

DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
CHESTNUT BEND SUBDIVISION

THIS DECLARATION is made this 16<sup>th</sup> day of September, 1999. by CHESTNUT BEND, LP, a Tennessee limited partnership, (hereinafter referred to as "Developer" or "Grantor"), a corporation organized and existing under the laws of the State of Tennessee, whose principal office and domicile is situated in Williamson County, State of Tennessee, represented in this Declaration by its general partner, Trillium Development, Inc. which has elected PAUL ARNOLD as its president and who is fully empowered and qualified to execute this Declaration on behalf of said corporation, wherein the Developer makes the below enumerated declarations and submissions. NOTWITHSTANDING ANYTHING STATED ELSEWHERE IN THIS DECLARATION TO THE CONTRARY, DEVELOPER RESERVES FOR ITSELF AND ITS ASSIGNS THE RIGHT TO AMEND THIS DECLARATION FOR THE EXPRESS PURPOSE OF ANNEXING INTO THE "SUBDIVISION" HEREINAFTER DEFINED, ADDITIONAL REAL PROPERTY, WHICH WOULD THEN BECOME A PART OF THE SUBDIVISION AND SUBJECT TO THE RIGHTS, OBLIGATIONS, AND PRIVILEGES SET FORTH IN THIS DECLARATION.

1. EXPLANATION OF TERMINOLOGY: The following terms shall have the following meaning:

(i) "CHESTNUT BEND" HOMEOWNERS ASSOCIATION, INC." shall refer to the Chestnut Bend Subdivision, its common property and elements and the improvements owned in common thereon, all of which as may from time to time be expanded, merged or annexed.

(ii) "Developer" and "Grantor" shall both refer to Chestnut Bend, L.P., a Tennessee limited partnership, its successors and assigns.

(iii) "Subdivision" shall mean the residential lots in the Chestnut Bend Subdivision, Sections II, III and so on, as the same may from time to time be expanded, merged, or annexed. Sections I of the Chestnut Bend Subdivision is expressly excluded from this Declaration.

(iv) "Declaration" means this document and refers in the aggregate to this document, as it may be amended, and to any Amended Declaration.

(v) "By-laws" means the By-laws of the CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC., which by reference thereto are made a part hereof.

(vi) "Charter shall refer to the Charter of CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC.

(vii) "Association" shall refer to the Subdivision: the Board of Managers of the Association; CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC., a not-for-profit corporation organized under the laws of Tennessee, the members of which are lot owners in

the Subdivision, or the lot owners as a group, or such other body or group as the context may require.

(viii) "Lot" means that portion of the Subdivision which is subject to private ownership

(ix) "Lot Owner" means that portion of the Subdivision which is subject to private ownership.

(x) "Common Expenses" means the expenses associated with the Common Elements and the Non-Common Elements for which the Subdivision Lot Owners are liable to the Association as set forth in the Association documents.

(xi) "Subdivision Property" or "Subdivision Project" means the land, all improvements thereon, including the individual lots, the common elements and all easements and rights appurtenant thereto, which are intended for use in connection with the Subdivision.

(xii) "Common Elements" or "Common Areas" means the portion of the Subdivision Property not included in the individual lots, or within a public or private right-of-way for ingress, egress or utilities. Lot 172 of Section I recorded in Plat Book 25, Page 33, Registers Office for Williamson County, Tennessee, is included in the Common Areas.

(xiii) "Non-Common Elements" means all the landscape buffer areas, entrance signage and adjacent landscaping and grass area located at the entrance to the Subdivision at Hillsboro Road.

(xiv) "Expansion," "Annexation," and "Merger" and derivations thereof, shall be used interchangeably, and shall be deemed to include subsequent phases of Chestnut Bend, additional lots, additional Common Areas and such additional property as desired by the Developer.

(xv) "Subdivision Plat" means those instruments recorded in the Register's Office for Williamson County, Tennessee in Plat Book 261 Page 63 and such subsequent and additional recorded plats reflecting the Expansion of the Subdivision Property.

2. ADMINISTRATION: (i) The administration of the Subdivision Project shall be governed by this Declaration and any amendments thereto, and by the Charter and By-laws of the Association. The governing body of the Subdivision Project shall be the Board of Managers of the Association, as is set forth herein and in the By-laws attached hereto and made a part hereof.

(ii) A Lot Owner shall automatically become a member of the Association, upon acquiring an ownership interest in a Lot, and shall remain a member for the period of his ownership.

3. OWNERSHIP AND DESCRIPTION OF LANDS: RESERVATION OF EASEMENTS: The lands comprising the Subdivision Project are owned in fee simple by the Developer and are included within and are a part of the lands described in Exhibit A attached hereto and made a part hereof, Said Exhibit A includes the same real property as shown on the plats of record in Book 25 page 63 Register's Office for Williamson County, Tennessee, and the balance of the Subdivision Project, which is not yet developed. In the event the Subdivision Project is expanded the Common Elements, included within the lands

described on the Subdivision Plat and in Exhibit A shall become Common Elements for the expanded Subdivision Project.

Perpetual easements are reserved for the following uses and purposes: (i) The Developer hereby reserves for itself and for all future Lot Owners of the Subdivision Project, as may be expanded, a perpetual easement and right-of-way and access over and across the Common Areas for the benefit and use of the Developer and Lot Owners and for construction, installation and maintenance of utilities, drainage, ingress and egress, related activities, and for the reasonable use and enjoyment of the Common Areas and recreational facilities;

(ii) Developer further reserves the right to establish from time to time other easements, reservation, exceptions and exclusions across, over, under and affecting the Subdivision Project;

(iii) Easements are reserved over and across the Subdivision Project for the Developer, who shall have the unrestricted right to relocate, expand, modify, reduce, or extend existing driveways, parking areas, and yards, and to construct, expand, enlarge, or relocate easements, utility lines, or service connections in order to serve the Subdivision Project, along with those lots or other lands which may be annexed or lie adjacent to this Subdivision Project, or other land owned by the Developer, but not incorporated within the Subdivision Project, or other subdivision projects which may be in proximity and/or merged into this Subdivision Project;

(iv) Easements are hereby reserved in the Common Elements for the benefit and use of the Lot Owners of any Lot adjacent to or in proximity of this Subdivision Project;

(v) Each of the easements provided for in this Declaration shall be deemed to be 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 Developer, Lot Owners and the Common Areas. Said easements are superior to all other encumbrances applied against or in favor of any portion of the subdivision Property, which is the subject of the Declaration, or the Declaration as it may be amended;

(vi) There is hereby reserved to the Developer and to the Association, their successors, and assigns and their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations as are set forth in the Declaration, the Charter, the By-laws, and any rules and regulations promulgated by the Developer and/or the Association.

#### 4. DESCRIPTION OF SUBDIVISION PROJECT:

(i) The Subdivision Project shall initially have 26 building lots.

(ii) Each of the Lots will be located as shown and set out in the plats recorded in Book 25 Page 23 in the Register's Office for Williamson County, Tennessee, which Plats are adopted herein by reference, together with such other recorded plats reflecting the annexation into and/or expansion of Subdivision.

(iii) The Developer reserves the right to change the design and arrangement of any Lot and to alter the boundaries thereof so long as any Lot so altered or directly affected by such alterations is owned by the Developer or is changed with the consent of the Lot owner.

#### 5. LOT OWNER'S ASSOCIATION:

(i) Membership. Grantor shall forthwith cause to be formed & Tennessee Corporation, not-for-profit, to be called CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC., which shall administer the Subdivision Property and maintain the Non-Common Elements. Each Lot Owner, upon acquisition of an ownership interest in a Lot within the Subdivision Property shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition of his ownership interest, at which time the new owner of such ownership interest shall automatically become a member of the Association.

(ii) Board of Managers and Officers. The board and Officers of the Association, elected as provided in the By-Laws, shall exercise the powers, discharge the duties and be vested with the rights conferred upon the Association by operation of law, by the By-Laws and by this Declaration. The Grantor, its successors and assigns, shall have the right to elect or appoint a majority of the Board of the Association until December 31, 2007. In the event that there shall be a vacancy in the office of any Board member (8) appointed by the Grantor during the time in which Grantor has the right to appoint a majority of the Board members, then the provisions of the By-Laws to the contrary notwithstanding, the successor or substitute Board member shall be appointed or elected by the Grantor. During such time as the Grantor shall not vote its memberships in the election of the remainder of the Board to wit: the minority thereof, but said minority of Board shall be elected by the members exclusive of the Grantor. The Grantor's presence shall, however, be included for the purpose of determining a quorum at any meeting of the members at which the election of Board members takes place. The Grantor shall, at the annual meeting of members, advise the chairman of the annual meeting of the persons whom it desires to have appointed or elected board members, not exceeding a majority of the whole Board of Managers, and such persons shall be deemed elected Board Managers of the Association. The Board members appointed or elected by the Grantor hereunder need not be members of the Association, the provisions of the By-Laws of the Association to the contrary notwithstanding, and need not be Officers or Directors of the Grantor, but may be any adult person, competent to contract under the laws of the State of Tennessee.

6. LOT UNIT BOUNDARIES: Each Lot shall consist of and contain that which is situated within the boundaries of such Lot as shown on the Subdivision Plat of record in Book 25 page 63 las Register's Office for Williamson County, Tennessee, and on those Subdivision Plats subsequently recorded.

7. COMMON ELEMENTS: The Common Elements shall consist of the entire Subdivision Project, but excluding that which is within the boundaries of any Lot or public or private right-of-way or easement for ingress, egress and utilities, and that represented on unrecorded Subdivision Plats.

8. UNDIVIDED SHARES IN COMMON ELEMENTS: (i) The Common Elements shall be owned by the Lot owners as tenants in common, and ownership thereof shall remain undivided. The percentage interest of each Lot in the Common Elements for the purpose of assessment of the common expenses and for other purposes hereinafter state shall be a fraction the numerator of which shall be one (1) and the denominator of which shall be the number of platted and developed Lots for residential use in the Subdivision, which percentage of interest shall not be changed, except by the annexation of additional lots into the Subdivision Project (which will cause said percentage to adjust accordingly) or

by the unanimous consent of all the Lot owners expressed in an amendment to this Declaration duly recorded.

(ii) Each Lot shall have as an appurtenance thereto the right to use all of the Common Elements of the Subdivision Project in accordance with this Declaration and Association documents. This right shall be shared by all Lot Owners of the Subdivision Project. No action for partition of any part of the Common Elements shall be maintainable, nor may any Lot Owner waive or release any rights, privileges or obligation in the Common Elements.

9. OWNERSHIP OF SUBDIVISION PROJECT AND SHARING IN COMMON EXPENSES AND COMMON SURPLUS: A Lot Owner shall have the exclusive ownership of his Lot and shall have an undivided interest in the Common Elements. The Common Expenses shall be shared and the common surplus shall be owned in such manner as is determined by the Board of Managers pursuant to the By-Laws. The undivided interest of the Lot Owners in the Common Elements and fee title to the respective Lots shall not be separated or separately conveyed, encumbered, inherited, or divided and each undivided interest shall be deemed to be conveyed or encumbered with their respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to such Lot.

10. VOTING RIGHT OF LOT OWNERS: (i) The Lot Owner or Owners, collectively, of each Lot shall be entitled to one vote per Lot as to the matters requiring a vote by Lot Owners as provided by this Declaration, the Charter, By-Laws, and/or rules and regulations promulgated by the Association.

(ii) The vote for each Lot must be cast as set forth in the By-Laws. If any Lot Owner or Owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Lot Owners of the same Lot

(iii) The Developer shall be entitled to ten (10) votes for each unsold Lot. The rights of the Developer to so vote shall cease after all the Lots in the Subdivision Project, as may be expanded from time to time, have been sold.

11. COMMON EXPENSES AND ASSESSMENTS: (i) It is the express duty of each Lot Owner, other than a builder who owns the Lot for the purpose of constructing a house thereon to be occupied by someone other than the Builder, to promptly pay his share of the Common Expenses and assessments levied by the Board of Managers. The Common Expenses shall be assessed against the Lot Owners by the Association according to the percentage interest in the Common Elements attributable to each respective Lot, which percentage interest shall be per Lot Owner a fraction the numerator of which shall be one (1) and the denominator of which shall be the number of platted and developed Lots in the Subdivision, subject to the addition of other lots arising from the expansion or annexation of the Subdivision Project. The Common Expenses and assessments shall be paid in the manner required by the Board

(ii) The Association shall have a lien upon each Lot and the Lot Owner's ownership interest for the payment of all assessments levied by the Association against such Lot which remain unpaid for ten (10) days after the same have become due and payable. Notice of said lien. may be filed with the Register's Office for Williamson county, Tennessee,

pursuant to authorization given by the Board. Such notice shall contain a description of the Lot, the name or names of the Lot Owner(s), the amount of the lien claimed and shall be subscribed by an officer of the Association. The lien shall remain valid for a period of five (5) years from the date it arises, unless sooner released or discharged. Each Lot Owner shall also be personally liable for all assessments levied by the Association against his Lot. After any foreclosure of a lien for delinquent assessments, the owner of the Lot subject to the lien shall be required to pay a reasonable rental for the Lot; and the Association shall be entitled to the appointment of a receiver to collect such rental.

(iii) Priority of Associations Liens. The lien granted the Association hereinabove shall take priority over any lien or encumbrance previously or subsequently arising or created, except liens for real estate taxes and assessments and the lien of a real estate first mortgage which has theretofore been filed for record. The lien herein granted may be foreclosed in the same manner as a mortgage on real property in an action brought on behalf of the Association by an officer thereof pursuant to authority granted by the Board of Managers. In any such foreclosure action, the Association shall be entitled to become the purchaser at the foreclosure sale. Notwithstanding anything hereinabove, the lien of the Association shall not take priority over a valid recorded first mortgage or deed of trust lien given by a Lot Owner to finance the purchase of such Lot.

(iv) Default. In the event of default in paying Common Expenses or other assessments by any Lot Owner, such Lot Owner shall be obligated to pay interest at the maximum legal rate on such common Expenses from the due date thereof, together with all expenses, including attorney's fees and court cost, incurred by the Board of Managers in any proceeding brought to collect such unpaid common expenses or to enforce the said lien.

(v) Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. Where the mortgage of a first mortgage of record acquires an ownership interest in a Lot as a result of foreclosure of the first mortgage, its successors and assigns or subsequent transferees shall not be personally liable for the assessments levied against such Lot which were levied prior to the acquisition of an ownership interest in such Lot by such mortgagee. Such assessments shall be a lien, however, and shall be paid out of any excess monies received, if any, at the foreclosure sale, if applicable. To the extent such assessments are not paid, however, they shall be deemed to be Common Expenses and shall be levied against all of the Lot Owners at the time of the first assessment next following the acquisition of the title by such mortgagee except that the mortgagee, its successors and assigns, or transferees shall have no liability for pre-foreclosure assessments on that particular Lot.

(vi) Liability of Assessments Upon Voluntary Conveyance. In a voluntary conveyance of an ownership interest in a Lot, other than by deed in lieu of foreclosure, the grantee of the ownership interest shall be jointly and severally liable with the grantor of the ownership interest for all unpaid assessments levied by the Association against such Lot prior to the time of the grant or conveyance, without prejudice to the grantees right to recover from the grantor the amounts paid by the grantee therefor. However, such prospective grantee shall, upon written request, be entitled to a statement from the Board setting forth the amount of all unpaid assessments due the Association with respect to the ownership interest to be conveyed, and such grantee shall not be liable for, nor shall the Lot

conveyed be subject to a lien for, any unpaid assessments which became due prior to the date of the making of such request if the same were not set forth in such statement.

(vii) No owner of a Lot may exempt himself from liability for his contribution towards the common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Lot.

(viii) Non-Liability of Builder for Common Expenses. Notwithstanding anything stated elsewhere in this Declaration to the contrary, a builder who owns a lot for the purpose of constructing a house thereon to be occupied by someone other than the builder shall not be liable for the Common Expenses or assessments levied against such Lot, nor shall such Common Expenses or assessments be a lien on such Lot. No Common Expenses or assessments shall be levied against such builder or the Lot owned by such builder.

12. LOTS SUBJECT TO THE DECLARATION: Each Residential Lot Owner shall be governed by and shall comply with the terms of this Declaration, the Charter, the By-Laws, and the rules and regulations of the Association, as may be promulgated from time to time, if any, and by such documents and regulations as they may be amended from time to time. The acceptance of a deed of conveyance, devise, or inheritance, or the entering into of a contract of sale for a Lot or of a lease and/or occupancy of a Lot shall constitute an agreement that the provisions of this Declaration, the Charter, the By-Laws, and the rules and regulations adopted pursuant thereto, are accepted and ratified by each Lot Owner and/or tenant and occupant and are taken to be covenants running with the land and shall bind any person having at any time any interest or estate in any such Lot as though such provisions were recited and stipulated in full in each such deed of conveyance, devise, inheritance or lease. The Commercial lot owners (Lots 1 & 2 in Section 1) are exempt from these Declarations and Association Fees.

13. AMENDMENTS: This Declaration may be amended by the Developer as in its sole discretion deems appropriate, or by the consent of Lot Owners of not less than seventy-five percent (75%) of the Lots in the Subdivision. Such Lot Owners' consent may be obtained either by written consents, or by a duly adopted resolution at a meeting of the Lot Owners' called in accordance with the Association documents. A certificate of amendment setting forth the alteration and/or amendment and the manner of its adoption shall be executed by the Developer, or by the President or Vice-President and the Secretary or an Assistant Secretary of the Association, and shall be filed with the Register's office for Williamson County, Tennessee. Such amendment shall be effective from and after the time said certificate is so filed for recording.

Notwithstanding the foregoing, but remaining subject to the provisions in this Declaration relative to the expansion, merger or annexation of the Subdivision, any amendment altering the percentage interest of the Lot Owners in the common Elements shall require the unanimous approval of the Lot Owners. Furthermore, no amendment shall have any effect on the Developer or its rights under this Declaration, or upon the rights of bona fide first mortgagees of record until the written consent of Developer and/or such mortgagees has been secured. Such consent shall be retained by the Secretary of the Association and his certification in the instrument of amendment as to the consent or non-consent of the Developer and the naming of the consenting and non-consenting mortgagees of the various Lots may be relied upon for all purposes.

#### 14. APPROVAL BY MORTGAGEES AND CITY OF FRANKLIN:

Notwithstanding anything stated in this Declaration to the contrary, unless at least one hundred (100%) percent of the first mortgagees (based upon one vote for each first mortgage owned) of Lots and the Franklin Municipal Planning Commission have given their prior written approval, the Board of Managers and/or the Lot Owners shall not be entitled to:

(i) By act or omission, seek to abandon or terminate the Declaration.

(ii) Change the pro rata interest or obligations of any Lot for (a) purposes of levying assessments or charges or allocation distributions of hazard insurance proceeds or condemnation awards and for (b) determining the pro rata share of ownership of each Lot in the common elements; subject to Developer's right to expand the Subdivision Project by merger, expansion or annexation and the resulting adjustment in the pro rata interest in the common area.

(iii) Partition or subdivide any Lot.

(iv) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. The Granting of easements for public utilities, rights-of-way or for other public purposes consistent with the intended use of the common Elements by the subdivision Project shall not be deemed a transfer within the meaning of this clause.

(v) Use hazard insurance proceeds for losses to any of the Common Elements for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the common Elements of the Subdivision Project.

(vi) by act or omission, seek to abandon or in any manner suspend or terminate the obligations set forth in this Declaration respecting the open space and Non-Common Elements.

15. RIGHT OF THE DEVELOPER TO SELL LOTS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN THIS DECLARATION OR IN THE BY-LAWS: So long as the Developer shall own any Lot, whether by reacquisition or otherwise, the Developer shall have the absolute right to lease, sell, or mortgage any such Lot to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest; and, as to the lease, sale, or mortgage of any Lot by the Developer, the right of notice and consent herein granted to the Association in this Declaration shall not be operative or elective in any manner. This provision under the Declaration may not be suspended or superseded by any amendment unless consented thereto, in writing by the Developer. The Developer shall have the right to transact on the Subdivision Property any business necessary to consummate the sale of individual Lots, including but not limited to the right to maintain models, have and display signs, maintain an office or offices, maintain employees in such offices, use the common elements, and show the individual Lots. The Developer may assign the rights granted it under this paragraph to such other persons or entities as it may choose. A sales office signs, and all items pertaining to sales shall not be considered Common Elements or common property, and shall remain the property of the Developer.



16. MECHANICS LIENS: No labor performed or materials furnished and incorporated in or on a Lot shall be the basis for filing a lien against the Lot of any other Lot Owner not expressly consenting to or requesting the same, or against the Common Elements or against the Non-Common Elements. Each Lot Owner shall indemnify and hold harmless each of the other Lot Owners from and against all liability arising from the claim of any lien claimant against the Lot of any other owner, or against the Common Elements or the Non-Common Elements for construction performed or for labor, materials, services, equipment, or other products incorporated into the owner's Lot at such owner's request or with his consent. The provisions of this Paragraph shall not apply to any labor performed or materials furnished at the request of the Board of Managers of the Association. At the written request of any Lot Owner, the Association shall enforce such indemnity by collecting from the Lot Owner of the Lot on which the labor was performed or materials furnished the amount necessary to discharge any such lien, including all costs incidental thereto, including attorney's fees, and obtaining a discharge of the lien.

17. MANAGEMENT, MAINTENANCE, REPAIRS, ALTERATIONS AND IMPROVEMENTS: (i) Responsibility of the Association. Except as otherwise expressly provided herein, the Association at its expense, shall be responsible for the management, maintenance, repair, replacement, alteration and improvement of the Common Areas and facilities and the Non-Common Elements. The Association may delegate all or any portion of its authority to discharge such responsibility to a managing agent. Such delegation to a managing agent may be evidenced by one or more management contracts, no one of which shall exceed three (3) years in duration, which shall provide for the payment of reasonable compensation to said managing agent as a Common Expense. Upon the expiration of the initial term of any such management contract, the Association may renew such contract for an additional period or designate a different managing agent. Developer (or any other entity designated by Developer to act in such capacity) at its option, shall designate the managing agent for the ten (10) year period following the date this Declaration is filed of record. The managing agent, or the Association, if there is no managing agent, shall have the authority to enter into agreements with Developer or one or more other firms or corporations, affiliated with Developer, for the common management, maintenance and repair of the Common Elements. Without intending to limit the generality of the foregoing, such agreements may provide for the allocation of expenses, purchase of equipment and supplies and joint sharing of employees and management overhead. Any agreement for professional management, or any other contract providing for services by the Developer herein, must contain a provision permitting termination by the Association upon ninety (90) days written notice.

(ii) Responsibility of Lot Owner. The responsibility of each Lot Owner shall be as follows:

- (a) To maintain, repair and replace, at his expense all portions of his Lot and all improvements thereon.
- (b) To perform his responsibilities in such a manner so as not to unreasonably disturb other Lot Owners and occupants;
- (c) To pay all costs for utility services furnished to his Lot;

(d) To promptly report to the board or managing agent employed by the Association the need for any maintenance or repair to any portion of the Common Elements, which the Association is obliged to maintain or repair pursuant to the Declaration, By-Laws or rules established pursuant thereto.

(e) Not to make any alterations in the Common Elements and facilities or remove any portion thereof or make any addition thereto or do anything which would or might jeopardize or impair the safety or soundness thereof.

(f) Not to impair the use and enjoyment of the easements herein provided.

(g) To observe, fulfill and perform all other obligations of a Lot Owner as set forth in this Declaration or the By-Laws or any rules promulgated pursuant thereto.

(h) To furnish water free of charge to the Association for the watering and care of the shrubbery, grass and landscaping of any Common Element adjacent to or near his Lot.

(iii) Construction Defects. The obligation of the Association and of the Lot Owners to maintain, repair and replace the portions of the Subdivision Property for which they are respectively responsible shall not be limited, discharged or postponed by reason of the fact that any maintenance, repair, or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction of the Subdivision Property. The undertaking of maintenance, repair or replacement by the Association or Lot Owners shall not constitute a waiver of any rights against any warrantor, but such rights shall be specifically reserved.

(iv) Effect of Insurance or Construction Guarantees. Notwithstanding the fact that the Association and/or any Lot Owner may be entitled to the benefit of any guarantee or warranty of material or workmanship furnished by any entity responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage, the existence of such construction guarantees or insurance coverage shall not excuse any delay by the Association or any Lot Owner in performing its or his respective obligations hereunder.

18. ARCHITECTURAL CONTROL (i) Construction, Review, And Approval From and after the date of recording of this Declaration in the Register's Office for Williamson County, Tennessee, no house, garage, play house, satellite dish, television or radio receiving or transmitting device, outbuildings, pool, fence, wall or other above-ground structure or exterior improvement of any kind, type or description, shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to change in or alteration of any said structures be made, until complete final plans and specifications showing the nature, kind, shape, height, materials, interior and exterior finishes, location and floor plan thereof, and showing front, side and rear elevations thereof and the name of the builder and general contractor performing such work have been submitted to and approved by the Developer prior to sale of all the Lots in the Subdivision, as may be expanded from time to time, or, after such time, by an architectural control committee composed of 3 or more persons appointed by the Developer, as to harmony of exterior design and general construction quality, and as to location in relation to surrounding

structures and topography. Any such plan or improvement submitted for the approval outlined above shall be deemed approved if not acted upon by the Developer or its committee within thirty (30) days of submission.

(ii) Violations and Remedies of Association. Any such construction or improvement made or performed without application having first been made and approval obtained as provided above, shall be deemed in violation of this covenant and may be required to be immediately restored to the original condition at the Lot Owner's cost. Upon the failure or refusal of any such owner to perform the required restoration, the Developer, its designated committee or their authorized agents or employees may, after 114 days' notice to such owner, enter upon such Lot and perform such restoration as Developer or its committee, in the exercise of their sole discretion, may deem necessary or advisable. Such owner shall be personally liable for the direct and indirect costs of such restoration, and the liability for such costs shall be a permanent charge and lien upon such Lot enforceable by any appropriate proceedings in law or in equity.

19. (a) Lots and Improvements Thereon. (a) All Lots subject to this Declaration, together with the exterior of all improvements located thereon, shall be maintained in a neat, safe and attractive condition by their owners. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and caring for roofs, gutters, downspout, building surfaces, trees, shrubs, grass, walks and other exterior improvements. Upon the failure or refusal of any Lot Owner to maintain his Lot and the exterior of all improvements located thereon in a neat, safe and attractive condition, Developer, its designated committee or its authorized agents or employees, may, after 14 days' notice to such owner enter upon such Lot and perform such exterior maintenance as said Developer or its committee, in the exercise of their sole discretion, may deem necessary or advisable. Such owner shall be personally liable to the Developer, or committee, for the direct and indirect costs of such maintenance and the liability for such costs shall be a permanent charge and a lien upon such Lot enforceable by Developer or its committee by any appropriate proceeding in law or in equity.

(b) Notwithstanding the foregoing, nothing herein contained shall apply to the maintenance of any Lot as long as title to same is held by the Developer primarily for the purpose of sale.

## 20. EASEMENTS.

(i) General. In addition to those easements as may be provided on the Plat (5) of Subdivision Property, as may be amended or modified, and provided elsewhere in this Declaration, those provided for in sections (ii) and (iii) of this Paragraph 20 shall and do exist.

(ii) Utilities Etc. There is hereby granted a blanket casement upon, across, over and under the Subdivision Property, as may be expanded from time to time, or any portion thereof for ingress, egress, installation, replacing, repairing and maintaining a master television antenna and cable system and all utilities, including but not limited to, water, sewer, cable television, gas, telephone and electricity. By virtue of this casement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment to affix and maintain utility wires, circuits and conduits on, above, across and under the Subdivision Property, as may be expanded from time to time, or any portion

thereof. The easements provided for in this section (ii) shall in no way affect any other recorded easements on said property.

(iii) Other. There is hereby granted a blanket easement to the Developer, its officers, directors, agents, employees and committees and to all policemen, firemen, ambulance personnel and all similar persons to enter upon the Subdivision Property, as may be expanded from time to time, or any portion thereof in the proper performance of their respective rights and duties.

21. COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY. The following covenants and restrictions as to the use and occupancy of the Subdivision Property, as may be expanded from time to time, shall run with the land and shall be binding upon each Lot Owner and occupant.

(i) Purpose of Property. The Subdivision Property shall be used for single family residence purposes and such common purposes auxiliary thereto and for no other purposes. A Lot Owner or occupant may use a portion of his single family residence for his office or studio (other than a music studio) provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Lot Owner or occupant and further provided that such activities shall not involve the personal services of any Lot owner or occupant to a customer or other person or client who comes to the Subdivision Property, and shall not be in violation of any applicable zoning regulation of the City of Franklin, or successor municipal entity.

(ii) Obstruction of common Areas and Facilities. There shall be no obstruction of nor shall anything be stored in the Common Areas and facilities without the prior written consent of the Association

(iii) Residential Purposes. No house trailer or mobile home shall be permitted on any Lot at any time. No shed, garage, outbuilding or other appurtenant structure shall be used for residential purposes.

(iv) Occupancy. Before any Lot may be occupied as a residence, the improvements constructed or to be constructed thereon must be substantially complete; no residence, however, may be occupied without the prior approval of the Developer, or its committees

(v) Building Materials. No lumber, brick, stone, cinder block, concrete or any other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot, except for purposes of construction on such Lot, and shall not be stored on such Lot for longer than that length of time reasonably necessary, in the sole discretion of Developer, or its committees, for the construction in which same is to be used.

(vi) All buildings in the Subdivision shall have masonry or concrete foundations, designed to provide a crawl space, having a minimum of four (4) block courses in height. Materials and design for exterior construction shall be all brick, except for gables on the ends of the house and such other areas above the roof line approved in advance by Developer or its committees, which approval shall be in their absolute discretion. Siding, stucco or any other variation is permitted if approved in advance of the commencement of construction by Developer, or its committees, which approval shall be in their absolute sole discretion.

(vii) A residence in the Subdivision shall consist of a minimum living floor area, exclusive of garages, porches, patios, and decks, of Two Thousand (2,000) square feet.

(viii) It shall be obligatory upon all Lot Owners to consult with the authorities of the governing and regulatory body having jurisdiction before any driveways, culverts, or other structures or grading are commenced or constructed within the limits of any dedicated roadways, and such placements or construction shall be done in accordance with the requirements of the governing body having jurisdiction in order that the roads or streets within the development, which shall be affected by such placement or construction, may not be disqualified for acceptance in the road system of the governing body having jurisdiction.

(ix) Drainage easements as shown on the recorded plat of the Subdivision shall be for the purpose of constructing, maintaining, opening or widening storm drains and open ditches. A perpetual easement is reserved on each Lot for the construction and the maintenance of utilities, including, but not limited to, electricity, gas, sewer, telephone, cable television and water. No structure of any kind shall be erected or maintained upon or over said easements, except such as are constructed for public utility purposes.

(x) To insure a standard of improvement satisfactory to purchasers of adjacent Lots, no structure shall be erected upon any Lot without the prior approval in writing of the Developer or its designee. After the initial sale of a Lot and Improvements thereon, the restrictions under paragraph 18 Architectural Control, shall apply.

(xi) Developer may grant a variance from any restrictions herein set forth as it, in its sole discretion, deems necessary or appropriate.

(xii) Hobbies and Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, shall not be pursued or undertaken on any part of any Lot or property adjacent to any Lot.

(xiii) Tanks. No exposed above-ground tanks will be permitted for the storage of fuel, water or any other substance.

(xiv) Mail Boxes. Only mail boxes of a type designated by Developer shall be permitted by a Lot Owner, or its occupant, and shall be maintained by the Lot Owner in a neat and safe manner.

(xv) Clotheslines and Antennas. Outside clotheslines, satellite dishes, (unless the same is equal to or less than eighteen (18') inches in diameter and is located in such a manner as to be concealed from the view of the public street abutting the subject Lot), solar discs or antennas will not be permitted on any Lot.

(xvi) Signs. No signs shall be erected or maintained on any Lot, except one (1) professionally lettered builder and realtor sign, or sign of the Lot Owner advertising the residence and Lot for sale or rent. Such signs shall be of a permanent material and not be more than 24 x 36 inches in size. Such signs shall not extend to a height greater than three (3) feet above the ground. A sales office sign greater than the above dimensions is permitted on the lot of the Sales Office or Model Home during the marketing of the Subdivision by the Developer.

(xvii) Garages. All houses in the Subdivision Project shall have a fully enclosed and attached garage. Garages shall be of a minimum exterior width of eighteen (18') feet and designed to accommodate at least two (2) automobiles. Furthermore, the garage door(s) of said garages shall be equipped with automatic garage door opener and said garage door(s) shall remain fully closed at all times, except when entering or exiting the garage.

(xviii) Storage and Location of Automobiles, Boats, etc. No boat, trailer, house trailer, mobile home, motorcycle, automobile or other similar type vehicles or equipment shall be kept or stored on any Lot unless in the enclosed garage. It is the intent of this section to require any such vehicle or equipment to be kept or stored in the enclosed garage located on said Lot

(xix) Fences. No fences or walls may be erected in the front or side yards of any Lot unless they are approved in advance by Developer and then only if they are of "split-rail" or "painted picket" design and do not exceed three (3') in height.

(xx) Swimming Pools. Any swimming pool located on a Lot shall not be constructed above the Lot grade and no swimming pool may be located in the front or side yards of any Lot

(xxi) Trash containers, Etc. Containers for garbage, trash or other refuse, woodpiles and any and all equipment and materials of every type and kind placed on a Lot (whether temporary or permanent) shall be concealed from the view of neighboring lots, roads, streets, or open areas. The plan for screening or concealing said materials shall be approved in advance by the Developer or its committee. All head walls must meet City of Franklin regulations and be constructed of brick and masonry materials.

(xxii) Driveways. All driveways shall be of exposed aggregate concrete construction and shall have driveway cuts therefor in accordance with the regulations of the City of Franklin.

(xxiii) Construction. Construction of any structure in the Subdivision Project shall be completed within six (6) months from the date of commencement of construction thereof. Notwithstanding anything stated in this Declaration to the contrary, all structures in the Subdivision shall comply with the "Minimum Building Standards: as published from time to time by the Developer, unless waived in writing in advance by the Developer or its committee.

(xxiv) Developer's Lots and Property Excepted. All Lots owned by the Developer for the purpose of sale and all property in the Subdivision Project used by the Developer for construction, development, offices, garages for equipment, storage of materials and supplies, and for sales offices and accommodations shall be exempt from this Declaration.

(xxv) Hazardous Uses and Waste. Nothing shall be done or kept in or on the Common Areas and facilities which will increase the rate of insurance on the Common Areas and facilities, or contents thereof without the prior written consent of the Association. No Lot Owner shall permit anything to be done or kept in or on his Lot or in the Common Elements which will result in the cancellation of insurance on the Common Areas and facilities, or contents thereof, or which would be in violation of any law. No waste shall be committed in Common Areas.

(xxvi) Exterior Surfaces of Buildings. Lot Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of any building and no sign, awning, canopy, shutter, radio or television antenna, other than those originally provided by the Developer or provided for elsewhere in this Declaration, shall be affixed to or placed upon the exterior walls or roof of any building without the prior written consent of the Association or the Developer.

(xxvii) Animals and Pets. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in or on any Lot or in the Common Areas and facilities, except that dogs, cats, or other usual household pets may be kept in or on the Lots subject to the rules and any other agreements, provided that they are not kept, bred, or maintained for any commercial purpose, and provided, further, that any such pet causing, threatening, or creating a nuisance or unreasonable disturbance shall be permanently removed from the Subdivision Property upon three (3) days written notice from the Developer, or its committee. Animal pens or cages shall not be permitted. Any fencing of animals shall be erected in the Subdivision only with prior permission of Developer or its committee and subject to the other provisions, restrictions, guidelines and requirements of this Declaration.

(xxviii) Nuisances. No noxious or offensive activity shall be carried on in or on any Lot or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to any of the Lot Owners or occupants, except that the Common Elements may be used for the recreational purposes for which they were intended.

(xxix) Impairment of Structural Integrity of Building. Nothing shall be done on or to the Common Elements, which would impair the structural integrity or structurally change any of the improvements located thereon, except as provided in this instrument or the By-Laws

(xxx) Laundry or Rubbish in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed on any part of the Common Areas and facilities. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials

(xxxii) Storage in Common Elements. There shall be no storage of boats, trailers, recreational vehicles or any other vehicle (s) or equipment in the Common Area.

(xxxiii) Alteration of Common Elements. Nothing shall be altered or constructed in, or removed from or added to the Common Elements, except as elsewhere provided in this Declaration, without the prior written consent of the Association, nor shall anything be done which would or might jeopardize or impair the safety or soundness of the Common Areas and facilities.

(xxxiiii) Rental of Lots. No Lot shall be rented by the Lot Owner for transient or hotel purposes, which shall be defined as (1) rental for any period less than thirty (30) days, or (2) if the occupants of the Lots are provided customary hotel service, such as room service for food and beverage, maid service, furnishing of laundry and linen and bellboy service. Other than the foregoing restrictions, Lot Owners shall have the right to lease their respective Lots, provided that said lease is made subject to the covenants and restrictions in this Declaration and the By-Laws.

(xxxiv) It is expressly understood that the Developer, or its committees, may grant variances or exceptions to the restrictions under this Paragraph 21 as in its sole discretion deemed appropriate

22. INSURANCE AND RECONSTRUCTION: (i) Insurance. The insurance which shall be carried upon the Common Areas and Non-Common Elements shall be governed by the following provisions:

(a) All insurable improvements comprising the Common Areas and Non-Common Elements and all personal property as may be owned by the Association shall be insured by the Association in an amount equal to the full insurable replacement value thereof, exclusive of excavation and foundations. Each hazard insurance policy must be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of BBB+ or better, and each carrier must be specifically licensed or authorized by law to transact business within the State of Tennessee. Such coverage shall afford protection against the following:

(1) Loss or damage by fire and other hazards covered by standard extended coverage endorsement; and

(2) Such other risks as from time to time customarily shall be covered with respect to buildings similar to the buildings in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water damage, subject to such deductible amounts not in excess of \$1,000.00 as the Association shall determine.

(b) The policy or policies providing such coverage (hereinafter called "casualty insurance") shall provide that the coverage thereof shall not be terminated for non-payment of premiums without at least ten (10) days written notice. All casualty insurance policies shall be purchased by the Association for the benefit of the Developer, the Association, the Lot Owners and their respective mortgagees, as their interests may appear, and shall provide for the issuance of certificates of insurance with standard mortgagee endorsements to the holders of mortgages on the Lots, if any. Such casualty insurance policies and say endorsements thereto shall be deposited with the Association. All casualty insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association, which shall receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Developer, the Lot Owners and their respective mortgagees.

(c) The Association shall insure itself, the members of its board, the Lot Owners and the Occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Elements, including without limitation, water damage, legal liability, hired automobile, non-owner automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one occurrence, and to the limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) in respect to damage to or destruction of property arising out of any one accident. All liability insurance



shall contain cross-liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

(d) Premiums upon insurance policies purchased by the Association shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies and shall be assessed the Lot Owners as common Expenses

(e) Each Lot Owner shall, at his own expense, obtain public liability insurance for personal injuries or damage arising out of the use and occupancy of his Lot and casualty insurance affording coverage upon his real and personal property inasmuch as the same will not be insured by the Association,

(f) Each of the Lot Owners, occupants, the Association, the Developer and any affiliates of the Developer, of and from any liability for damage to or destruction of any part of the Subdivision Property and of any personal property situated thereon to the extent that the owner or owners of the damaged or destroyed property is or are compensated by insurance as a result of such damage or destruction

(ii) Responsibility for Reconstruction or Repair.

(a) If any portion of the Common Elements or Non-Common Elements shall be damaged by perils whether or not covered by the casualty insurance, the Association shall cause such damaged portion to be promptly reconstructed or repaired to the extent of the insurance funds made available, as hereinafter provided, and any such reconstruction or repair shall be substantially in accordance with the original plans

(b) Each Lot Owner shall be responsible for reconstruction and repair of his Lot and its improvements after casualty.

(iii) Procedure for Reconstruction or Repair

(a) Immediately after a casualty causing damage to any portion of the Common Elements or Non-Common Elements, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property to conditions as good as that before the casualty. Such costs shall include professional fees and premiums for such bonds as the Board deems necessary.

(b) If the proceeds of the casualty insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) one or more special assessments shall be made against all Lot Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of such special assessments shall be deposited with the Association.

(c) The proceeds of the casualty insurance referred to in Subparagraph (1) (a) of this paragraph 22 and the sums deposited with the Association from collections of special assessments against Lot Owners on account of such casualty, shall constitute a construction fund which will be applied by the Association to the payment of the cost of reconstruction and repair of the Common Areas and facilities and Non-Common elements from time to time as the work progresses. The Association shall make such payments upon the written request of the contractors performing the work, and if required by the Association, accompanied by a

certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by the architect, if any, in charge of the work, who shall be selected by the Association, setting forth (1) that the sum then requested either has been paid by the Association or is justly due to contractors, sub-contractors, materialmen, architects or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials, and that the sum requested does not exceed the value of the services and materials described in the certificate, (2) that except for the amount stated in such certificate to be due as aforesaid and for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien arising from such work, and (3) that the cost as estimated by the person signing such certificate does not exceed the amount of the construction fund remaining in the hands of the Association after the payment of the sum so requested. It shall be presumed that the first monies disbursed in payment of such cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in any construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the Association,

(iv) Each Lot Owner shall be deemed to have delegated to the Association's Board of Directors his right to adjust and negotiate with insurance companies all losses under the casualty insurance policies referred to in this section.

**23. REHABILITATION OF NON-COMMON ELEMENTS AND COMMON AREA BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS.** The Association may by the affirmative vote of Lot Owners entitled to exercise not less than fifty-one (51%) percent of the voting power, determine that the Common Area and/or Non-Common Elements and is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Association's board of directors shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a Common Expense to all Lot Owners.

**24. REMEDIES FOR BREACH OF COVENANTS AND RULES:** (I) Abatement and Enjoyment. If any Lot Owner (either by his own conduct or by the conduct of any occupant of his Lot) shall violate any of the rules and regulations promulgated by the Association or breach any covenant or provision contained in the Declaration or in the By-Laws or rules promulgated pursuant thereto, the Association shall have the right, in addition to the rights hereinafter set forth in this paragraph and those provided by law (a) to enter the common area or any Lot in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the Lot Owner of such Lot or violator of the Common Area, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Declaration or of the By-Laws, or of the rules and regulations promulgated by the Association, and Association or its agents, shall not thereby be deemed guilty in any manner of trespass and/or (b) at the expense of said Lot Owner to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

**25. DEVELOPER'S RIGHTS PENDING SALE OF THE LOTS:** Notwithstanding any other provisions herein to the contrary, until December 31, 2005 or such earlier date as

Developer may designate, Developer at its option shall exercise the powers, duties, rights and functions of the Association and its board of Directors, including, without limitation, the power to determine the amount of, and to levy special assessments and assessments for, Common Expenses,

26. ASSIGNMENT: Any and all rights reserved to the Developer in any of the Subdivision Project documents, including, but not limited to this Declaration, the Charter and the By-Laws shall be assignable by the Developer.

27. MISCELLANEOUS: (i) Severability. The invalidity in whole or in part of any covenant, restriction, condition, paragraph, subparagraph, sentence, clause, phrase, or other provision of this Declaration, as amended, the Charter, By-Laws, and any rules and regulations promulgated shall not affect or impair in any manner the remaining portions thereof.

(ii) Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or prescribe the scope of the paragraph or the intent of any provision thereof.

(iii) Gender. The use of the neuter gender or masculine gender shall be deemed to include the feminine gender, the use of the singular shall be deemed to include the plural, whenever the context so requires.

(iv) Waiver. No covenant, restriction, condition, obligation, or provision contained herein shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

IN WITNESS WHEREOF, the Developer has executed this Declaration at Franklin, Williamson County Tennessee on the day and date first above written.

State of Tennessee, County of WILLIAMSON  
Received for record the 24 day of SEPTEMBER  
1997 at 8:42 AM. (REC# 235825) Recorded in  
official records Book 1570 Page 166- 181  
Notebook 58 Page 363 State Tax \$ .00 Clerks Fee  
\$ .00 Recording \$ 64.00, Total \$ 64.00, Resister  
of Deeds SADIE WARE Deputy Register  
ANGELA WAY

Developer  
CHESTNUT BEND, L.P., a  
Tennessee limited partnership  
TRILLIUM DEVELOPMENT,  
INC., general partner

BY: \_\_\_\_\_

STATE OF TENNESSEE  
COUNTY OF WILLIAMSON

Before me, Morton Stein, of the state and county aforesaid, personally appeared Paul Arnold, 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 Trillium Development, Inc., the within named bargainor, a corporation, and that he as such

president, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as president.

Witness my hand and seal, this 16<sup>th</sup> day of September, 1996.

\_\_\_\_\_  
Notary public

My commission expires: Oct 26, 1997

STATE OF TENNESSEE

COUNTY OF WILLIAMSON

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared PAUL ARNOLD, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who upon his oath acknowledged himself to be the PRESIDENT OF TRILLIUM DEVELOPMENT, INC. A CORPORATION, THE GENERAL PARTNER of CHESTNUT BEND, L.P., the within named bargainor, a Tennessee limited partnership, and that PAUL ARNOLD ag PRESIDENT of TRILLIUM DEVELOPMENT, INC., being authorized so. to do executed the foregoing instrument for the purposes therein contained, by signing the name of the CORPORATION as. PRESIDENT, and that said CORPORATION as GENERAL PARTNER of CHESTNUT BEND, L.P., executed the foregoing instrument for the PARTNERSHIP by such CORPORATION as PARTNER.

Witness, my hand and official seal at FRANKLIN, Tennessee, this the 8<sup>th</sup> day of October 1997.

(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: Oct 26, 1997

RE-REC State of Tennessee, County of WILLIAMSON  
Received for record the 10 day of OCTOBER  
1997 at 11:43 AM. (REC# 238073) Recorded  
in official records Book 1971 Page 256- 272  
Notebook 58 Page 410 State Tax \$ .00 Clerks  
Fee \$ .00. Recording \$ 68.00, Total \$ 60.00  
Register of Deeds SADIE WADE Deputy  
Register ANGELA WAY

**BY-LAWS OF  
CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC**

The By-Laws shall constitute and be the administrative by-Laws of CHESTNUT BEND Homeowners Association, Inc., and the administration of the residential portions of CHESTNUT BEND Subdivision and property as may be annexed therein, Franklin, Williamson County, Tennessee, shall be governed hereby. All present or future owners of Lots therein and their successors, tenants, future tenants, and their employees, and any other person that might use the facilities of the Subdivision project, as defined in the Declaration hereinafter defined, in any manner, are subject to the regulations set forth in these By-Laws and the Declaration of Covenants, Conditions and Restrictions for CHESTNUT BEND Subdivision, and as may be expanded from time to time (the "Declaration"). In the event there shall exist any conflict between the terms and conditions of these By-Laws and the Declaration shall control, and most specifically those affecting and/or granting rights and remedies to Chestnut Bend, L.P. a Tennessee limited partnership, its successors and assigns. The mere acquisition or rental of any of the Lots comprising the Subdivision Project being subject to these By-Laws or the mere act of occupancy of any of said Lots will signify that these By-Laws are accepted, ratified, and will be complied with,

**ARTICLE I**

**FORM OF ADMINISTRATION - THE ASSOCIATION**

Section 1. NAME AND NATURE OF ASSOCIATION. The Association shall be a Tennessee Corporation not for profit and shall be called CHESTNUT BEND HOMEOWNERS ASSOCIATION, INC.

Section 2. MEMBERSHIP. Each Owner upon execution of these By-Laws or the acquisition of an ownership interest in a residential Lot shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such Lot Owner of his Ownership Interest, at which time the new Lot Owner shall automatically become a member of the Association

Section 3. VOTING RIGHTS. Subject to the voting rights of Chestnut Bend, L. P. set forth in paragraph 10 of the Declaration and as elsewhere therein provided, each member owning the entire Ownership Interest in a Lot shall be entitled to exercise the voting power of his one share in the Association. The proportionate ownership interest in the Association attributable to each Lot shall be that ratio of one (1) Lot to the total number of Lots in the Subdivision Project, as the same may expand from time to time. If two or more persons, whether fiduciaries, tenants in common or otherwise, own undivided interests in the ownership interest in a Lot each shall be entitled to exercise such proportion of the voting power for such Lot as shall be equivalent to such person's proportionate interest in the ownership interest of such Lot.

4. PROXIES. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

#### Section 5. MEETING OF MEMBERS

A. Annual meeting. The annual meeting of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place in Franklin, Tennessee as may be designated by the Board and specified in the notice of such meeting. The annual meeting of members of the Association shall be held on the first Tuesday of December of each year, if not a legal holiday and, if a legal holiday, then on the next succeeding business day. The annual meeting shall be held at 6:00 o'clock p.m., or at such other time as may be designated by the Board and specified in the notice of the meeting.

B. Special meeting. Special meetings of the members shall be called on the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice-President of the Association authorized to execute the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of members entitled to exercise at least fifty (50%) percent of the voting power. Calls for such meetings shall specify the time, place and purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

C. Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association, may be waived in writing, either before or after the holding of such meeting, by any member of the Association; which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such

meeting without protest prior to or at the commencement of the meeting of the lack of proper notice shall be deemed to be a waiver by said member of notice of such meeting.

D. Quorum; Adjournment. The members of the Association entitled to exercise a majority fifty-one (51%) percent of the voting power of the Association's members, who are present in person or by proxy at such called meeting, shall constitute a quorum for any meeting of members of the Association; provided, however, that no action required by law, or by these By-Laws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided, further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

E. Order of Business. The order of business at annual meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers
- (5) Reports of committees
- (6) Election of inspectors of election
- (7) Election of members of the Board
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment Section

6. ACTIONS WITHOUT A MEETING. All actions, except removal of a Board member, may be taken without meeting with the approval of, and in a written consent or consents signed by members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

Section 7. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days' notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Board members.

Section 8. No decision or action may be taken by the Association unless a majority of the voters entitled to vote shall have consented to such decision or action, either at any meeting or as otherwise specified herein.

## **ARTICLE II**

### **BOARD OF MANAGERS**

**SECTION 1: NUMBER AND QUALIFICATION.** The Board shall consist of five (5) members. Except for those members appointed by the Developer as hereinafter provided, each member nominated and elected to the Board shall be a Lot Owner.

The Developer, Chestnut Bend, L.P., its successors and assigns, shall in accordance with the provisions of the Declaration, have the right to elect or appoint a majority of the Board for a limited period of time as more specifically set forth in the Declaration. During such time that the Developer shall have the right to elect a majority of the Board, these By-Laws shall be deemed modified where inconsistent with said right, to conform to the requirements of the Declaration and this Article II, Section 1. The members appointed by the Developer shall hold office for the same term as other board members, but may be removed as a member at the Developer's pleasure and without cause, on three (3) days written notice by the Developer to the Association or to any two (2) Board members other than the one being removed. The Developer shall have the right to appoint replacements for any member elected or appointed by it who shall have resigned or been removed, without the requirement of any concurrence by the Board of Managers, nor the requirement for any Board meeting or membership meeting. A Board member appointed or elected by the Developer who resigns or is removed as a member by the Developer, and who holds an office of this Association required to be held by 1 Board member shall forthwith automatically be removed as such officer.

**Section 2. ELECTION OF BOARD: VACANCIES.** Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be elected, only persons nominated as candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies on the Board, however, caused the remaining Board Members, though less than a majority of the whole authorized number, fill any such vacancy for the unexpired term; provided, however, that a vacancy in the position filled by appointment by the Developer shall be filled by a subsequent designation of the Developer as provided in Section I of this Article II.

**Section 3. TERM OF OFFICE: RESIGNATIONS.** Each Board member shall hold office until the next annual meeting of the members of the Association and until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of three (3) Board members shall be two (2) years (all of which shall be designated by Developer pursuant to Section 1 of this Article II), and the term of office of the remaining Board members shall be one (1) year. At the expiration of such initial term of office of each respective Board member, his successors shall be elected to serve for a term equal to the term previously held by such retiring Board Member

**Section 4. ORGANIZATION MEETING.** Immediately after each annual meeting of members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.



Section 5. REGULAR MEETINGS. Regular meetings of the Board may be held at any time upon call by the President or any three (3) Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two days before the meeting provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting. Such notice may also be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organizational, regular or special meeting.

Section 6. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days' notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Board members.

Section 7. QUORUM: ADJOURNMENT A quorum of the Board shall consist of a majority of the Board members then in office; provided that majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration or in these By-Laws.

Section 8. POWERS AND DUTIES. Except as otherwise provided by law, the Declaration or these By-Laws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Association, subject to the limitations prescribed by law, the Declaration or these By-Laws, the Board, for and on behalf of the Association may: a) purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein; b) make contracts; c) effect insurance; d) borrow money, and issue, sell and pledge notes, bonds and other evidences of indebtedness of the Association; e) levy assessments against Lot Owners; f) employ a managing agent to perform such duties and services as the Board may authorize; 8) employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and h) do all things permitted by law and exercise all power and authority within the purposes stated in these By-Laws or the Declaration.

Section 9. FIDELITY BONDS. The Board may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association and shall be a Common Expense.

Section 10. REMOVAL OF MEMBERS OF BOARD. At any regular or special meeting of the Association duly called, at which a quorum shall be present any one or more of the Board member(s), except the Board member(s), if any, designated by Developer as provided in Section I of this Article II, may be removed with or without cause by vote of

the members of the Association entitled to exercise at least fifty-one (51%) percent of the voting power of the Association, and a successor or successors to such Board member or members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

### **ARTICLE III OFFICERS**

Section 1. ELECTION AND DESIGNATION OF OFFICERS. The Board shall elect a President, Vice-President, a Secretary and Treasurer, each of whom shall be a member of the Board. The Board may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary who may or may not be members of the Board but who are members of the Association.

Section 2. TERM OF OFFICE: VACANCIES. The officers of the Association shall hold office until the next organization meeting of the Board and until their successors are elected, except in case of resignation, removal from office or death. The Board may remove an officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration or in these By-Laws.

Section 4. VICE PRESIDENT. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board

Section 5. SECRETARY The Secretary shall keep the minutes of the meeting of the members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Declaration or by these By-Laws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration or in these By-Laws.

Section 6. TREASURER. The Treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as he may be directed by the Board. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board and shall have authority and shall perform such other duties as may be determined by the Board

Section 7. OTHER OFFICERS. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board

Section 8. DELEGATION OF AUTHORITY AND DUTIES, The Board is authorized to delegate the authority and duties of any officer to any other officer and

generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

#### **ARTICLE IV**

##### **GENERAL POWERS OF THE ASSOCIATION**

Section 1. COMMON EXPENSES The Association, for the benefit of all the Lot Owners, shall maintain and preserve the Common Areas, (the definition of which shall include any and all "Non-Common Elements" defined in the Declaration) and pay all expenses arising with respect to, or in connection with, the Association's Property, including, without limitation, the following:

A. Utility Service for Common Areas and Related Facilities. The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Area and related Facilities. Upon determination by the board that any Lot Owner is using excessive amounts of any utility services which are common Expenses, the Association will have the right to levy special assessments against such Lot and such Lot Owner shall reimburse the Association for the expense incurred as a result of such excessive use.

B. Casualty Insurance. The premium upon a policy or policies of Casualty Insurance insuring the Common Areas and related Facilities with extended coverage, vandalism and malicious mischief endorsements, the amount of which insurance shall be reviewed annually.

C. Liability Insurance. The premium upon policy or policies insuring the Association, the members of the board, the Lot Owners and the Occupants against liability for personal injury, disease, illness or death or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Areas and related Facilities, which policy shall be reviewed annually

D. Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

E. Wages and Fees for Services. The wages and/or fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Association's Property, and legal and/or accounting services necessary or proper in the operation of the Association's Property or the enforcement of the Declaration and these By-Laws and for the organization, operation and enforcement of the rights of the Association

F. Care of Common Areas and Related Facilities. The cost of landscaping gardening, mowing, snow removal, painting, cleaning, tuck-pointing, maintaining, decorating, repairing, rehabilitating and replacing of the Common Areas and related facilities, provided, however, that if the need for such maintenance or repair is caused by the Lot Owner, through negligence or malice he shall be responsible for such costs.

G. Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations and insurance, which the Association is required to secure or pay for pursuant to the terms of the Declaration and these By-Laws which the Association deems necessary or proper for the maintenance and

operation of the Association's Property as a first class residential subdivision project or for the enforcement of these By-Laws.

H. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance which may in the opinion of the Association constitute a lien against the Association's Property or against the Common Areas and related Facilities, rather than merely against the interest therein of such Lot Owner responsible for the existence of such lien or encumbrance; provided, however, that the Association shall levy a special assessment against such Lot Owner to recover the amount expended in discharging such lien or encumbrance,

Section 2. ASSOCIATION'S RIGHT TO ENTER LOTS. The Association or its agents may enter any Lot when necessary in connection with any maintenance, repair or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Lot Owner as practicable, and any damage caused thereby shall be repaired by the Association

Section 3. CAPITAL ADDITIONS AND IMPROVEMENTS. Whenever in the judgment of the Board the Common Areas and related Facilities shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of \$1,000.00 and the making of such additions, alterations or improvements shall have been approved by Lot Owners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations or improvements and shall assess all Lot Owners for the cost thereof as a Common Expense.

Section 4. RULES AND REGULATIONS. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board, may adopt such reasonable rules and regulations, and from time to time amend the same as it or they may deem advisable for the maintenance, conservation and beautification of the Association's Property, and for the health, comfort, safety and general welfare of the Lot Owners and Occupants. Written notice of such Rules shall be given to all Lot Owners and occupants and Association's Property shall at all times be maintained subject to such rules and regulations. In the event such Rules shall conflict with any provisions of the Declaration or these By-Laws, the provisions of the Declaration and these By-Laws shall govern, however, in the event there shall be a conflict with the provisions of these By-Laws and those of the Declaration, the provisions of the Declaration shall govern.

Section 5. SPECIAL SERVICES. The Association may arrange for special services and facilities for the benefit of certain Lot Owners and occupants, including, without limitation, special recreational, or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to benefiting participating Lot Owners as a special assessment or paid by the Association as a Common-Expense, in which case a special assessment shall be levied against such participating Lot Owners to reimburse the Association therefor.

Section 6. DELEGATION OF DUTIES. Nothing herein contained shall be construed so as to preclude the Association, through its Board and officers, from delegating in accordance with the Declaration to persons, firms, or corporations including any manager or managing agent, such duties and responsibilities of the Association as the

Board shall from time to time specify and to provide for reasonable compensation for the performance of such duties and responsibilities.

## **ARTICLE V**

### **FINANCES OF ASSOCIATION**

Section 1. PREPARATION OF ESTIMATED BUDGET. Each year on or before November 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, and shall on or before November 30th notify each Lot Owner in writing as to the amount of each estimate, with reasonable itemization, thereof. The "estimated cash requirement" shall be assessed to the Lot Owners according to each Lot Owner's percentage of ownership in the Common Areas and Facilities. On or before January 1st of the ensuing year, and the 1st day of each and every month of said year, each Lot Owner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this section. On or before the date of each annual meeting, the Association shall supply to all Lot Owners an itemized accounting of the common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Lot Owner's percentage of ownership in the Common Areas and facilities to the next monthly installment due from Lot Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Lot Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six (6) months after rendering the accounting.

Section 2. RESERVE FOR CONTINGENCIES AND REPLACEMENTS. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Lot Owner's assessment, such extraordinary expenditures shall be assessed to the Lot Owners according to each Lot Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Lot Owners by a statement in writing giving the amount and reasons thereof, and such further assessment shall be payable with the next regular monthly payment becoming due to the Association not less than ten(10) days after the delivery or mailing of such notice of further assessment. All Lot Owners shall be obligated to the adjusted monthly amount.

Section 3. BUDGET FOR THE FIRST YEAR. When the first Board elected hereunder takes office, the Association shall determine the "estimated cash requirement", as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against and paid by, the Lot Owners during said period as provided in Section 1 of this Article V.

Section 4. FAILURE TO PREPARE ANNUAL BUDGET. The failure or delay of the Association to prepare or deliver to the Lot Owners the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Lot Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Lot Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the new monthly maintenance payment has been mailed or delivered.

Section 5 BOOKS AND RECORDS OF ASSOCIATION. The Association shall keep full and correct books of account and the same shall be open for inspection by any Lot Owner or his representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by such Lot Owner. Upon ten (10) days' notice to the board and payment of a reasonable fee, any Lot Owner shall be furnished a statement of their account setting forth the amount of any unpaid assessments or other charges due and owing from Lot Owner.

Section 6. STATUS OF FUNDS COLLECTED BY ASSOCIATION. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Lot Owners, and for such adjustments as may be required to reflect delinquent or unpaid assessments) shall be deemed to be held for the use, benefit and account of all of the Lot Owners in proportion to each Lot Owner's percentage ownership in the Common Areas and facilities.

Section 7. ANNUAL AUDIT. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. If requested by three (3) members of the board, such audit shall be made by a Certified Public Accountant

Section 8. SECURITY DEPOSITS FROM CERTAIN LOT OWNERS. If in the judgement of the Board the equity of the persons owning the ownership interest in any Lot at any time is not sufficient to assure payment (whether by foreclosure of the lien in favor of the Association, or otherwise) of all assessments, charges or other sums which may be levied by the Association, then whether or not such Lot Owner shall be delinquent in the payment of such levies, the Association shall have the right to require such Lot Owner to pay to the Association a security deposit in an amount which the Board deems necessary for such purposes, provided, however, that such security deposit shall in no event exceed an amount, which, when added to such Lot Owner's equity interest in his Lot, will equal twenty-five (25%) percent of the original purchase price of the Lot in question. In the event that any Lot Owner shall fail to pay any assessments, charges or other sums which may be due hereunder or shall otherwise violate any covenants, terms and conditions of the Declaration, or of these By-Laws, the Association shall have the right, but not the obligation, to apply such security deposit in reduction of its alleged damages resulting from such failure or violation, which right shall be in addition to all other remedies provided for in the Declaration or these By-Laws. Upon any sale by such Lot Owner of his Lot, or at such time as such Lot Owner's equity in their Lot is sufficiently great to dispense with the necessity of such security deposit any unapplied balance of said security deposit remaining to the credit of said Lot Owner shall be returned, provided that such Lot shall not be in default under any of their obligations under the Declaration or these By-Laws. The Association shall have

the right to maintain all security deposits held by it as aforesaid in a single bank account and shall not be required to credit interest thereon to any Lot Owner, such interest, if any, to be retained by the Association. Said security deposit shall at all times be subject and subordinate to the lien in favor of the Association as described in the Declaration and all rights thereto shall inure to the benefit of the lienor.

## **ARTICLE VI**

### **GENERAL PROVISIONS**

Section 1. INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS. Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the costs and expenses including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (A) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and cost to the Association of indemnifying such Board member or officers and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, 'or (B) disinterested Association members entitled to exercise a majority of the voting power shall by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (1) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record ten (10%) percent or more of any class of voting securities, (ii) any firm of which such Board member or officer owns is a partner, and (iv) any spouse, child, parent, brother, or sister of any such Board member or officer. The foregoing rights of indemnification shall inure for the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration, by any vote of Association members or any agreement.

Section 2. AMENDMENTS. Provisions of these By-Laws may be amended by the Lot Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than fifty-one (51%) percent of the voting power. No such amendment shall conflict with the provisions of the Declaration,

Section 3. DEFINITIONS. The terms used in these By-Laws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these By-Laws and of any amendment hereto shall have the respective meanings specified in the Declaration

Section 4. RIGHTS OF SUCCESSORS TO DEVELOPER. Any successor in interest to, Chestnut Bend, L.P., as Developer of Chestnut Bend Subdivision, by deed, assignment, foreclosure (or deed in lieu of foreclosure) shall automatically succeed to all of the rights and privileges of said Chestnut Bend, L.P., as such Developer or otherwise, under these By-Laws of Chestnut Bend Homeowners Association, Inc.

Section 5. COMMON AREA MAINTENANCE Each Lot Owner consents and agrees to allow the Association and/or its managing agent free and unencumbered use and consumption of the outside water which is available for each Lot for the limited purpose of caring for the adjacent Common Elements. Further, each Lot Owner consents and agrees that the Association and/or its managing agent shall be responsible for the complete maintenance including, but not limited to, the mowing, trimming and watering of the Common Elements.

approved in advance or the commencement of construction by Developer, or its committees, which approval shall be in their absolute sole discretion.

(vii) A residence in the Subdivision shall consist of a minimum living floor area, exclusive of garages, porches, patios, and decks, of Two Thousand (2,000) square feet.

(viii) It shall be obligatory upon all Lot Owners to consult with the authorities of the governing and regulatory body having jurisdiction before any driveways, culverts, or other structures or grading are commenced or constructed within the limits of any dedicated roadways, and such placements or construction shall be done in accordance with the requirements of the governing body having jurisdiction in order that the roads or streets within the development, which shall be affected by such placement or construction, may not be disqualified for acceptance in the road system of the governing body having jurisdiction.

(ix) Drainage easements as shown on the recorded plat of the Subdivision shall be for the purpose of constructing, maintaining, opening or widening storm drains and open ditches. A perpetual easement is reserved on each Lot for the construction and the maintenance of utilities, including, but not limited to, electricity, gas, sewer, telephone, cable television and water. No structure of any kind shall be erected or maintained upon or over said easements, except such as are constructed for public utility purposes.

(x) To insure a standard of improvement satisfactory to purchasers of adjacent Lots, no structure shall be erected upon any Lot without the prior approval in writing of the Developer or its designee. After the initial sale of a Lot and Improvements thereon, the restrictions under paragraph 18 Architectural Control, shall apply.



(xi) Developer may grant a variance from any restrictions herein set forth as it, in its sole discretion, deems necessary or appropriate.

(xii) Hobbies and Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, shall not be pursued or undertaken on any part of any Lot or property adjacent to any Lot.

(xiii) Tanks No exposed above-ground tanks will be permitted for the storage of fuel, water or any other substance.

(xiv) Mail Boxes. Only mail boxes of a type designated by Developer shall be permitted by a Lot Owner, or its occupant, and shall be maintained by the Lot Owner in a neat and safe manner.

(xv) Clotheslines and Antennas. Outside clotheslines, satellite dishes, (unless the same is equal to or less than eighteen (18) inches in diameter and is located in such a manner as to be concealed from the view of the public street abutting the subject Lot), solar discs or antennas will not be permitted on any Lot.

(xvi) Signs. No signs shall be erected or maintained on any Lot, except one (1) professionally lettered builder and realtor sign, or sign of the Lot Owner advertising the residence and Lot for sale or rent. Such signs shall be of a permanent material and not be more than 24 x 36 inches in size. Such signs shall not extend to a height greater than three (3) feet above the ground. A sales office signs greater than the above dimensions is permitted on the lot of the Sales Office or Model Home during the marketing of the Subdivision by the Developer.

(xvii) Garages. All houses in the Subdivision Project shall have a fully enclosed and attached garage. Garages shall be of a minimum exterior width of eighteen (18") feet and designed to accommodate at least two (2) automobiles. Furthermore, the garage door(s) of said garages shall be equipped with automatic garage door opener and said garage door(s) shall remain fully closed at all times, except when entering or exiting the garage.

(xviii) Storage and Location of Automobiles, Boats, Etc. No boat, trailer, house trailer, mobile home, motorcycle, automobile or other similar type vehicles or equipment shall be kept or stored on any Lot unless in the enclosed garage. It is the intent of this section to require any such vehicle or equipment to be kept or stored in the enclosed garage located on said Lot

(xix) Fences. No fences or walls may be erected in the front or side yards of any Lot unless they are approved in advance by Developer and then only if they are of "split-rail or "painted picket" design and do not exceed three (3') in height.

(xx) Swimming Pools. Any swimming pool located on a Lot shall not be constructed above the Lot grade and no swimming pool may be located in the front or side yards of any Lot.

(xxi) Trash containers, Etc. Containers for garbage, trash or other refuse, woodpiles and any and all equipment and materials of every type and kind placed on a Lot (whether temporary or permanent) shall be concealed from the view of neighboring lots, roads, streets, or open areas. The plan for screening or concealing said materials shall be approved

in advance by the Developer or its committee. All head walls must meet City of Franklin regulations and be constructed of brick and masonry materials.

(xxii) Driveways. All driveways shall be of exposed aggregate concrete construction and shall have driveway cuts therefor in accordance with the regulations of the City of Franklin

(xxiii) Construction. Construction of any structure in the Subdivision Project shall be completed within six (6) months from the date of commencement of construction thereof. Notwithstanding anything stated in this Declaration to the contrary, all structures in the Subdivision shall comply with the "Minimum Building Standards: as published from time to time by the Developer, unless waived in writing in advance by the Developer or its committee.

(xxiv) Developer's Lots and Property Excepted. All Lots owned by the Developer for the purpose of sale and all property in the Subdivision Project used by the Developer for construction, development, offices, garages for equipment, storage of materials and supplies, and for sales offices and accommodations shall be exempt from this Declaration

(xxv) Hazardous Uses and Waste. Nothing shall be done or kept in or on the Common Areas and facilities which will increase the rate of insurance on the Common Areas and facilities, or contents thereof without the prior written consent of the Association. No Lot Owner shall permit anything to be done or kept in or on his Lot or in the Common Elements which will result in the cancellation of insurance on the Common Areas and facilities, or contents thereof, or which would be in violation of any law. No waste shall be committed in Common Areas.

(xxvi) Exterior Surfaces of Buildings. Lot Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of any building and no sign, awning, canopy, shutter, radio or television antenna, other than those originally provided by the Developer or provided for elsewhere in this Declaration, shall be affixed to or placed upon the exterior walls or roof of any building without the prior written consent of the Association or the Developer

(xxvii) Animals and Pets. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in or on any Lot or in the Common Areas and facilities, except that dogs, cats, or other usual household pets may be kept in or on the Lots subject to the rules and any other agreements, provided that they are not kept, bred, or maintained for any commercial purpose, and provided, further, that any such pet causing, threatening, or creating a nuisance or unreasonable disturbance shall be permanently removed from the Subdivision Property upon three (3) days written notice from the Developer, or its committee. Animal pens or cages shall not be permitted. Any fencing of animals shall be erected in the Subdivision only with prior permission of Developer or its committee and subject to the other provisions, restrictions, guidelines and requirements of this Declaration

(xxviii) Nuisances. No noxious or offensive activity shall be carried on in or on any or stored on any Lot unless in the enclosed garage. It is the intent of this section to require any such vehicle or equipment to be kept or stored in the enclosed garage located on said Lot or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to any of the Lot Owners

or occupants, except that the Common Elements may be used for the recreational purposes for which they were intended.

(xxix) Impairment of Structural Integrity of Building. Nothing shall be done on or to the Common Elements, which would impair the structural integrity or structurally change any of the improvements located thereon, except as provided in this instrument or the By-Laws.

(xxx) Laundry or Rubbish in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed on any part of the Common Areas and facilities. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials

(xxx) Storage in Common Elements. There shall be no storage of boats, trailers, recreational vehicles or any other vehicle (s) or equipment in the Common Area,

(xxxii) Alteration of Common Elements. Nothing shall be altered or constructed in, or removed from or added to the Common Elements, except as elsewhere provided in this Declaration, without the prior written consent of the Association, nor shall anything be done which would or might jeopardize or impair the safety or soundness of the Common Areas and facilities.

(xxxiii) Rental of Lots. No Lot shall be rented by the Lot Owner for transient or hotel purposes, which shall be defined as (1) rental for any period less than thirty (30) days, or (2) if the occupants of the Lots are provided customary hotel service, such as room service for food and beverage, maid service, furnishing of laundry and linen and bellboy service. Other than the foregoing restrictions, Lot Owners shall have the right to lease their respective Lots, provided that said lease is made subject to the covenants and restrictions in this Declaration and the By-Laws.

(xxxiv) It is expressly understood that the Developer, or its committees, may grant variances or exceptions to the restrictions under this Paragraph 21 as in its sole discretion deemed appropriate.

22. **INSURANCE AND RECONSTRUCTION: 0 Insurance.** The insurance which shall be carried upon the Common Areas and Non-Common Elements shall be governed by the following provisions:

(a) All insurable improvements comprising the Common Areas and Non-Common Elements and all personal property as may be owned by the Association shall be insured by the Association in an amount equal to the full insurable replacement value thereof, exclusive of excavation and foundations. Each hazard insurance policy must be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of BBB+ or better, and each carrier must be specifically licensed or authorized by law to transact business within the State of Tennessee. Such coverage shall afford protection against the following:

(1) Loss or damage by fire and other hazards covered by standard extended coverage endorsement; and

(2) Such other risks as from time to time customarily shall be covered with respect to buildings similar to the buildings in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water

damage, subject to such deductible amounts not in excess of \$1,000.00 as the Association shall determine.

(b). The policy or policies providing such coverage (hereinafter called "casualty insurance") shall provide that the coverage thereof shall not be terminated for non-payment of premiums without at least ten (10) days written notice. All casualty insurance policies shall be purchased by the Association for the benefit of the Developer, the Association, the Lot Owners and their respective mortgagees, as their interests may appear, and shall provide for the issuance of certificates of insurance with standard mortgagee endorsements to the holders of mortgages Lots, if any. Such casualty insurance policies and any endorsements thereto shall be deposited with the Association. All casualty insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association which shall receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Developer, the Lot Owners and their respective mortgagees.

(c) The Association shall insure itself, the members of its board, the Lot Owners and the Occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Elements, including without limitation, water damage, legal liability, hired automobile, non-owner automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one occurrence, and to the limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) in respect to damage to or destruction of property arising out of any one accident, All liability insurance shall contain cross-liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

(d) Premiums upon insurance policies purchased by the Association shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies and shall be assessed the Lot Owners as common Expenses.

(e) Each Lot Owner shall, at his own expense, obtain public liability insurance for personal injuries or damage arising out of the use and occupancy of his Lot and casualty insurance alluring coverage upon his real and personal property inasmuch as the same will not be insured by the Association

(f) Each of the Lot Owners, occupants, the Association, the Developer and any affiliates of the Developer, of and from any liability for damage to or destruction of any part of the Subdivision Property and of any personal property situated thereon to the extent that the owner or owners of the damaged or destroyed property is or are compensated by insurance as a result of such damage or destruction

(ii) Responsibility for Reconstruction or Repair.

(a) If any portion of the Common Elements or Non-Common Elements shall be damaged by perils whether or not covered by the casualty insurance, the Association shall cause such damaged portion to be promptly reconstructed or repaired to the extent of the insurance funds made available, as hereinafter provided,

and any such reconstruction or repair shall be substantially in accordance with the original plans.

(b) Each Lot Owner shall be responsible for reconstruction and repair of his Lot and its improvements after casualty.

(iii) Procedure for Reconstruction or Repair

(a) Immediately after a casualty causing damage to any portion of the Common Elements or Non-Common Elements, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property to conditions as good as that before the casualty. Such costs shall include professional fees and premiums for such bonds as the Board deems necessary.

(b) If the proceeds of the casualty insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) one or more special assessments shall be made against all Lot Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of such special assessments shall be deposited with the Association.

(c) The proceeds of the casualty insurance referred to in Subparagraph (1) (a) of this paragraph 22 and the sums deposited with the Association from collections of special assessments against Lot Owners on account of such casualty, shall constitute a construction fund which will be applied by the Association to the payment of the cost of reconstruction and repair of the Common Areas and facilities and Non-Common elements from time to time as the work progresses. The Association shall make such payments upon the written request of the contractors performing the work, and if required by the Association, accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by the architect, if any, in charge of the work, who shall be selected by the Association, setting forth (1) that the sum then requested either has been paid by the Association or is justly due to contractors, sub-contractors, materialmen, architects or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials, and that the sum requested does not exceed the value of the services and materials described in the certificate, (2) that except for the amount stated in such certificate to be due as aforesaid and for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien arising from such work, and (3) that the cost as estimated by the person signing such certificate does not exceed the amount of the construction fund remaining in the hands of the Association after the payment of the sum so requested. It shall be presumed that the first monies disbursed in payment of such cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in any construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the Association.

(iv) Each Lot Owner shall be deemed to have delegated to the Association's Board of Directors his right to adjust and negotiate with insurance companies all losses under the casualty insurance policies referred to in this Section,

23. REHABILITATION OF NON-COMMON ELEMENTS AND COMMON AREA BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS. The Association may by the affirmative vote of Lot Owners entitled to exercise not less than fifty-one (51%) percent of the voting power, determine that the Common Area and/or Non-Common Elements and is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Association's board of directors shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a Common Expense to all Lot Owners.

24. REMEDIES FOR BREACH OF COVENANTS AND RULES: (1) Abatement and Enjoyment. If any Lot Owner (either by his own conduct or by the conduct of any occupant of his Lot) shall violate any of the rules and regulations promulgated by the Association or breach any covenant or provision contained in the Declaration or in the By-Laws or rules promulgated pursuant thereto, the Association shall have the right, in addition to the rights hereinafter set forth in this paragraph and those provided by law (a) to enter the common area or any Lot in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the Lot Owner of such Lot or violator of the Common Area, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions of this Declaration or of the By-Laws, or of the rules and regulations promulgated by the Association, and Association or its agents, shall not thereby be deemed guilty in any manner of trespass and/or (b) at the expense of said Lot Owner to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

25. DEVELOPER'S RIGHTS PENDING SALE OF THE LOTS: Notwithstanding any other provisions herein to the contrary, until December 31, 2005, or such earlier date as Developer may designate, Developer at its optioning shall exercise the powers, duties, rights and functions of the Association and its board of Directors, including, without limitation, the power to determine the amount of, and to levy special assessments and assessments for, Common Expenses,

26. ASSIGNMENT: Any and all rights reserved to the Developer in any of the Subdivision Project documents, including, but not limited to this Declaration, the Charter and the by-Laws shall be assignable by the Developer.

27. MISCELLANEOUS: (i) Severability. The invalidity in whole or in part of any covenant, restriction, condition, paragraph, subparagraph, sentence, clause, phrase, or other provision of this Declaration, as amended, the Charter, By-Laws, and any rules and regulations promulgated shall not affect or impair in any manner the remaining portions thereof.

(ii) Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or prescribe the scope of the paragraph or the intent of any provision thereof.

(iii) Gender. The use of the neuter gender or masculine gender shall be deemed to include the feminine gender, the use of the singular shall be deemed to include the plural, whenever the context so requires.

(iv) Waiver. No covenant, restriction, condition, obligation, or provision contained herein shall be deemed to have been abrogated or waived by reason of any failure to

enforce the same irrespective of the number of violations or breaches thereof which may occur.

IN WITNESS WHEREOF, the Developer has executed this Declaration at Franklin, Williamson County Tennessee on the day and date first above written.

State of Tennessee, County of WILLIAMSON  
Received for record the 24 day of SEPTEMBER  
1997 at 8:42 AM. (REC# 235825) Recorded in  
official records Book 1570 Page 166- 181  
Notebook 58 Page 363 State Tax \$ .00 Clerks Fee  
\$ .00 Recording \$ 64.00, Total \$ 64.00, Register  
of Deeds SADIE WARE Deputy Register  
ANGELA WAY

Developer  
CHESTNUT BEND, L.P., a  
Tennessee limited partnership  
TRILLIUM DEVELOPMENT,  
INC., general partner

BY: \_\_\_\_\_

STATE OF TENNESSEE

COUNTY OF WILLIAMSON

Before me, Morton Stein, of the state and county aforesaid, personally appeared Paul Arnold, 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 Trillium Development, Inc., the within named bargainer, a corporation, and that he as such president, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as president.

Witness my hand and seal, this 16<sup>th</sup> day of September, 1996.

\_\_\_\_\_  
Notary public

My commission expires: Oct 26, 1997

This Instrument Prepared By:  
Wesley D. Turner  
GULLET, SANFORD, ROBINSON & MARTIN, PLLC  
3rd Floor  
230 Fourth Avenue, North

P.O. Box 198888  
Nashville, Tennessee 37219-8888

**FIRST AMENDMENT TO DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CHESTNUT BEND SUBDIVISION**

**THIS INSTRUMENT** made on the date set forth hereinafter by **CHESTNUT BEND, L.P.**, a Tennessee limited partnership ("Declarant").

**WITNESSETH:**

**WHEREAS**, pursuant to Declaration of Covenants, Conditions and Restrictions for Chestnut Bend Subdivision, executed and established by Declarant dated September 16, 1997, of record at Book 1570, page 166, and re-recorded in Book 1577, page 256, Register's Office for Williamson County, Tennessee (the "Declaration"), all residential building lots in all sections and phases of Chestnut Bend Subdivision, except for Section I thereof, were devoted to the covenants, conditions and restrictions contained in the Declaration; and

**WHEREAS**, the plat of Chestnut Bend, Section III, has been placed of record at Plat Book 26, page 116, Register's Office for Williamson County, Tennessee, and Declarant desires to clarify and establish that the property shown in such plat shall be subject to the provisions of the Declaration; and

**WHEREAS**, Article 13 of the Declaration provides that Declarant shall have the unilateral right to make amendments to the Declaration as set forth therein.

**NOW, THEREFORE**, Declarant hereby clarifies and establishes that all the real property described on the plat of Chestnut Bend, Section III, as of record at Plat Book 26, page 116, Register's Office for Williamson County, Tennessee, and any additional sections or phases of Chestnut Bend Subdivision platted hereafter, are subject to and encumbered by the provisions of the Declaration, which are binding on and shall run with the land.

**IN WITNESS WHEREOF**, this instrument has been executed this 24th day of July, 1998.

**DECLARANT:**



**CHESTNUT BEND, L.P.,  
a Tennessee limited partnership**

**BY: TRILLIUM DEVELOPMENT, INC.,  
A Tennessee corporation,  
General Partner**

**By: \_\_\_\_\_  
Paul Arnold, President**

STATE OF TENNESSEE)  
COUNTY OF WILLIAMSON)

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, **PAUL ARNOLD**, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the **PRESIDENT** of the maker or a constituent and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker.

**WITNESS** my hand, at office, this 24th day of July, 1998.

\_\_\_\_\_  
Notary Public

My Commission Expires: 5/30/99

**SECOND AMENDMENT TO THE DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
CHESTNUT BEND SUBDIVISION OF RECORD IN BOOK  
1570, PAGE 166, AS RE-RECORDED IN ROOK 1577, PAGE**

**256, AND AS AMENDED IN BOOK 1700, PAGE 278  
REGISTER'S OFFICE FOR WILLIAMSON COUNTY,  
TENNESSEE**

**THIS SECOND AMENDMENT**, executed and made effective this 4<sup>th</sup> day of January 2005, by Chestnut Bend, L.P. (The Developer or Grantor) of the Chestnut Bend Subdivision, Inc. (Chestnut Bend) pursuant to paragraph 5 of the Covenants, Conditions and Restrictions for the Chestnut Bend Subdivision (the CCR's), hereby amends the Covenants, Conditions and Restrictions as follows:

1. Paragraph 5 of the CCR's is amended to add the following new language to Paragraph 5 (ii)

"The Developer and Grantor herein hereby surrenders it right to elect or appoint a majority of the Board of the Association until December 31, 2007, effective upon the date of the execution of this amendment. Furthermore, the Developer and Grantor surrenders and conveys to the Board of Managers of the Chestnut Bend Homeowners' Association, Inc. the rights to administer and maintain the Subdivision property and non-common elements as provided in paragraph 5 of the CCR's. THE Board appointed by the Developer to serve as the Board members of the initial board at this time are Terry Saharaki, Wanda Woolen, Lee Harms, Barry Howard, and Mark Tidmore.

THIS SECOND AMENDMENT shall in no way be construed to amend, alter, or revise any other provision of the CCR'S which has not been addressed in this instrument. However, to the extent that the terms conditions and provisions of this Second Amendment are contrary to the terms, conditions, and provisions of the CCR'S, she terms, conditions, and provisions hereof shall supersede and control over the conflicting teams, conditions, and provisions of the CCR'S.

DEVELOPER/GRANTOR  
CHESTNUT BEND, L.P.

By: \_\_\_\_\_

STATE OF TENNESSEE.

COUNTY OF WILLIAMSON

Before me Morton Stein of the state and county mentioned, personally appeared Paul Arnold with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, won oath, acknowledged him/herself to be Partner of the Chestnut Bend, L.P. and as such Paul Arnold acknowledged that he/she is authorized to execute the foregoing instrument on behalf of the Chestnut Bend, L.P., the within named bargainer, a limited partner, and that he/she as such Partner, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited partnership by him/herself as Chestnut Bend L.P.

Witness my hand and seal, at office in Williamson County this 4<sup>th</sup> day of January  
2005

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Notary Public

My Commission Expires: Oct 22, 2005

**CHESTNUT BEND HOMEOWNERS' ASSOCIATION  
ARCHITECTURAL REVIEW GUIDELINES**

**Dear Chestnut Bend Homeowner:**

**One of the reasons you may have purchased a home in Chestnut Bend Subdivision was the protection offered by the Covenants, Conditions, and Restrictions. These By-laws help provide a measure of protection that this community will maintain its fresh and uncluttered appearance and provide higher property values within the community. All this is an effort to make Chestnut Bend the best possible community in which to live. Since Realtors and potential homebuyers may be touring Chestnut Bend at any time, it is important to keep your home and lot well maintained.**

**Your Neighborhood Standards Architectural Review Committee (NSARC) has been busy trying to adjust the Architectural Guidelines to clear up some "gray areas" in the present By-laws. The changes reflect an effort to make Chestnut Bend the very best it can be by attempting to keep property values as high as possible through clearly written guidelines. This will require every homeowner's help.**

**We are seeking the support of all residents in Chestnut Bend with these guidelines, which we believe will protect the value of our homes and keep Chestnut Bend great. These guidelines are provided for the benefit of all residents of Chestnut Bend. Therefore, the enforcement of the Architectural Guidelines is the responsibility of every resident. Report any violation of the guidelines to Westwood Management (794-1411) or Clay Morgan, our Neighborhood Standards Architectural Review Committee Chairman [claymorgan@comcast.net](mailto:claymorgan@comcast.net).**

**More details on those items the following guidelines address are in the Covenants, Conditions and Restrictions for Chestnut Bend Subdivision. If you do not have a copy of the covenants, please call Westwood Management and one will be mailed to you.**

**Sincerely,**

**Neighborhood Standards Architectural Review Committee**