Architectural Committee as it sees fit; provided,

however, that the Board of Directors shall not have the authority to appoint additional members to or remove members from the Initial Architectural Committee. The Architectural Committee shall have full authority to review and act upon requests for approval of such requests. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a set of plans and specifications with a written request for their approval and an application fee as determined by the Board. The Architectural Committee shall be the sole arbiter of same and may withhold approval for any reason including purely aesthetic considerations. Each Owner acknowledges that the decor, color scheme, landscaping, and design of the property has been selected in such a manner as to be consistent and harmonious with other lots and residences in the subdivision and agrees to maintain and perpetuate the visual harmony of the Properties.

2. Prior to the formation of the Architectural Committee, the Developer or its successors and assigns shall constitute or may appoint a person or persons to act as the Architectural Committee.

ARTICLE V INSURANCE

A. Casualty Insurance. The Association shall keep all insurable improvements and fixtures on the Common Area insured against loss and damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all Common Areas with coverage for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees if any. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. All casualty, liability and fidelity bond coverage shall be in such manner and in such amount as required by the Federal National Mortgage Association (FNMA), and their requirements thereto as set forth in Sections 501-504, FNMA Lending Guide or as thereafter amended, are adopted herein by reference. Any insurance coverage with respect to the Common Area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are Common Expenses included in the common assessments made by the Association.

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

C. Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, members of the Board

and any standing committee, tenants or guests, including, but without limitation, workers compensation, malicious mischief, and performance of fidelity bonds.

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

E. Hazard, Flood, Homeowners, and Fire Insurance. Each Owner shall obtain and maintain in effect fire and appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each residence and improvement owned by such owner, which may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board of Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the Property.

F. Obligation to Repair and Restore.

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

2. If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a residence or improvement, the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration or replacement.

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

obligations, and add the cost of such payments or performance, as a special assessment, to the assessments of such Owner and enforce the payment of the assessment in a like manner as an annual assessment.

H. Proof of Insurance. At the discretion and at the request of the Association, each Owner shall provide the Association with a copy of an appropriate insurance policy and a paid receipt thereof, showing that the Owner has proper hazard, fire, flood and homeowners insurance coverage. Failure to so provide such insurance proof on an annual basis or at such other times as the Association may reasonable require will be construed as a default of the obligations under this article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said residence, with the Owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the Richland Downs Homeowners' Association, Inc., and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. Nothing herein shall be construed so as to require the Association to procure, insure or be a guarantor that insurance is procured or in force on any lot.

I. Notice to First Mortgagees. In the event of substantial damage to or destruction of any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a lot will be entitled to timely written notice of any such damage or destruction and no provision of any document will entitle the owner of a lot or other party to priority over such institutional holder with respect to the distribution to such Lot Owner of any insurance proceeds.

ARTICLE VI EXTERIOR MAINTENANCE

A. Maintenance of Common Elements. Maintenance of, repairs to and replacements to the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements to the Common Elements shall be part of the Common Expenses, subject to the By-Laws, rules and regulations of the Association. If, due to the act or neglect of a Lot Owner, or of his agent, servant, tenant, family member, invitee, licenses or household pet, damage shall be caused to the Common Elements, or to a Lot owned by others, or maintenance, repair or replacement are required which would otherwise be a Common Expense, then such Lot Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier or to the extent any such claim raises insurance premiums.

In addition to the utility and maintenance easements as may appear on the Plat, the authorized representatives of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of any individual lot in the event of an emergency, or in connection with maintenance of, repairs or replacements of the Common Elements or any equipment, facilities or fixtures affecting or serving other lots and the Common Elements or to make any alteration required by any governmental authority.

B. Additional Requirements. Each Lot Owner is responsible for all exterior maintenance on his own lot. Each Owner shall repair, maintain or replace all exteriors on any building to ensure the Lot and the property within are always in a good aesthetic condition. Additionally, all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc. shall be maintained in a neat, orderly condition and in a good state of repair and maintenance. All exterior maintenance, including painting, shall be done in the color, method and design that is suitable and approved by the Architectural Committee. The Architectural Committee can base its decision solely on aesthetic considerations.

ARTICLE VII USE AND BUILDING RESTRICTIONS

The following restrictions are in addition to the restrictions and conditions on lot usages aforementioned:

1. Residential Structures Only. No lot may be used for any purpose except for the construction and maintenance of a residential building, and no such residential structure on any such lot shall be designed, constructed or used for more than one family. Provided, however, lots adjacent to a homeowner's lot may be purchased by the homeowner for the purpose of increasing the size of such homeowner's yard. No lot or any portion thereof shall be used for a roadway to adjoining lands unless specifically allowed by Developer.

2. No Resubdivision. No lot shall be resubdivided, but shall remain as shown on the recorded plat. A slight variance in the property lines may be made by adjacent Owners, but not for the purpose of subdividing into more lots.

3. Noxious or Offensive Conduct. No noxious or offensive operations shall be conducted or maintained on any lot and nothing shall be constructed, reconstructed or kept on any lot which may constitute an annoyance or nuisance to the neighborhood. The Association is empowered to determine what does or does not constitute "noxious or offensive operations". No firearms, including BB/Pellet guns shall be discharged anywhere within the community at any time.

4. Animals. No animals or livestock of any kind shall be allowed or maintained on any lot, except that three (3) dogs, domestic cats, or other household domestic pets may be kept, provided that they are not kept for commercial purposes. Animal Breeding of any kind is not permissible. No poultry of any kind or description shall be allowed or maintained on any lot at any time for any purpose.

5. Temporary Structures. No trailer, basement house, tent, garage, barn, or other outbuilding shall be erected or used as either a temporary or permanent residence. The developer and/or building agent shall be allowed to have a construction trailer/storage unit on site until the completion of the home(s) construction and will be removed. The builders will keep the trash and debris to a minimum during the construction process and will keep the premises as cleaned and maintained as possible.

6. Signage. With the exception of the original Section I, Phase 1 Homebuilder, any signage placed on the lot shall be non-illuminated and of not more than four (4) square feet; provided, however, that for-sale signs may be not more than six (6) square feet. All signs, except for for-sale signs that meet the above stated guidelines, must be approved by the Architectural Committee prior to being placed on the lot.

7. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. Containers shall be stored in a manner where they are least visible from the street and shall be screened from view of the street. Containers should only be placed on the curb the evening prior to collection and removed from the curb on the same day as the collection occurred. All such containers for the storage of such material shall be kept in a neat, clean and sanitary condition. No open burning of garbage or refuse shall be allowed. The Developer or Builder shall be allowed to burn during lot clearing or construction only and it must comply with local regulations.

8. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Common Area or lots nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

9. Commercial Businesses. No commercial business may be maintained on the Common Area or on the lots.

10. Alterations. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association. No landscaping shall be altered or disturbed on the Common Area without prior written approval of the Board.

11. Rules of the Common Area. The Board is authorized to adopt rules for the use of the Common Areas and such rules shall be furnished in writing to the Owners. All such use of the Common Areas shall be subject to said rules as adopted.

12. Driveway. All driveway entrances from the street to each lot shall conform to the following standards: Driveways shall be sixteen (16) feet in width from the road to garage entry. Each driveway shall have an apron within three (3) feet of the back of the curb which shall taper by three (3) feet on each side of the driveway. The driveway including any turn around area must be constructed of concrete and may only be sealed with clear sealer, no tinted sealers will be acceptable. A temporary gravel drive shall be constructed from the street to the side of the proposed dwelling before or at the time construction of said dwelling is commenced. No driveway shall be expanded or modified from original construction without first obtaining the express written permission of the Association or the Architectural Committee.

13. Minimum Square Feet. All houses shall have a minimum of 1,400 square feet of heated and finished living space. Living space is measured on the exterior of the foundation walls and such space will NOT include any garages, patios, porches or storage space to meet these requirements.

14. Facade Material. All dwellings or other buildings constructed on any lot shall have a full masonry foundation. The façade of any dwelling constructed on any lot shall have an exterior

construction of 100% brick, cement board siding, vinyl siding or stone (or a combination thereof).

The Architectural Committee shall have exclusive control over the type, style or color of the façade material to ensure that a dwelling or other building constructed on a lot shall conform to the general atmosphere of the neighborhood.

15. Garages. All attached garages shall enter from the front or side, There shall be no detached garages or other accessory buildings constructed or located on the premises unless prior approval in writing is granted by the Association or the Architectural Committee. All dwelling houses shall have an attached garage of a size adequate to accommodate a minimum of two (2) full size automobiles.

16. Accessory Buildings. Any detached garage or other accessory building shall not exceed two (2) stories in height and shall be subject to the pre-approval of the Association or the Architectural Committee and receipt of a building permit from Rutherford County. Said building shall be to the rear of the lot, but not less than twenty (20) feet from the rear lot line, nor less than 7.5 feet from any side lot line, and in no case closer than the house is to any street. Said garage or accessory building shall be erected as one building and no garage shall contain room for more than three (3) cars. Any accessory building must be of a design and material as would be compatible with the main residence and in compliance with local building codes as approved by the controlling governmental authority. Accessory buildings must have a brick foundation, the shingled roof and exterior materials and color shall match or complement the existing structure. Preassembled accessory buildings made from plastic shall not be permitted. Notwithstanding the foregoing, prefabricated wood storage buildings that match the color of the siding on the main residence can be considered by ARC. No accessory buildings or storage sheds shall be constructed without first obtaining the express written permission of the Association or the Architectural Committee.

17. Prefabricated Homes. Preassembled structures for residential purposes shall not be permitted even though said structure may meet all minimum square footage and other requirements.

18. Building Encroachments; Clean Construction Site. No building shall be constructed or maintained on any lot (i) in any reserved drainage utility or landscape easement area; or (ii) closer to the street than the setback line as shown on the recorded plat (actual setbacks to be determined by the Architectural Committee); PROVIDED, HOWEVER, unclosed porches, either covered or uncovered, bay windows, steps, or terraces shall be permitted to extend across the setback lines; PROVIDED, FURTHER, HOWEVER, that the main structure does not violate the setback line. Once construction has commenced, it shall proceed diligently. Owner and/or its builder shall be responsible for maintaining a neat and orderly construction site; otherwise, the Board may determine in its discretion to hire third parties to clean the site and charge the expense of same to the Owner.

19. Fences. The only fences which shall be permitted on lots shall be ornamental black aluminum fences, wrought-iron fences, or white vinyl privacy fences, which shall be of the highest aesthetic quality, of at least forty-two (42) inches in height but no more than sixty (72) inches in height and in the fence panels must be installed in the vertical direction, not horizontal. No fence shall be installed any closer than halfway up the side of the home from the rear corner of the home. No

fence shall be constructed without first obtaining the express written permission of the Association or the Architectural Committee, which is charged to ensure that said fences conform to the general character and atmosphere of the neighborhood. The Association or the Architectural Committee may require, as a condition of approval, the use of hedges or other greenery as screening for the fence. All fences must be maintained in good repair at all times, and owners agree to abide by reasonable requests for repairs and maintenance as may be made by the Association or the Architectural Committee. Underground fences are permissible. Chain link fences, barbed wire, split rail fences and dog pens are expressly prohibited.

On all lots except corner lots, no fence shall be permitted between the front building or setback line and the street. As to corner lots: No fence may be closer than thirty (30) feet from any street (measured from the back of the street curb).

Fences must be installed directly on the inside of the property line so that there is no gap between the property line and the fence.

On all fences, the exact description and material of the fence, showing the exact location of the lot, house and fence must be submitted to the Association or the Architectural Committee for approval. No fence shall be located upon or within a dedicated easement (public utility, sewer, access, drainage, etc.). Owners shall be responsible for obtaining all necessary surveys, governmental permits, ARC approvals and/or any other necessary State or local County approvals prior to commencement of construction. Ultimately, the installing homeowner has full responsibility for location and placement of the fence.

20. Repair of vehicles. No vehicles of any type shall be parked upon the properties or in the vicinity of any residence or in the common area for purposes of accomplishing repairs thereto. Inoperable vehicles must be parked in a garage or otherwise removed from the vicinity of any residence within five (5) days. Vehicles may never be parked or placed in the common areas at any time. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired.

21. Prolonged Parking. There shall be no prolonged outside parking of any vehicle, including commercial and recreational vehicles, camping trailers, utility trailers, boats, and motor homes on any lot, street or common area. Commercial vehicles shall be defined as anything with a bucket attached to it or if the vehicle has a dual rear wheel axel. For purposes of this section only, prolonged parking shall be defined as parking of a vehicle in excess of 72 hours at a time; provided, however, that non-commercial operable vehicles may be parked in driveways. Prolonged outside parking of any type of vehicle as well as utility trailers is prohibited on any lot, street or common area when such interferes with the aesthetic quality of the subdivision. All such vehicles must be placed in the owner's garage or stored at an off-site location or stored on a concrete pad behind a fenced privacy area that prevents the vehicle from being seen from the street. The Association shall have absolute discretion, power and authority to determine if this restriction is being violated, to allow variances and to require conditions on such permitted use.

22. Landscaping. All front yards shall be sodded with the remainder of the yard being seeded and strawed. Landscaping is required in the front yard of every lot, but owners will not be

required to submit landscaping plans to the Architectural Committee for approval. Any planted vegetation shall be placed in a manner which does not enter onto neighboring properties. Initial landscaping shall be the responsibility of the Builder/Owner of each lot.

23. Sidewalk Construction. Each Owner shall be responsible to install sidewalks on each respective Owner's lots as shown on the plats for the Property. Each Owner shall be responsible to mow and maintain the lawn area (if any) between the sidewalk and the street on each Owner's respective lot; said lawn area is not common area and shall not be maintained by the Association.

24. Lighting. All exterior lighting shall be consistent with the character established in the subdivision and shall be limited to the minimum necessary for safety, identification and decoration. The installed lighting must always be pointed in a downward direction so the light source is not visible from neighboring properties. Exterior lighting of buildings for security and/or decoration shall be limited to uplighting or downlighting and the style and type of lighting shall be compatible with the building design and materials. No color lens or lamps are allowed.

25. Alterations to the Land. No drainage ditches, cuts, swales, streams, impoundments, ponds; no mounds, knolls, dams or hills, and no other physical improvements or elements of the landscape or terrain of the lot are allowed to be done without the prior written consent of the Association.

26. Swimming Pools. In-ground swimming pools must be installed in accordance with any and all local codes and zoning requirements. No above ground, stealth nor hybrid pools shall be permitted. All pools must have lockable fencing and must be kept locked when not occupied. Any required pool equipment shall be installed in a location least visible from the street and appropriately screened. Fences must otherwise comply with the requirements set forth in Article VII, paragraph 19 herein.

27. Satellite Dishes. No Large satellite dishes will be permitted unless approved by the Association or the Architectural Committee. Mini dishes (24 inches or smaller) will be allowed if not visible from the street and are contained within the fenced area in the rear portion of the Lot.

28. Recreational Equipment. No metal recreational equipment (including but not necessarily limited to playground equipment, trampolines, swings, and the like) shall be permitted unless approved by the Association or the Architectural Committee. No permanent basketball goals shall be permitted. No portable basketball goal shall be permitted without first obtaining the express written permission of the Association or the Architectural Committee

29. Lawn Accessories and Flags. No bird baths, frog ponds, flag poles, decorative banners, flags, lawn sculptures, artificial plants, birdhouses, statues or similar types of accessories are permitted in the front of any lot (between the rear of any residence and the street) without prior written approval of the Architectural Committee. A lot owner shall be permitted to fly the American Flag, provided that it is properly displayed via a flag holder attached to the residence and the flag is maintained in good repair. Holiday decorations during the holiday seasons shall be permitted. Holiday lights and decorations shall only be present ten (10) days prior to Halloween and removed ten (10) days afterwards and installed after November 15th and removed by January 20th.

30. Propane or Gas Tanks. Propane or other gas tanks with a capacity greater than 120 gallons must be installed in ground. All other propane or other gas tanks with a capacity of 120 gallons or less may be above ground provided that they are completely hidden from sight with landscaping or a fence, which must be approved by the Architectural Committee.

31. Rental. Except as provided herein, no Lot or a portion of a Lot may be rented or leased, and no transient tenants may be accommodated therein. All lots must be Owner occupied for a minimum of one (1) year after each transfer of title, whether by deed, will, trust, operation of law, or otherwise. Thereafter, the Lot may be leased or rented subject to the terms and conditions set forth herein. It is the intent of this provision to prohibit any Person from acquiring a Lot primarily for investment or rental purposes. All leases otherwise permitted hereunder shall be in writing and for a term of not less than twelve (12) months.

32. The Association may not charge additional fees or assessments for Lots which are leased as permitted herein. It is the specific intent of this Declaration to prohibit any special or extra fees or assessments against any Lots in compliance with the terms set forth herein.

33. NVR, Inc., a Virginia corporation d/b/a Ryan Homes, for the duration of the LPA Agreement with Declarant, dated 6-8-21, shall be allowed, at their sole discretion and at a time of their choosing, to sell their Model Home(s) and lease said home back from said buyer for the duration of the aforementioned LPA Agreement. The Model Home must serve as a sales office for the purpose of selling homes in the community.

34. Notwithstanding anything to the contrary contained hereinabove, the Association may grant variances to the rental restrictions contained within this provision if the Association determines, in its sole and absolute discretion, that granting such a variance would alleviate an economic hardship on the Owner of the Lot

ARTICLE VIII EASEMENTS, ENCROACHMENTS, COMMON AREA

A. General Utility, Drainage, and Stormwater Easements. An easement on all lots is hereby reserved for installation and maintenance of utilities and for drainage within the areas as shown on the Plat. Furthermore, an easement on all Lots is hereby reserved for the protection, preservation, and maintenance of all stormwater management facilities constructed on each lot pursuant to the site plan approved for each lot by Rutherford County, unless and until such time as an alternative stormwater management facility is approved by Rutherford County.

B. Entrance Sign. The Common Areas or easement areas at the entrance to the subdivision shall be restricted for the purpose of constructing and maintaining any necessary subdivision entrance signs and for the construction of a fence and landscaping. The Richland Downs Homeowners' Association, Inc. shall be responsible for the cost of maintaining and/or replacing said sign or signs, fencing, and landscaping located at the entrance to the subdivision.

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

Common Areas. The Common Areas, if any, as shown on the Plat shall be conveyed to the Association in fee simple for the use, enjoyment and convenience of all Owners. Each lot and residence is hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or residence, the Owners of such lot, and for their respective families, guests, invitees and contract purchasers, for appropriate intended purposes and uses, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual deeds and mortgages to each lot may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot.

D. Association Functions. There is hereby reserved to Developer, any successor to Developer, and the Association, or the duly authorized agents, representatives and managers of the Association, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration.

E. Ingress and Egress. In addition, there is reserved to Developer, its successors and assigns for the use and benefit of any adjoining property of Developer a right of ingress and egress over the streets, a right to attach to and use sewer and utility easements and such other easements as may be necessary to develop said property.

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

G. Subject to Prior Utility Easements. Notwithstanding anything herein expressed or implied to the contrary, this Declaration shall be subject to all easement heretofore or hereafter granted by Developer for ingress or egress and for the installation and maintenance of utilities, sewers, television cables, drainage, and similar facilities that are necessary or appropriate for the development of the Properties.

H. Utility Easements, Duties and Rights. The rights and duties of the Owners of lots with respect to sanitary sewers and water, electricity, television cables, gas and telephone, shall be governed by the following:

1. Whenever sanitary sewer house connections and/or water house connections or

electricity, television, gas or telephone lines are installed within the Properties, which connections or any portion thereof lie in or upon lots owned by others, then the Owners of the lot served by said connections, shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon said lots or to have the utility company enter upon the lots within the Properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

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

ARTICLE IX GENERAL PROVISIONS

A. Enforcement. The Association, Developer, or any Owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The expense of enforcement, including but not limited to damages, attorney fees, and costs, shall be chargeable to the Owner of the lot violating the provisions hereof and shall constitute a lien on the lot collectable in the same manner as an assessment. Failure by the Association, the Developer or any Owner to enforce any covenant or restriction herein contained shall in no event constitute a waiver of the right to do so thereafter.

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

C. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years. The Declaration may be amended by an instrument signed by not less than fifty-one percent (51%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or effect any lien for the payment thereof established herein. Any amendment must be properly recorded to be valid. Notwithstanding the preceding amendment requirements, the Developer shall have the sole authority to amend the covenants and restrictions of this Declaration during the ten (10) years following recordation of this Declaration or until all of the lots in the subdivision have been deeded from Developer, whichever first occurs.

D. Annexation. Developer or his successors and assigns, shall be allowed to annex additional property by way of section to Richland Downs Subdivision without the consent of the Association or its members over any mortgages or other lien holders; by the recordation of a supplementary Declaration as provided herein. Upon such annexation, the Association shall take whatever measures are necessary to add such annexed property and lots into the regime on an equal basis with the original property included hereunder.

Upon the recording of any supplementary Declaration, those lots owners contained therein

shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the supplemental Declaration.

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

IN WITNESS WHEREOF, we have hereunto executed this instrument on this the 14TH day of August, 2023.

Richland Downs, LLC

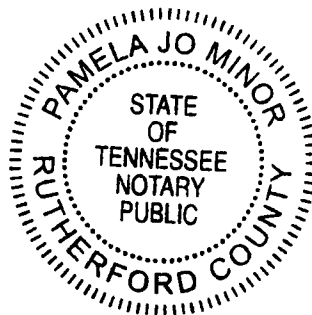
By: Bob Parks

State of Tennessee)
)
County of Rutherford)

Personally appeared before me, a notary public in and for the state and county aforementioned, Bob Parks, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be President of Richland Downs, LLC and that he as such President executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as President.

WITNESS MY HAND and official seal at office in Murfreesboro, Tennessee, on this the 14TH day of August, 2023.

Notary Public Pamela J. Minor
My commission expires: 10-22-23



**BYLAWS FOR THE ADMINISTRATION OF
RICHLAND DOWNS HOMEOWNERS' ASSOCIATION, INC.**
A Tennessee Non-Profit Corporation

The name of this non-profit corporation shall be Richland Downs Homeowners' Association, Inc. (the "Association").

**ARTICLE I
PURPOSE AND PARTIES**

SECTION I

Purpose. The purpose of the Association is to administer on a nonprofit basis, and through a Board of Directors, Richland Downs Subdivision (the "Property"); to elect the Board of Directors; to amend and supplement from time to time these Bylaws; and to do and perform any and all other things, matters, or acts required by or permitted by the owners or the Association under the Restrictive Covenants and Conditions Applying to the Richland Downs Subdivision (the "Declaration"). All definitions and terms contained in the Declaration shall apply hereto and are incorporated herein by reference, and all terms capitalized herein and not defined herein shall have the same meaning as set forth in the Declaration. Reference herein to "these Bylaws" shall have the same meaning as the "Bylaws" in the Declaration.

SECTION II

Parties. All present and future owners, tenants, occupants or any other person who might use in any manner the facilities of the Property are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of any Lot will signify that these Bylaws are accepted, approved, ratified and will be complied with by such person or persons.

**ARTICLE II
MEMBERSHIP AND VOTING**

SECTION I

Membership and Voting. The qualifications for membership in the Association along with the appurtenant voting rights and other privileges due owners shall be as set forth in the Declaration. Each owner (whether one or more persons or entities) of a Lot shall, upon and by virtue of becoming an owner, automatically become a member of the Association (hereinafter referred to individually as a "Member" and collectively as the "Members").

SECTION II

Majority of Members. Except as otherwise provided in the Declaration, any action to be taken by the Association shall require the assent of a majority of Members. As used in the

Bylaws, the term "majority of Members" shall mean those Members holding greater than fifty percent (50%) of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present.

SECTION III

Quorum. A quorum at any meeting of the Association shall consist of persons entitled to cast at least ten percent (10%) of the votes entitled to be cast on a matter unless otherwise provided in the Declaration or herein.

SECTION IV

Proxies. Votes may be cast in person, by proxy or electronic submission if the Board of Directors has the ability to track the validity and confidentiality of the vote. No proxy shall be valid after eleven months from the date of its execution unless specifically provided in the proxy. All proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

SECTION V

Cumulative Voting. No cumulative voting shall be permitted at any meeting of the Members.

SECTION VI

Order of Business. The order of business at all meetings of the Association shall be determined by the presiding officer at such meeting unless the Members present by majority vote at such meeting determine otherwise, in which case the Members shall fix the order of business.

ARTICLE III ADMINISTRATION

SECTION I

Association Responsibilities. The Members will constitute the Association, which will have the responsibility of administering the Property through the Board of Directors.

SECTION II

Place of Meeting. Meetings of the Association shall be held at a suitable place, convenient to the Members, as the Board of Directors may determine.

SECTION III

Annual Meetings. The annual meetings of the Association shall be held on or before one hundred twenty (120) days after the expiration of each fiscal year.

SECTION IV

Special Meetings. Special meetings of the Association may be called by the President, by the Board of Directors, or upon written request of the Members representing twenty-five percent (25%) of the votes in the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting.

SECTION V

Notice of Meetings. It shall be the duty of the Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place it is to be held, to each Member at the latest address shown for such Member on the records of the Association, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing of such a notice shall be considered notice served. The said mailing can be via email or US Postal Service. If no email address is available, a paper copy will be sent to the property owner.

SECTION VI

Presiding Officer. The President shall preside over all Association meetings, and the Secretary shall take and keep the minutes and minute book of all Association meetings, wherein adopted resolutions shall be recorded and shall serve as Secretary at such meetings.

ARTICLE IV BOARD OF DIRECTORS

SECTION I

Number. The Board of Directors of the Association (the "Board") shall be comprised of at least three (3) directors but no more than five (5) directors. Developer shall retain the right to appoint and remove members of the Board until ninety (90) days after the termination of the Class B membership status of Developer or such date that Developer surrenders in writing the right to appoint and remove members of the Board. Thereafter, a meeting of the Association shall be called for the express purpose of electing a new Board. At such meeting, the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years to fill each expiring term. In the event that the Membership elects to expand the Board to five (5) members, then the Membership shall elect two (2) directors for a terms of one (1) year, two (2) directors for a terms of two (2) years, and one (1) director for a term of three (3) years, and thereafter the Members shall elect the directors for a term of three (3) years to fill each expiring term.

SECTION II

Removal of Directors. Until the termination of the Class B Membership status of Developer, a director may only be removed by Developer. Thereafter, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successors shall be

selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION III

Vacancies. Vacancies on the Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of the remaining directors, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

SECTION IV

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

SECTION V

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

SECTION VI

Presiding Officer. The President of the Board of Directors shall preside at all meetings of the Board; the Secretary of the Board shall serve as Secretary of all meetings of the Board. In the absence of either, the Board shall designate one of their number to preside or to serve as Secretary as the case may be.

ARTICLE V MEETINGS OF DIRECTORS

SECTION I

Regular Meetings. Regular meetings of the Board shall be held without notice at such a place and hour and as often as may be fixed from time to time by a majority of the directors, but at least one (1) such meeting shall be held each calendar year.

SECTION II

Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any other director, after not less than three (3) days notice to each of the directors.

SECTION III

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

SECTION IV

Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board shall have the following powers and duties:

- a. To care for and preserve the Common Areas and Additional Maintenance Areas and to furnish and upkeep any desired personal property for use in the Common Areas upon the sole discretion of the Board;
- b. To engage the services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;
- c. To obtain and pay for legal and accounting services;
- d. To obtain and pay for any materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of the Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of the Declaration;
- e. To execute all Declarations of ownership for tax assessment purposes with regard to any of the Common Areas owned by it;
- f. To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- g. To fix the amount any assessment and/or maintenance charge as need may arise and any special assessment against each Lot as provided in the Declaration, to send written notice of each assessment to every Owner subject thereto, and to thereafter collect such assessments;
- h. To establish and maintain reserve funds for Common Area and Additional Maintenance Area replacements and maintenance in accordance with such budgets as may be adopted from time to time by the Board;

- i. To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to (i) taxes (if any) on the Common Areas, and (ii) insurance coverage (if any) on Common Areas
- j. To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent owners, if the Board sees fit;
- k. To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- l. To protect or defend the Common Areas from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- m. To make reasonable rules and regulations regarding the use and operation of the Common Areas and the facilities thereon (and personal conduct of the members and their guests thereon), and to establish penalties for the infraction thereof;
- n. To make available to each owner within sixty (60) days after the end of each year an annual report;
- o. To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;
- p. To enforce the provisions of the Declaration and any rules made hereunder and to enjoin and seek damages and impose and collect fines from any owner for violation of such provisions or rules in accordance with the terms of the Declaration;
- q. To appoint committees as deemed necessary or desirable for the handling of certain specific functions of the Association;
- r. To establish, disburse and maintain such bank accounts and petty cash funds as necessary for effectively carrying on the business of the Association; and
- s. To exercise and fulfill all other powers and duties granted or assigned to the Association and/or the Board pursuant to the Declaration.

ARTICLE VII OFFICERS AND THEIR DUTIES

SECTION I

Enumeration of Officers. The officers of the Association, who shall be elected by and who shall be members of the Board, shall be a President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

SECTION II

Election of Officers. The election of officers shall take place within thirty (30) days following each annual meeting of the members at a meeting of the Board.

SECTION III

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

SECTION IV

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

SECTION V

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

SECTION VI

Multiple Offices. A person may simultaneously hold more than one office except that no person may simultaneously hold the offices of President and Treasurer.

SECTION VII

Duties. The duties of the officers are as follows:

- a. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Board and of the Association. He shall have all of the general powers and duties which are usually vested in the office of president of a non-profit corporation.
- b. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- c. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be registered to the membership at its annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII ASSESSMENTS

SECTION I

Special Definitions. As used in these Bylaws, the following terms shall have the following meanings:

- a. "Annual Assessment" shall mean an annual assessment made by the Board in accordance with the terms of the Declaration.
- b. "Special Assessment" shall mean a special assessment for capital improvements, if any.
- c. "Payment Date(s)" shall mean the dates set for payment of any assessment by the Board of Directors.

SECTION II

Payment of Annual and Special Assessments. Annual Assessments and Special Assessments, if any, shall be payable with respect to each Lot as follows:

- a. Assessments shall be payable in advance on the Payment Date(s) specified.
- b. If title to a Lot is transferred during a calendar year, the amount of the Assessments for that Calendar year shall not, in so far as the Association is concerned, be prorated, and the Lot Owner on the Payment Date as specified by the Board of Directors for Payment shall be liable for Assessments for the calendar year in which such date falls.
- c. No member shall be entitled to a refund of any Assessment (Annual or Special) upon the sale of a Lot.

SECTION III

Collection. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date thereof shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the date of delinquency at the maximum rate permitted pursuant to applicable law. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non- use of the Open Area or abandonment of his Lot.

**ARTICLE IX
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

To the fullest extent permitted by law, the Association shall indemnify every director or officer, and his or her heirs, executors and administrators, against any and all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as expenses payable from assessments; provided, however, that nothing contained in the Article shall be deemed to obligate the Association to indemnify any Member, who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as an Owner covered thereby.

**ARTICLE X
FISCAL YEAR AND BOOKS AND RECORDS**

SECTION I

Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise fixed by resolution of the Board.

SECTION II

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

**ARTICLE XI
AMENDMENTS AND CONFLICTS**

SECTION I

Amendments. Until the termination of the Class B membership status of Developer, these Bylaws may only be amended by Developer; thereafter, these Bylaws may only be

amended by the written consent of a majority of the members of the Board; provided, however, that no amendment shall be effective if it conflicts with the provisions of the Declaration.

SECTION II

Conflicts. In the case of any conflict between the Charter and these Bylaws, the Charter shall control; and in the case of any conflict between the Declaration, the Charter or these Bylaws, the Declaration shall control.

APPROVED BY RICHLAND DOWNS
HOMEOWNERS' ASSOCIATION, INC.

By: Bob Parks

Name: Bob Parks

Title: Member