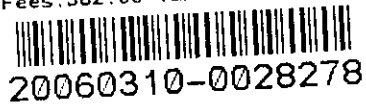


This instrument prepared by:
Gallardia Properties, LLC
615-329-1720 Fax: 615-329-1790
Nashville, TN 37203

Davidson County REST
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Fees:362.00 Taxes:0.00



**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
ESTABLISHING
WOODBURY TOWNHOMES**

PHASE I

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING
WOODBURY TOWNHOMES**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 7th day of March, 2006, by Gallardia Properties, LLC, A Tennessee Limited Liability Company, (hereinafter referred to as "Declarant"); for itself, its successors, grantees, and assigns.

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference (the "Properties"). Declarant hereby submits the Properties and the improvements constructed thereon, to the condominium form of ownership and use, in the manner provided under the provisions of Tennessee Code Annotated, Title 66, Chapter 27, Section 101, *et seq.*, as amended, known as the "Horizontal Property Act," which may hereinafter be referred to as the "Act."

Declarant intends that there shall be constructed upon the Properties a planned residential development that includes single-family, vertically separated housing units, or town homes ("Units" as defined herein) individually for sale. Declarant further intends that each Unit shall include a three foot (3') private ownership element of real property on all non shared exterior walls, and utility services, including, but not limited to, water, sewer, and electricity shall be individually metered;

The name by which the development is to be identified is "Woodbury Townhomes," hereinafter called the "Project" or "Woodbury."

The description and identification of the Common Area, the separate town home Units for Phase I, which includes Phase IA and IB, as well as any Private Elements or Limited Common Area related thereto, of the Project is shown on the plan, which is attached hereto as Exhibit "E" (the "Plan" or "Plat").

Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration;

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property as is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

Declarant, as the owner and developer of WOODBURY , desires to complete the development of the Project including the infrastructure thereof and the common amenities attendant thereto.

Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

Declarant has caused or will cause to be incorporated under the laws of the State of Tennessee, as a non-profit corporation, the WOODBURY TOWNHOMES Homeowners Association, Inc. (hereinafter referred to as the "Association") for the purpose of exercising the functions aforesaid.

Now, therefore, the Declarant hereby declares that the real property described in Exhibit "A" hereof is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to herein as the "Covenants, Conditions and Restrictions" or as the "Restrictions") hereinafter set forth which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding upon all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors or assigns, and shall inure to the benefit of each owner thereof.

Article I Definitions

Section 1. "Additional Maintenance Area" shall mean those portions of a Residential Unit which the Association is responsible for maintaining, and those portions of a Residential Unit which by contract with the Owner the Association undertakes to maintain.

Section 2. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or

by contract become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

Section 3. "Association" shall mean and refer to WOODBURY TOWNHOMES Homeowners Association, Inc., and its successors and assigns. The Association is a not-for-profit "Townhouse corporation," as defined under Tenn. Code Ann. § 66-27-102(a)(15), as amended.

Section 4. "Base Assessment" shall mean and refer to assessments levied against all Units in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the By-Laws of WOODBURY TOWNHOMES Homeowners Association, Inc., attached hereto as Exhibit "C" and incorporated herein by reference, as they may be amended from time to time.

Section 6. "Charter" shall mean and refer to the Charter of WOODBURY TOWNHOMES Homeowners Association, Inc., as filed with the Secretary of State of the State of Tennessee. A copy of the Charter of the Association is attached hereto as Exhibit "B".

Section 7. "Class "B" Control Period" shall mean and refer to the period of time during which the Declarant, as the Class "B" Member, is entitled to appoint at least a majority of the members of the Board of Directors, as provided in Article III, Section 2(b), of the Declaration, and Article III, Section 2 of the By-Laws.

Section 8. "Common Area" shall mean all real and personal property, including the Properties, but excluding Residential Units, components thereof and easements appurtenant thereto, now or hereafter owned by the Association for common use and enjoyment of the Owners, including, but not limited to, all lawns, any and all streets, roads, bridges, parking areas, drainage facilities, ponds, waterways, fences, structures, sidewalks, curbs, signs, lights, common utilities, and other improvements and elements (other than the Units) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Properties.

In Addition to the foregoing, the Common Area shall include the following easements:

- (1) Easements through the Units and any Limited Common Area allocated to any Unit for conduits, ducts, plumbing, wiring and other facilities for the furnishing or repair of utility service to Units and Common Area;
- (2) Easements of support in every portion of a Unit which contribute to the support of the Unit, including easements for access to and repair of such elements of support;

- (3) Easements for encroachments by the perimeter walls, ceilings and floors surrounding each Unit upon the Common Area or any portion of the Common Area upon the boundary of any Unit whether caused by the settlement of a Unit or by minor inaccuracies in the Plat, or rebuilding any part of an Unit, whether such encroachments now exist or hereafter may exist. All such easements shall continue until such encroachments shall cease to exist;
- (4) Easements through or over the Units and any Limited Common Area for the purpose of maintaining or repairing any portion of the Common Area, any Limited Common Area, or any Unit.

Section 9. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Area, and those portions of the Additional Maintenance Area which the Association is responsible for maintaining, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Charter of the Association.

Section 10. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the New Construction Committee.

Section 11. "Declarant" shall mean and refer to Gallardia Properties, LLC, a Tennessee Limited Liability Company, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit "A" for the purpose of development and sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 12. "Limited Common Area" shall mean a portion of the Common Area allocated by this Declaration for the exclusive use of one or more but fewer than all Units."

Section 13. "Member" shall mean and refer to a Person or entity entitled to membership in the Association, as provided herein.

Section 14. "Mortgage" shall mean and refer to a first lien mortgage, a deed of trust, a deed to secure debt, or any other form of security deed encumbering one (1) or more Units.

Section 15. "Mortgagee" shall mean and refer to any Person that is an institutional lender and that holds a bona fide Mortgage encumbering a Unit, which has notified the Association, in writing, of its name and address, and that it holds a Mortgage with respect to a Unit(s). The term "institutional lender" specifically includes a

bank, savings and loan association, a mortgage lending company, an insurance company, and the Federal National Mortgage Association or similar agency.

Section 16. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 17. "Owner" shall mean and refer to one (1) or more Persons or entities, including Declarant who holds fee simple title to any Residential Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 18. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 19. "Private Elements" shall mean and include the lot area upon which a Unit is located and the improvements located thereon and for which fee simple ownership and exclusive use is reserved to that Unit only. Private Elements shall exist only where each Unit in the project has a ground floor and there are no Units located above or below the Private Elements except the one (1) Unit located thereon. Limited Common Area located upon Private Elements shall be deemed to be Private Elements.

Section 20. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 21. "Residential Unit" or "Unit" shall mean a portion of the Properties, intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Area as well as the Private Elements and Limited Common Area, if any, related to each Unit. All Residential Units shall be shown and identified as numbered Units upon the Plan / Plat attached hereto as Exhibit "E". A Residential Unit shall include all easement rights appurtenant to such Unit as set forth herein or as shown on the Plan / Plat.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units planned for such parcel until such time as a certificate of occupancy is issued on all or a portion thereof by the local government entity having jurisdiction, after which the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 22. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3 of this Declaration.

Section 23. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

Article II Property Rights

Every Owner shall own an undivided interest in the Common Area and shall have the right to use and enjoy said Common Area, subject to this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association. Each Unit shall have an equal percentage ownership interest in the Common Elements, and said percentage ownership interest in the Common Elements shall be used for purposes of allocation of Assessments to the Units for Common Expenses, unless otherwise provided under Article X of this Declaration. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee. Each Owner shall have an exclusive easement for the use of his or her driveway patio or other improvements designated for the exclusive use of such Owner's residential Unit.

Any conveyance of an individual Unit shall be deemed to also convey the percentage of the Owner's ownership interest in the Common Elements, and Limited Common Elements pertaining to such Unit even if such conveyance does not specifically refer to such interests. A conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an ownership interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for WOODBURY desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for WOODBURY.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Notwithstanding the foregoing, Declarant may at any time assign, pledge, hypothecate or alienate its membership, but any transfer by Declarant of title to a residential Unit shall automatically transfer the membership in the Association appurtenant thereto, free and clear from such assignment.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Members, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit.

In any situation in which more than one (1) Person holds the interest in a Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Members shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale and who is designated as such in a recorded instrument executed by Declarant or its successor. The Class "B" members shall originally be entitled to three (3) votes for each residential Unit owned. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to, in its sole discretion, appoint the members of the Board of Directors during the Class "B" Control Period,

subject only to the By-Laws. The Class "B" Control Period shall terminate, and the Class "B" membership shall terminate and become converted to Class "A" membership, upon the earlier occurrence of: (a) Four (4) months following the date on which seventy-five percent (75%) of the Units with respect to all phases of the Project have been conveyed to Owners other than the Declarant, or (b) five (5) years after the date on which the first Unit has been conveyed to an Owner other than the Declarant.

From the happening of this event, the Class "B" members shall be deemed to be Class "A" members entitled to one vote for each Residential Unit in which it holds the interest required for membership under section 1 hereof. At such time, the Declarant shall call a meeting, as provided in the By-Laws for special meetings, to advise the membership of the termination of Class "B" status.

Notwithstanding any provisions to the contrary contained in this Declaration or the By-Laws, during the Class "B" Control Period, any action, policy or program of the Association requiring approval by the vote of the Members of the Association shall not be taken or adopted until also approved in writing by the Class "B" Members.

Article IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area, and the Additional Maintenance Area, such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon the Common Areas and the Additional Maintenance Area, as set forth more fully in Article VIII. Maintenance may also include such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

Except as otherwise specifically provided herein, all costs associated with the maintenance, repair and replacement of Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment.

Section 2. Owner's Responsibility. In accordance with this Declaration, and except as provided in Article VIII, all maintenance of the interior portions of the residential Unit, all structural components of the residential Unit, Entry doors, windows, glass, and other improvements not maintained by the Association shall be the sole responsibility of the Owner thereof. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the

Association against the Unit and the Owner thereof, in accordance with Article X, Section 4.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and the Residential Units, excluding personal property contents of the residential Units against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a One Million (\$1,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss of repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth

(a) All policies shall be written with a company licensed to do business in Tennessee which holds a Best's rating of BBB+ or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies shall be for the benefit of the Association and its Members and their Mortgagees, as their interests may appear.

Article VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least seventy-five (75%) percent of the total Association vote and the Declarant, as long as the Declarant owns any property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of seventy-five (75%) percent of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until all property described on Exhibit "A" has been subjected to this Declaration or January 1, 2008, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association, all or any portion of the real property described in Exhibit "A", attached hereto and by reference made a part hereof. Such annexation shall be accomplished by filing in the Register of Deeds Office of Davidson County, Tennessee, a supplement to this Declaration annexing such property (a "Supplemental Declaration"). Such Supplemental Declaration shall not require the consent of any other Owners. Any such annexation shall be effective upon the recording of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the

(a) The exterior landscaping, walkways, porches, located upon or about each Residential Unit, with the exception of elevated decks, and/or balconies. The Association shall have the right, however, to contract with the Owner of any Residential Unit for the maintenance of such elevated decks, balconies, and for the maintenance of such other areas and items as the Board may deem appropriate. The Association also shall maintain the exterior of each Residential Unit as follows: painting, maintenance, and nonstructural repair of exterior building surfaces as the Board shall deem necessary and proper, including roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, replacement of trim, caulking and other repairs to roof covers (to include the repair and replacement of all non-structural components of the roof of each Residential Unit), and other miscellaneous repairs of a nonstructural nature. Such exterior maintenance shall not include glass surfaces (weather windows or sliding glass doors, storm doors, front or rear entry doors, screens, or patio covers. The balance of the Residential Units and the improvements located thereon shall be maintained by the Owner of the particular Residential Unit involved. In the event that an Owner fails to maintain his/her Unit and the improvements thereon in a manner satisfactory to the Board, the Association, after approval by a two-thirds (2/3) vote of the Board, shall have the right, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore and maintain the Unit and the exterior portion of the Unit, including the lot on which it is situated, and any other improvement situated thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

Notwithstanding the foregoing, if the need for exterior maintenance and repair by the Association as required by this paragraph is caused by the willful or negligent conduct or act an Owner, his/her family, guest, invitees, or other Persons using or occupying his/her Residential Unit with his/her express or implied permission, the cost of such repair or maintenance shall be assessed against such Owner and shall be due and payable thirty (30) days from the date of notice thereof, such Assessment to be collected and enforced as provided in Article VIII of this Declaration. Such Assessment shall not require the approval of any of the Members; provided, however, that any Owner against which any such assessment is levied shall be entitled to notice, a hearing, and an opportunity to do the corrective work required, as provided by Article XI, Section 3 hereof, prior to an Assessment being levied against such Owner in accordance with the provisions of this paragraph. For the sole purpose of performing the exterior maintenance upon each Residential Unit required by this Section 2, the duly authorized employees or agents of the Association shall have the right, after reasonable notice to the Owner, to enter upon or into any Residential Unit at reasonable hours of any day except Sunday.

(b) The duly authorized agents or employees of the Association shall have the right to enter in or upon any Residential Unit or into any structure thereon, without notice to the Owner thereof, when, in the judgment of the Association, acting through its Board of Directors, such entrance is necessary to prevent damage to such

Article X
Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may from time to time specifically be authorized by the Board of Directors. The Annual Assessment shall be allocated equally among all Residential Units within the Association, except for Units owned by the Declarant, for which the Annual Assessments shall be separately determined. The Annual Assessments shall be for expenses determined by the Board and this Declaration to be for the benefit of the Association as a whole except for the Annual Assessments charged for Units owned by the Declarant which Assessments shall only be for expenses determined by the Board to be for the use and benefit of Declarant, and which Assessment shall exclude expenses which do not benefit Declarant. Special Assessments may be levied against all Residential Units when all Units are benefited, or against a Residential Unit or residential Units in Particular portions of the Properties when, in the opinion of the Board, the Special Assessments benefit less than the Association as a whole. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. All such assessments, together with interest at the highest allowable under the laws of Tennessee, cost and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the residential Unit against which each assessment is made.

Each such assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Residential Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no Mortgagee who obtains title to a residential Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of the title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

Base Assessments shall be levied equally on all Units. Special Assessments shall be levied as provided in Section 3 below. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate not to exceed ten (10%) percent or the highest rate allowed by Tennessee law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit 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 Owner of such Unit at the time the assessment arose, but his or her grantee shall not be jointly and severally liable for such

portion thereof as may be due and payable at the time of conveyance unless the obligation is expressly assumed by them. No Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty (\$50.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual Base Assessment for delinquents, including Owners delinquent in the payment of fines imposed in accordance with the By-Laws. Unless the Board otherwise provides, the Base Assessment shall be paid in monthly installments.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Until the expiration of the Class B Control Period as set forth under Article III, Section 2(b) of this Declaration, the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year.

The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2.

Section 2. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year.

The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Base Assessment to be levied for the coming year against each Unit subject to assessment under Section 7 below shall be computed by dividing the budgeted Common Expenses by the total number of Units subject to assessment as of sixty (60) days before the end of the current fiscal year. The Board shall cause a copy of the Common Expense budget and notice of the amount of Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. In the event the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments from time to time. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

The Board may also levy a Special Assessment against any Member, without the necessity of a vote of the Members, to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Charter, the By-Laws, and the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing.

Section 4. Lien for Assessments. Upon recording of a notice of lien on any Residential Unit, there shall exist a perfected lien for unpaid assessments prior and superior to all other liens except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Transfer Fee: In order to compensate the Association or its agents for work associated with the conveyance of title to Units within WOODBURY, the Association may charge a reasonable fee not to exceed Three Hundred Fifty Dollars and no/100 (\$350.00) to the transferors of such Units (a "Transfer Fee"). Transfer Fees shall be considered in the nature of assessments shall constitute a lien on the transferred Unit and may be collected in the same manner provided for the collection of assessments in this Article. The Declarant shall be exempt from Transfer Fees.

Section 5. Capital Budget and Contribution. The Board of Directors may annually prepare a capital budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and assessment, as provided in Section 2 of this Article.

Section 6. Date of Commencement of Annual Assessments. The assessments provided for herein shall commence as to all Units upon conveyance of the first Unit to a person other than a builder or developer holding title solely for purposes of development and/or resale. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessments shall be adjudged according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 7. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Tennessee law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the Mortgage, its successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 8. Capitalization of Association. Upon acquisition of record title to a Unit by the purchaser thereof, other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser at the closing of the sale of the Unit to the working capital of the Association in the amount to be determined by the Declarant and/or Board of Directors. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use to cover operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws. During the Class "B" Control Period, the Declarant must not use any working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits. Moreover, when control of the Association is transferred from the Declarant to the Owners as provided in the Documents, said fund and the proceeds thereof shall be transferred to the Association for deposit into a segregated fund to be used by the Association for the same aforementioned purposes.

Article XI Architectural Standards

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

The Declarant at the time of sale and/or the plat is recorded for each phase/section of WOODBURY has the right to establish additional restrictions and/or design-standards as they relate to the size (minimum square footage) of a Residential Unit and the exterior materials.

Section 1. Modifications Committee. The Board of Directors may appoint a Modifications Committee ("MC) to consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. The "MC", if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Residential Units or structures containing Residential Units and the open space, if any, appurtenant thereto.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of

his or her Residential Unit, or to paint the interior of his Unit any color desired. In the event that the "MC" fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five days after submission, the request for approval shall be deemed approved.

Section 2. No Waiver of Future Approvals. The approval of the MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 3. Variance. The MC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 4. Enforcement In General.

(a) Enforcement of the standards as specified in this Declaration may be by any proceedings at law or in equity against any person or persons violating or attempting or threatening to violate a covenant or restriction, either to restrain a violation or to recover damages. Therefore, failure by the Declarant, community association or owner to enforce any restriction herein contained shall in no event be deemed a waiver of the rights to do so thereafter nor constitute an acquiescence in or an estoppel against enforcing any, actual or future, breaches or violations of these covenants and restrictions.

(b) In the event any cost or expenses including attorneys fees, are incurred by the Declarant, community association or any residential unit owner or occupant of a residential unit in connection with their action to correct or abate any violation or breach of the provisions hereof, provided reasonable notice to the owner or owners of the subject residential unit or units to abate said violation or breach has been given, such cost and expenses shall be a lien against the owner or owners of the unit or units committing such a breach of violation and such charges shall be subject to the provisions for lien rights and collection as specified in No. 6 below. No such cost or expenses shall be a lien when the nonexistence of a violation or breach hereof has been established by a court of competent jurisdiction. The court shall determine the method of handling a violation.

Section 5. Covenant and Creation of the Lien of Personal Obligation for Court Ordered Violation in Section 4. Each Owner of any Residential Unit by acceptance of a deed therefore whether or not it shall be so expressed in such deed as the conveyance shall be deemed to covenant and agree, to pay any court ordered violation cost and other costs or expenses incurred in Section 4, together with such intent thereon and cost of collection thereof, including attorneys fees, as provided herein, and shall be a charge on the land and shall be a continuing lien upon the unit against which each such obligation is made. It shall also be the personal obligation of each person who was an owner of such property at the time of the violation.

Section 6. Assignment. The rights and powers retained by the Declarant shall be freely assignable and shall insure to the benefit of its successors and assigns.

Article XII Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association) as may more particularly be set forth in this Declaration or amendments hereto.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties.

Section 1. Restrictions. In addition to all other covenants contained herein, the use of the Properties is subject to the following:

(a) Residential Use. Except as otherwise provided in this Declaration, each Residential Unit shall be used as a residence and for no other purposes, and there shall not be within any Residential Unit more than one single-family. except as otherwise provided in this Declaration, the Common Area shall be used for recreational, social, and other purposes directly related to the single-family use of the Residential Units authorized hereunder.

(b) Maintenance of Interior. Each Owner shall be responsible for the maintenance of, and shall maintain, the interior of his or her Residential Unit, including interior walls, windows, glass, ceilings, doors (interior and exterior entry), and permanent fixtures and appurtenances thereto, patios and other easement areas appurtenant to such unit, and such other portions of the Unit for which care and maintenance is his or her responsibility, in a clean, sanitary, and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating.

(c) Association to Landscape Common Area and additional Maintenance Areas. The Association shall have the right and the obligation at any time to plant, replace, maintain, and cultivate shrubs, trees, grass, plantings, and other landscaping upon the Common Area of WOODBURY. The Owners must obtain prior written approval from the Declarant or its assigns before modifying any plantings or landscaping improvements.

(d) Signs. No sign of any kind shall be erected and displayed to the public view on any Residential Unit or portion of the Common Area, except for (1) directional or informational signs, established by Declarant or the Association, (2) signs used by Declarant, or by its successors or assigns, to advertise the Properties, provided such signs are located on the Common Area or on Residential Units owned by Declarant or its assigns, and (1) sign not in excess of four (4) square feet per side erected by an Owner upon or about that Owner's Residential Unit to advertise the sale of that Unit.

(e) Parking and Garages. Ownership of a Non-Garage Residential Unit (if any) shall entitle the owner thereof to the use of not more than two (2) automobile, van or pick-up truck unassigned parking spaces which shall be provided by the Association on the Common Area and Limited Common Area, and which spaces shall be as near and convenient to said Unit as reasonably possible, together with the right of ingress and egress in and upon said parking area. Residential Units with a garage shall utilize driveway and garage as two (2) allotted parking spaces. Unit Owners or tenants will be allowed two (2) vehicles only. Commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked for a period of up to 48 hours to accommodate or allow owners time to find other storage or parking space, other than the WOODBURY community, unless a parking area is provided by the Declarant for such vehicles. No Maintenance is to be performed on vehicles on the premises at any time. All vehicles should be in operating condition and have current license tags. The Board of Directors may impose rules and regulations not inconsistent with this Declaration with respect to the maintenance and use of parking spaces provided on the Common Area and the uses, operating and control of motor vehicles thereon.

(f) Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Residential Unit.

(g) Animals and Pets. No animals, reptiles, rodents, livestock, birds, fish or poultry of any kind shall be raised, bred, or kept in or on any portion of the Common Area except that dogs, cats or such other household pets approved by the Association may be kept in the Residential Unit. Dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. Pets are not permitted to

roam free, and in the sole discretion of the Association, which endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board and turned over to the appropriate agency for keeping or disposal. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs which are household pets shall at all times whenever they are outside a Unit be confined on a leash held by and under the physical control of a responsible person. No dog runs are allowed. Local laws governing leashing, control, etc., of animals shall apply to the residents of WOODBURY. Homeowners shall be responsible to clean-up after their pet.

(h) Nuisance. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy an Owners enjoyment of his or her respective Residential Unit.

(i) Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. 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 which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

(j) Antennas & Satellite Dishes. All television antennas, satellite dishes, dishes which receive video programming services via multipoint distribution services and any other device used for the reception of television broadcast signals, direct broadcast satellite services or multi-channel multipoint distribution (wireless cable) services must be one (1) meter or less in diameter, must be located to the rear of a Lot and not visible from the street (unless such location would preclude reception of an acceptable quality signal) and may not be affixed to any portion of the Common Area. Television antennas must be located to the rear of the roof ridgeline, cable or centerline of the principal dwelling. Freestanding antennas must be attached to and located behind the rear wall of the main residential structure. No antenna may be erected on a wooden pole. Any deviation from this policy must be approved in advance by the Board of Directors. To the extent that any of the foregoing provisions of this Declaration or

provisions of the rules and regulations adopted by the Board with respect to satellite dishes and antennas is not permitted under the Federal Communications Commission ("FCC") rules and regulations, the remaining portion of this subsection (j) shall survive independently to the extent permissible under the FCC rules and regulations.

(k) Basketball Equipment, Clotheslines, Garbage Cans, Tanks, etc..

No basketball Equipment, clothes lines, above-ground tanks, and other similar items shall be placed, allowed or maintained upon any portion of the Common Area, including any Residential Unit. All garbage cans shall be located or screened so as to be concealed from view of neighboring Units, streets and property located adjacent to the Unit, except that garbage cans may be placed at curbside on days designated for trash pick-up for that particular Unit. All rubbish, trash, and garbage shall be regularly removed from the Properties and shall not be allowed to accumulate thereon.

(l) Temporary Structures and Detached Storage Buildings.

No structure of a temporary character, or other out-buildings including storage buildings shall be placed or used on or about the Common Area and Limited Common Area.

(m) Guns.

The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, air rifles, and other firearms of all types.

(n) Tents, Trailers and Temporary Structures.

Except as may be permitted by the Declarant during initial construction within the Properties, no tent, utility, shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

(o) Drainage and Septic Systems.

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or redirect the drainage flows from the original location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic systems are prohibited on the Properties.

(p) Tree/Shrubbery Removal.

Except as may be permitted by the Board during initial construction within the Properties, no trees or shrubbery shall be removed, except for diseased or dead trees or shrubbery.

(q) Sight Distance at Intersections.

All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

(r) Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

(s) Lighting. Except for seasonal Christmas decorative lights, which may be displayed between December 1 and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

(t) Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flagpoles, flags, and similar items must be approved in accordance with Article XI of this Declaration.

(u) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

(v) Leasing of Units.

(1) Definition. "Leasing" for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(2) General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than twelve (12) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations.

(3) Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

(w) Parks. Any park, tot lot or other areas or equipment furnished by the Association or erected within the Common Area, if any, shall be used at the risk of the user, and the Association shall not be held liable to any person for any claim, damage, or injury occurring thereon or related to use thereof.

(x) Fences, Exterior Structures. No fences, ornamental screens, awnings, screen doors, sunshades, walls, or hedges shall be erected or permitted upon the Common Area except such as are installed in accordance with the initial construction of the improvements or approved by the Association. The prohibitions set forth herein shall not apply to the Declarant or its assigns.

(y) Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

(z) Playground Equipment. No playground equipment, including but not limited to, swing sets, slides, seesaws, playhouses, and/or climbing apparatuses, shall be allowed upon the Common Area except those (if any) installed by the Declarant or its Assigns to be used by all the residents.

(aa) Taxes and Utilities. Each Owner shall pay any real and personal property taxes or charges assessed against his/her respective Residential Unit and the utility charges for said Residential Unit.

Section 2. Additional Restrictions. The Board of Directors shall be entitled to invoke additional rules and regulations from time to time for the operation, use, and maintenance of the properties, including the Residential Units and Common Area, provided such rules and regulations are not inconsistent with this Declaration.

Article XIII
General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Properties subject to this declaration, their respective legal representatives, heirs, successors, and assigns, 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 in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment.

(a) Prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may amend this Declaration without the consent of other Owners so long as it has the unilateral right to annex Additional Property pursuant to Article VIII, Section 2 of this Declaration. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof, of Members representing sixty-seven (67%) percent of the total votes of the Association, and the written approval of the Class "B" Member so long as the Class "B" membership exists. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(b) If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

(c) No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

(d) Notwithstanding any provision to the contrary in this Section 2, amendments of a material nature must be approved by Owners who represent at least sixty-seven (67%) percent of the total allocated votes in the Association and by fifty-one (51%) percent of Mortgagees. A change to any of the provisions governing the following will be considered an amendment of a material nature:

- (1) Voting rights;

