

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE RESIDENTIAL PORTIONS
OF RANSOM PARK

PREAMBLE

THIS DECLARATION of Covenants, Conditions and Restrictions (hereinafter referred to as "this Declaration") made and published on or as of the date hereinafter set forth, by and between Ransom Park, Inc. (hereinafter "Developer"), and any and all persons, firms, corporations or other entities, hereafter acquiring any of within described property.

WITNESSETH:

WHEREAS, Developer is the owner of that certain tract of real property hereinafter described and desires to create thereon a residential development known as Ransom Park with open spaces for the mutual benefit of the future residents of Ransom Park; and

WHEREAS, it is in the best interest of Developer, as well as to the benefit, interest, and advantage of each and every person or other entity hereafter acquiring any of the property within this development that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed, set forth and declared to be covenants running with the land; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in said development; and

WHEREAS, Developer desires to make provisions concerning the maintenance and ownership of the open spaces located therein; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said development, and to fulfill the foregoing objects, purposes and requirements, to create an entity to which should be delegated and assigned the powers of maintaining and administering the open spaces, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused or will cause to be incorporated, under the laws of the State of Tennessee, a non-profit corporation known as Ransom Park Homeowner's Association, Inc. for the purpose of exercising the aforementioned functions;

NOW, THEREFORE, for and in consideration of the foregoing premises, and the terms, conditions and restrictions hereinafter set forth, Developer declares that the real property hereinafter described is and shall be held, transferred, sold, conveyed and occupied subject to the following restrictions, covenants, conditions, easements, assessments and liens, all of which are to be construed as covenants running with the land, which shall inure to the benefit of each owner thereof, and which shall be binding on all parties having or acquiring any right, title or interest in the hereafter, described property or any part thereof, whether pursuant to a deed of any kind (including, without limitation, a deed in lieu of foreclosure, a trustee's deed or an installment deed), the exercise of any right or remedy contained in a deed of trust, mortgage or other security

instrument or document, or pursuant to any other document, instrument or proceeding whatsoever, Every person or other party hereafter acquiring any of the within described property made subject to this Declaration, by acceptance of a deed to any interest in or to said property, shall take such property interest subject to this Declaration and to the terms and conditions hereof, and shall be deemed to have assented to same.

ARTICLE I
DEFINITIONS

The following words, when used herein, shall have the following meanings:

Section 1. "Association" shall mean Ransom Park Homeowners Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns, which has as its members the Developer and those who shall acquire Lots in the Property from the date of execution of this instrument forward. The By-Laws of the Association are attached hereto as Exhibit 3 and are incorporated herein by reference.

Section 2. "Declaration" shall mean this instrument.

Section 3. "Developer" shall mean Ransom Park, Inc. and all of its successors, assigns, and agents.

Section 4. "Lot" shall mean any numbered residential lot shown on the Plat.

Section 5. "Lot Owner" shall mean all those who become a record owner, after the date of execution of this instrument, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Unless specifically provided otherwise herein, Developer shall be deemed a Lot Owner so long as it is the legal title holder of any lot.

Section 6. "Open Area" shall mean the real property in the residential portion of Ransom Park (including the improvements thereto) designated as open space on the Plat.

Section 7. "Plat" shall mean the plat of Ransom Park Section One to be recorded in the Register's Office for Davidson County, Tennessee, and such other plats as are submitted to this Declaration pursuant to the provisions of Article XI hereof.

Section 8. "Property" shall mean the real property submitted to this Declaration and described on Exhibit 1 attached hereto and incorporated herein by reference, and such other property as may be submitted to this Declaration pursuant to the provisions of Article XI hereof. The Property shall not include any public streets and roadways included within a plat.

ARTICLE II
PROPERTY SUBJECT TO DECLARATION

Section 1. Property Subject to this Declaration. Developer hereby declared that the Property shall be held, sold and conveyed subject to the easements, restrictions, covenants, and

conditions of this Declaration, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, and their heirs, devisees, executors, administrators, successors, and assigns.

ARTICLE III
PROPERTY RIGHTS

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

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Open Area; and
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by a Lot Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, and
- (c) the right of the Association to grant permits, licenses, and easements over the Open Area for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of this development; and
- (d) the right of the Association to adopt and publish rules and regulations governing the use of the Open Area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; and
- (e) the right of Developer, at its sole expense, to relocate, expand, modify, reduce, extend or construct utility lines, sewers or service connections in order to serve the Property.

Section 2. Delegation of Use. Any Lot Owner may delegate his right of enjoyment to the Open Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Lot.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1. The Developer and every entity acquiring a Lot on any date after the date of execution of this instrument shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

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

Class A. Class A members shall be all Lot Owners, with the exception of Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall constitute one Lot Owner.

Class B. The Class B member shall be Developer and any assignee of the Developer to whom such rights have been assigned as provided under this Declaration. The Class B member shall be entitled to three (3) votes for each Lot owned, including any Lots added pursuant to the provisions of Article XI Section 4 hereof. Class B membership shall dissolve and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier.

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on June 30, 2006 or on any date prior thereto that the Developer declares the Class B membership to be terminated by a written instrument submitted to the Association.

In the event Developer annexes additional land as permitted under Article XI Section 4, the Developer will have three (3) votes for each Lot owned in the annexed Land and Developer's three (3) votes for each Lot owned in the land already subject to this Declaration will be reinstated for so long as the total votes of the Class B member (Developer) exceeds the total votes for the Class A member.

As long as Developer is a Class B member of the Association, the Association shall not enter into, either directly or indirectly, contracts or leases (including management contracts) unless there is a right of termination of any such contract or lease, without cost, which may be exercised without penalty at any time after Developer ceases to be a Class B member, upon not more than ninety (90) days notice to the other party.

Section 3. If the Association is dissolved for any reason, the assets of the Association shall be dedicated to a public body, or conveyed to a non-profit organization with similar purposes.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Developer, for each Lot owned within the Property, and each Lot Owner, by acceptance of a deed to his Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) an initial assessment of One Hundred and no/100 Dollars (\$100.00) upon purchase of a Lot, (2) annual assessments or charges, and (3) special assessments for violations of the association rules or capital improvements, such assessments to be established and collected as herinafter provided. The initial, annual, and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments; Reserve Fund; Working Capital. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Lot Owners, to provide for the maintenance of the Open Area, to pay the fees of any management agent the Association may employ to manage the affairs of the Association, and to pay other reasonable and necessary expenses of the Association.

The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the improvements to the Open Area. Said fund is to be maintained out of annual assessments for common expenses. The Association shall also maintain a working capital fund comprising the initial assessments called for above. Each Lot's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each Lot and shall be maintained in an account for the use and benefit of the Association. The purpose of the fund is to assure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services that are necessary or desirable. Amounts so paid into the fund are not to be considered as advance payment of regular annual assessments.

Section 3. Maximum Annual Assessments.

- (a) Until January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, other than Developer, the maximum annual assessment shall be Thirty Dollars (\$30.00) per Lot.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment shall not be increased or decreased more than five percent (5%) per annum.
- (c) From and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the maximum annual assessment may be increased above said percentage by a vote of fifty-one percent (51%) of each class of Association members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (d) The board of directors of the Association may fix the annual assessment at an amount not in excess of the maximum.
- (e) Effective January 01, 2007, the annual assessment shall be Sixty Dollars (\$60.00) per Lot. This annual assessment applies to every Lot Owner, which includes the Developer in regards to each Lot that the Developer owns.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment in order to pay for, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Open Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Association members who are voting in person or by proxy at a meeting duly called for this purpose, and provided further that no such special assessment shall be levied to pay the cost of constructing any tennis court, swimming pool, or other recreational facility without the consent of all member of the Association.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article V shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to Lots not owned by Developer on the first day of the first month following the deed of the first Lot to a Lot Owner. An initial assessment consisting of one or more monthly installments of the year's maximum annual assessment shall be paid at the closing of the purchase of the Lot. As to Lots owned by Developer, the annual assessments shall commence as to each Lot when the improvements constructed on the Lot are completed and ready for occupancy. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The board of directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Lot Owner subject thereto. The due dates shall be established by the board of directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of its issuance.

Section 7. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment or installment thereof not paid within thirty (30) days after the due date shall be subject to a late charge in an amount established by the board of directors of the Association and shall bear interest from the due date at a rate equal to the highest contract rate allowed by law from time to time. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot judicially. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Open Area or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments on any Lot provided for herein shall, be subordinate to the lien of any first mortgage now or hereafter placed on the Lot. Mortgagees shall not be required to collect assessments. Failure to pay assessments does not constitute a default under an insured mortgage. Sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer of any Lot pursuant to first mortgage foreclosure or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Any such delinquent assessments which are extinguished pursuant to the foregoing sentence may be reallocated and assessed to all Lot Owners as a common expense. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien therefore.

Section 9. Payment of Assessments in Monthly Installments. All annual assessments shall be payable in equal monthly installments. The Association may allow special assessments to be paid in such installments as it deems necessary and proper.

ARTICLE VI INSURANCE

Section 1. Open Area. Subject to the minimum requirements set forth below, the Association shall keep in force and maintain such liability and other insurance as it shall deem necessary relating to the Open Area. The Association may also insure any other property, whether real or personal, owned by the Association, against such hazards as may be deemed desirable by the Association. Premiums for all insurance carried by the Association shall be part of the expenses covered by the annual assessments of the Association. At a minimum, the Association shall maintain extended coverage, all-risk hazard insurance (100% of replacement cost) for any improvements on the Open Area. If they are available, said policy shall have agreed amount and inflation guard endorsements, a construction code endorsement, if applicable, steam boiler and machinery coverage, if applicable, a stipulation that it will not be canceled without ten (10) days prior notice, and a waiver of subrogation rights against Lot Owners. The insurance coverage with respect to the Open Area must be written in the name of, and the proceeds thereof must be payable to, the Association. Insurance proceeds must be used by the Association for the repair or replacement of the property for which the insurance was carried. The Association shall also maintain flood insurance if the Open Area is in the federal flood hazard area and liability insurance covering damages resulting from operation, maintenance, or use of the Open Area, and liability related to employment contracts of which the Association is a party. The amount of such liability insurance shall not be less than \$1,000,000 (combined single limit) and the policy shall provide that there shall be no denial of coverage because of a Lot Owner's claim of negligence of the Association or of other Lot Owner(s). Finally, said policy shall provide that it will not be canceled, except on ten (10) days prior notice.

The foregoing to the contrary notwithstanding, the Association shall maintain such other or additional insurance as may be required from time to time by the Federal National Mortgage Association ("FNMA") guidelines.

Section 2. Lots. Insurance against damage by fire or other casualty to the improvements on any Lot, liability insurance with respect to occurrences on any Lot, and other insurance relating to each Lot shall be the responsibility of the individual Lot Owners.

Section 3. Fidelity Bonds.

- (a) Blanket fidelity bonds will be maintained by the Association for all officers, directors, trustees, and employees of the Association handling or responsible for funds of or administered by the Association or any other persons handling or responsible for funds of or administered by the Association. Further, in the event the Association delegates some or all of the responsibility for the handling of funds to a management agent, a blanket fidelity bond will be required for officers, employees, and agents of such management agent handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity bond coverage shall be based upon the best business Judgment of the officers of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, However, in no event may the aggregate amount of such bond be less than a sum equal to three (3) months' aggregate assessment on all Lots plus reserve funds.

(c) All such fidelity bonds shall:

- (i) Name the Association as an obligee;
- (ii) Contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms of expressions; and
- (iii) Shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

(d) Premium on all such fidelity bonds (except premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.

ARTICLE VII NOTICES AND INFORMATION

Section 1. Notices to Mortgagees. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor of any first deed of trust lien on any property located in the subject development and the Lot number or address, any such lien holder or insurer or guarantor shall be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the subject development or a Lot on which there is a first deed of trust lien held, insured, or guaranteed by such eligible deed of trust lien holder or eligible insurer or guarantor, as applicable;
- (b) Any delinquency in the payment of assessments or charges owed by a Lot Owner subject to a first deed of trust lien held, insured, or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of a specified percentage of deed of trust lien holders.

Section 2. Information. The Association shall, upon written request, make available to Lot Owners and to the holders, insurers, or guarantors of any first mortgage, current copies of this Declaration and any other rules concerning this development, and the books, records and financial

statements of the Association. "Available" means available for inspection upon request, during normal business hours or under other reasonable circumstances. In addition, the holder of any first mortgage on a Lot shall be entitled, upon written request, to a financial statement for the Association for the immediately preceding fiscal year.

ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Developer's Responsibility and Duration. Developer shall have the responsibility of enforcing the provisions of this Article until Developer ceases to be a Class B member of the Association. The board of directors of the Association shall assume and be responsible for the enforcement of, the Article thereafter. References to Developer in this Article shall, therefore, apply to the Association after it has assumed the enforcement of this Article.

Section 2. Approval of Plans and Specifications. Before commencing the construction, alteration, or addition of any single family dwelling or appurtenance thereto, the Lot Owner shall submit the building plans, layout, specifications, and site plans of all improvements (collectively "plans") to Developer for written approval. The plans shall include all materials for buildings, driveways, swimming pools, and all other appurtenances and front, rear, and side elevations. Developer shall give his approval or disapproval within thirty (30) days of delivery of said plans by a Lot Owner.

Plans for any improvements must conform to the restrictions as set forth in this Declaration. Developer shall be the sole judge of such conformance or non-conformance and may approve or disapprove plans when, in its sole discretion, it determines that the proposed improvements or any feature of the plans are not architecturally or aesthetically compatible with the overall development.

If Developer approves the plans, the actual construction in accordance with the plans shall be the responsibility of the Lot Owner; provided, however, upon the completion of the improvements, the Lot Owner shall notify Developer, who shall forthwith inspect the improvements for the purpose of insuring compliance with the plans previously submitted.

In the event the Lot Owner fails to complete his construction according to the approved plans or to maintain the improvements situated upon his Lot in a manner satisfactory to the standards set forth by this Declaration, Developer may, after giving twenty (20) days notice in writing to the Lot Owner, and in the event of his continued failure to commence the correction of the matter(s) at issue, enter upon said Lot and complete, repair, maintain, or restore the exterior of the improvements erected thereon. The cost of said correction shall become the personal obligation of the Lot Owner, and until paid, shall be a judicially enforceable lien on the Lot subject only to any lien for unpaid property taxes, to any first mortgage, and to any lien for unpaid assessments.

Developer shall have the right to waive minor violations and allow minor variances where the same resulted unintentionally or without gross carelessness on the part of a Lot Owner and are not materially harmful to the development. If such waiver is granted, then thereafter such matter waived shall no longer be deemed a violation of these covenants and restrictions.

The approval of Developer of the plans and completed improvements is not intended to be an approval of the structural stability, integrity, or design of a completed improvement or of the safety of any component therein, but is required solely for the purpose of insuring compliance with the covenants and restrictions contained in this Declaration, and further, to insure the harmonious and orderly architectural development and improvement of the Property. Notice is hereby given to any future occupant of any such completed improvement and to all invitees, business guests, licensees, and other persons who may from time to time enter or go on or about such completed improvements that no permission or approval granted by Developer with respect to construction pursuant to this Declaration shall constitute or be construed as an approval by Developer of the structural stability of any building, structure, or other improvement, and no liability shall accrue to Developer in the event any such construction shall subsequently prove to be defective.

No structure of a temporary nature shall be allowed on any Lot at any time except that a Lot Owner's contractors and subcontractors during the period of construction or reconstruction of the improvements.

Developer may appoint one or more other persons to aid in the approval or disapproval of any plans, but the ultimate responsibility for the enforcement of any and all obligations concerning conformity with the covenants and restrictions placed on the development shall be with Developer.

ARTICLE IX RESTRICTIONS ON LOT USE, ETC.

Section 1. Land Use. No Lot shall be used except for private single family residential purposes. No structure shall be erected, placed, altered, or permitted to remain on any Lot not in keeping with this purpose. But a temporary sales and/or construction trailer is permitted.

Section 2. Setbacks. Minimum setback requirements have been established on the Plat, but are not intended to engender uniformity. It is, therefore, intended that setbacks may be staggered where appropriate for the preservation of trees and to assure vistas of open areas. Pursuant to Article VIII of this Declaration, Developer or the Association reserves the right to approve the site plan and location of the dwelling on each Lot and to arrange the same in such manner as it shall deem to be in the best interest of the overall development. However, no part of any structure shall be located on any Lot nearer to the front line nor to a side or rear line than the minimum setback line required by the Metropolitan Government of Nashville and Davidson County.

Section 3. Minimum Dwelling Sizes. The total living area of any one-level dwelling shall contain no less than twelve hundred (1,200) square feet, exclusive of unenclosed porches, patios, breeze ways, and garages. Dwellings of two-levels shall contain no less than seven hundred (700) square feet of living area on the main level.

Section 4. Construction of Dwellings, Driveways, and Walkways. No house shall have unfinished aluminum storm windows or doors. All driveways and walkways on each Lot shall be paved. No driveway or walkway constituted of loose gravel or rock shall be permitted except during construction.

Section 5. Garages, Carports. All garages or carports must be attached to the main dwelling.

Section 6. Dish Antennas, Solar Panels, Incinerators, Clotheslines, Fuel Storage Tanks. No dish antenna for satellite television sight or sound reception, no solar panels, no incinerators for garbage, trash, or other refuse, and no outside clotheslines shall be placed on any Lot. No tank, drum, or other container used to store any inflammable fuel shall be placed on any Lot other than small gasoline cans to serve lawnmowers.

Section 7. Disposal of Trash. Trash and garbage shall not be allowed to sit in front of any Lot. Garbage and trash to be picked up shall be placed in heavy plastic bags or in plastic or metal garbage cans and shall be put outside for pick-up no earlier than 6:00pm the evening prior to the day(s) of pick-up.

Section 8. Animals. Only animals traditionally recognized as household pets may be housed on any Lot, whether maintained indoors or outdoors. Owners are expected to observe the Metropolitan Nashville and Davidson County leash ordinance.

Section 9. Signs. Only signs twelve (12) square feet or less advertising the sale of a Lot shall be permitted on any Lot. Reasonable name signs and Lot number signs, however, are permitted.

Section 10. Nuisances. No noxious or offensive activity shall be conducted on any Lot nor shall any commercial activity be carried on by any Lot Owner except that a house may be shown for sale by a Lot Owner, his agent, or a Lot Owner/builder who is in the process of selling a newly constructed house.

Section 11. Use of Other Structures; Vehicles.

(a) No structure other than the single family dwelling shall be permitted on any Lot except on a temporary basis and with the permission of the board of directors of the Association. Swimming pool cabanas are permitted, however.

(b) No car, truck, van, or trailer in excess of 1 ton or camping vehicle or camping trailer shall be parked on any Lot unless housed in a basement or garage. No trailer or camping vehicle shall be parked on any street. No commercial vehicles may be parked on the street, unless the driver of that vehicle is at that lot in an official and working capacity. This applies to both government owned and no-government owned vehicles. Vehicles in violation may be towed at the owner's expense.

(c) No inoperable vehicles shall be parked on any street for more than 24 hours. Vehicles may be towed at the owner's expense after aforementioned time elapses.

Section 12. Lawful Uses. Each owner shall observe all governmental building codes, health regulations, zoning restrictions, and other regulations applicable to his Lot. In the event of

any conflict between any provision of any such governmental code, regulation, or restriction and any provisions of this Declaration, the more restrictive provision shall apply.

Section 13. Underground Utilities. Developer commits to install underground utilities in the development. The Developer is aware of certain rock formation within the development and therefore, the requirement for underground utilities will not be mandated in areas where such installation is cost prohibitive, as determined by Developer.

ARTICLE X EASEMENTS and OPEN AREAS

Section 1. General. Developer reserves an easement for ingress and egress generally across the Property at all reasonable times and places, including the Lots, for the purpose of completing Developer's intended development. The easement shall remain a right belonging to Developer for so long as Developer is a Class B member of the Association. The board of directors of the Association shall assume the easement for ingress and egress upon termination of said right in Developer.

Section 2. Emergency. There is hereby reserved without further assent or permission a general easement to all security guards employed by Developer, firemen, ambulance and health personnel, utility services personnel, and all similar persons to enter upon the Property while in the performance of their duties. The Association shall have the reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for proper maintenance and operation of the development.

Section 3. Plat Easements. The Plat contains certain designated easements for roads, utilities, and drainage. These easements so designated on the Plat encumber the Lots as shown on the Plat and are established as perpetual easements. Said easements are granted and reserved for the use and benefit in common of all Lot Owners and their family members, invitees, and licensees. No Lot Owner shall have the right to restrict, impede, or take any action in any way to prohibit or limit the use in common by all Lot Owners of said easements. However, use of the easements in the Open Area shall be subject to and governed by the provisions of this Declaration and the rules and regulations of the Association. The roads shown on the Plat are public thoroughfares. The Metropolitan Government of Nashville and Davidson County has the responsibility for maintenance, repair, or replacement of said roads.

Section 4. Open Areas. Open Areas as shown on the Plat are to be owned by the Association and used in common by all Lot Owners. The Developer will deed the completed Open Areas found on the subject Property to the Association free and clear of encumbrances before the first Lot is conveyed to a Lot Owner. The Open Area cannot be mortgaged or conveyed without the consent of at least two-thirds (2/3) of the Lot Owners (excluding the Developer).

ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Lot Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions covenants, reservations, liens and

charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Lot Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of Articles III, IX, and X of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by sixty-seven percent (67%) of those then owning the Lots has been recorded prior to the expiration of said thirty (30) year period or any said ten (10) year period, as the case be, agreeing to terminate said covenants and restrictions or to modify said covenants and restrictions in whole or in part for the next ten (10) year period. Any instrument agreeing to terminate or modify the covenants or restrictions of Article IX specifically must also be signed by not less than sixty-seven percent (67%) of the Beneficiaries as identified in the Declaration of Use Restrictions for the Residential Portions of Ransom Park recorded at instrument number 200007250073496 in the Register of Deeds Office for Davidson County.

This Declaration may be amended by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners; provided, however, that while Developer is a Class B member this Declaration may not be amended without Developer's consent. Any amendment must be recorded.

Section 4. Annexation.

(a) Additional residential property and open area may be annexed to the Property with the consent of two-thirds (2/3) of each class of members of the Association.

(b) Notwithstanding paragraph (a) of this Section 4, additional land (including any presently developed Lots as well as undeveloped Lots and additional Open Area to be determined by the Developer) within the area shown and described in Exhibit 2 attached hereto (the "Exhibit 2 Land") may be annexed by the Developer and submitted to this Declaration without the consent of the members of the Association within ten (10) years of the date of this Declaration. Any property so annexed shall become bound by this Declaration upon the recording of a Plat for the new section of the development coupled with a statement of intent by the Developer to subject the property shown in the new Plat to the provisions of this Declaration. Any additional Open Area so annexed which the Developer conveys or dedicates to the Association shall be accepted by the Association and thereafter shall be owned and maintained by the Association in accordance with this Declaration. Developer makes no assurances that any or all of the Exhibit 2 Land will be added to the development. Annexation of additional land under this Section shall extend the jurisdiction of the Association to such property and

thereby specifically subject such addition to assessments as discussed in Article V of this Declaration.

Section 5. FHA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration: annexation of additional residential properties outside of the Exhibit 2 Land, dedication of Open Area, and amendment of this Declaration.

Section 6. Perpetuities and Restraints on Alienation. If any of the privileges, covenants, conditions, or rights created by this Declaration shall be unlawful, void, or voidable for violation of the Rule Against Perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of Elizabeth II, Queen of England.

Section 7. Special Provisions Concerning Open Area. This development, and particularly the Open Area, will be subject to the following provision of the Metropolitan Nashville and Davidson County Code:

81.51 Common open space. Any common open space established by an adopted final master development plan for planned development shall be subject to the following:

(a) The Metropolitan Planning Commission and the Metropolitan County Council may require that the landowner provide for and establish an organization for the ownership and maintenance of any common open space, and such organization shall not be dissolved nor shall it dispose of any common open space, by sale or otherwise (except to an organization conceived and established to own and maintain the common space), without first offering to dedicate the same to the Metropolitan Government of Nashville and Davidson County and the said dedication being approved by the Metropolitan Planning Commission. However, the conditions of any transfer shall conform to the adopted final master development plan.

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

IN WITNESS WHEREOF, the undersigned being the Developer herein, has hereunto set its hands and seal this ____day of _____, 2001

DEVELOPER
RANSOM PARK, INC.

By: _____
(Name, Title)

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, _____, a Notary Public in and for the State and County aforesaid, personally appeared _____ with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath acknowledged himself to be the President of Ransom Park, Inc., the within named bargainer, a corporation, and that he as such President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand and seal at office, on this the ____ day of _____, 2001.

NOTARY PUBLIC

My commission expires: ____/____/____



**BY LAWS
OF
RANSOM PARK HOMEOWNERS ASSOCIATION**

**ARTICLE I
DEFINITIONS**

The following words, when used herein shall have the following meanings:

Section 1. "Association" shall mean Ransom Park Homeowners' Association, Inc. a Tennessee not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. "Charter" shall mean the Articles of Incorporation of the Association as filed with the Office of the Secretary of State for Tennessee.

Section 2. "Board of Directors" shall mean the Board of Directors of the Association as described in Article IV hereof.

Section 3. "Declaration" shall mean the instrument headed "Declaration of Covenants, Conditions and Restrictions for the Residential Portions of Ransom Park" recorded simultaneously herewith in the Register's Office for Davidson County, Tennessee, as hereafter amended.

Section 4. "Developer" shall have the meaning given it in the Declaration.

Section 5. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Open Area" shall have the meaning given it in the Declaration.

Section 7. "Lot" shall have the meaning given it in the Declaration.

Section 8. "Lot Owner" shall have the meaning given it in the Declaration.

Section 9. "Plat" shall have the meaning given it in the Declaration.

Section 10. "Property" shall have the meaning given it in the Declaration.

**ARTICLE II
NAME AND LOCATION**

The name of the Association is Ransom Park Homeowner Association., Inc. The principal office of the Association shall be located at 2479 Murfreesboro Road, #355, Nashville, TN 37217-3554. Meetings of members and directors may be held at such places within the State of Tennessee, County of Davidson, as may be designated by the Board of Directors.

**ARTICLE III
MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held within fifteen days of the anniversary of the first regular annual meeting each year thereafter.

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

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice of any meeting called for the purpose of taking action to increase the amount of the annual assessment or to levy a special assessment related to capital improvements in the Open Area as proved in Article V, Sections 3 and 4 of the Declaration must be sent as provided under Article V, Section 5 of the Declaration.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of each class of membership in good standing shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member in good standing may vote in person or by proxy. A member in good standing is defined as a homeowner that is current on all payments and fees owed to the Association. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors of the Association shall consist of three (3) persons, who need not be Members of the Association, who shall be appointed by the Developer and who shall serve until the first annual meeting of the Members. From the first annual meeting of the Members and thereafter, the Board of Directors shall consist of five (5) directors who must be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one director for a term of one year, one director for a term of two years and one director for a term of

three years. Thereafter, at each annual meeting the Members shall elect directors for a term of one year for the vacancies that are to be filled.

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

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

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

ARTICLE V **NOMINATION AND ELECTION OF DIRECTORS**

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

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

ARTICLE VI **MEETING OF DIRECTORS**

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

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

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

ARTICLE VII **POWERS AND DUTIES**

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

- (a) Adopt and publish rules and regulations governing the use of the Open Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these Bylaws, the Charter or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- (f) Issue a special assessment to any Lot Owner for any infractions against or violations of any of the items listed in the Charter, the Declaration, or these Bylaws on their Lot or the Lot Owner, tenant of the owner, guest of the Lot owner, or guest of the tenant of the Lot Owner. The assessment amount is determined and set by the Board of Directors and must be appropriate and reasonable in relation to the violation.

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

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

- (b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) Send written notice of each assessment to every Lot Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Lot Owner personally obligated to pay the same.
- (d) Issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid.
- (e) Procure and maintain adequate liability, hazard, and other insurance on property owned by the Association; and review such policies at least annually in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration; and
- (g) Cause the Open Area to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

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

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

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

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

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

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

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special officers created pursuant to Section 4 of this Article.

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

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

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

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

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

ARTICLE IX **COMMITTEES**

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X
BOOKS AND RECORDS

The books, records, papers of the Association and the Declaration, Charter and Bylaws shall be available for inspection by any Member or to the holder, guarantor or insurer of any first mortgage at the principal office of the Association, during normal business hours where copies may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

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

ARTICLE XII
AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote a majority of a quorum of Members present in person, or by proxy, except that the Federal Housing Administration or the Veteran's Administration shall have the right to veto amendments while there is a Class B membership.

Section 2. In the case of any conflict between the Charter and these Bylaws, the Charter shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII
MISCELLANEOUS

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Amendment of the Articles of Incorporation of the Ransom Park Homeowners Association, Inc. shall require the approval of at least 2/3 (two-thirds) vote of the Lot Owners.