

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR AVALON MASTER ASSOCIATION, INC.
(FORMALLY AVALON)**

This Declaration of Covenants, Conditions and Restrictions ("Declaration") is made effective the 15 day of December, 2009, by AVALON PARTNERS, LLC, a Tennessee limited liability company (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Exhibit A attached hereto and incorporated herein by reference ("Property") which Declarant desires to develop into several separate residential communities with separate homeowners associations, separate open spaces, separate common facilities and separate common areas for the benefit of said communities;

WHEREAS, Declarant desires to establish a method for the administration, maintenance, preservation, use and enjoyment of the main entrance to the Property;

WHEREAS, Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions for the benefit of all owners and/or occupants of residential property within the Property and all persons or entities having any interest in the Property, by the recording of this Declaration;

WHEREAS, as part of the general plan of improvement of the Property, Declarant desires to create an Association (as defined herein) to maintain, repair and replace, if necessary, the main entrance to the Property;

WHEREAS, Declarant desires that the Property be held, sold and conveyed subject to the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the Property described in Exhibit A shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Property, and shall run with the real property submitted to this Declaration in perpetuity. They shall be binding on all parties having any right, title or interest in the described Property, or any part thereof, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner thereof. The Original Declaration and amended Declaration recorded with the Williamson County Register of Deeds on May 26, 2005 are hereby amended and restated in their entirety as follows:

ARTICLE I

Definitions

Section 1. "Assessments" shall mean assessments for Common Expenses provided for herein which shall be used for the limited purposes of maintaining, repairing and replacing, if necessary, the main entrance to, and other specifically designated portions of, the Property, all as may be specifically authorized from time to time by the Board of Directors and as more specifically authorized below. The term "Assessments" shall include, without limitation, General Assessments and Special Assessments.

Section 2. "Association" shall mean and refer to Avalon Master Association, Inc., a Tennessee nonprofit corporation, its successors and assigns.

Section 3. "Board of Directors" or "Board" shall be the body responsible for managing the affairs of the Association. The various presidents of the homeowners associations shall be the members of the Board of Directors. Actions required of or permitted by the Board herein may be taken or fulfilled by a committee or other designee as may be established or appointed by the Board in accordance with the Bylaws of the Association.

Section 4. "Bylaws" shall mean the Bylaws of Avalon Master Association, Inc., attached hereto as Exhibit B and made a part hereof, and as may be amended from time to time.

Section 5. "Common Area" shall mean and refer to real property described in Exhibit C attached hereto, which real property shall constitute the main entrance to the Property, and any improvements thereon. Declarant shall convey the Common Area to the Association.

Section 6. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association and maintaining the Common Area, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration and the Bylaws of the Association.

Section 7. "Community-Wide Standard" shall mean the standard of maintenance, conduct or other activity generally prevailing in the subdivision developed on the Property.

Section 8. "Final Plat" shall mean the a final plat of the Property in the real estate records of the Register's Office for Williamson County, Tennessee, at Plat Book _____, Page _____.

Section 9. "Member" shall mean and refer to each of the various homeowners associations which are: The Village of Avalon Homeowners Association, Inc.; The Hamlet of Avalon Homeowners Association, Inc.; The Tors of Avalon Homeowners Association, Inc.; and The Vale of Avalon Homeowners Association, Inc.

Section 10. "Person" shall mean a natural person, a corporation, a partnership, limited liability company, trust, trustee or other legal entity.

Section 11. "Property" shall mean and refer to the real property described in Exhibit A attached hereto.

Section 12. "Subsequent Amendment" shall mean an amendment to this Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations to the provisions of this Declaration. The term "Declaration" as used herein shall include this Declaration, together with any and all Subsequent Amendments.

ARTICLE II

Property Rights

Section 1. Common Area and Other Portions of the Property. Every owner of a portion of the Property shall have a right and easement of enjoyment in and to the Common Area, as well as any and all walking trails located upon the Property, subject to any restrictions or limitations contained in this Declaration or in any Deed or amendment thereto conveying the

Common Area to the Association or subjecting the Common Area to this Declaration. Any owner may delegate his or her other right of enjoyment to the members of his or her family, tenants and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Property, and shall run with the real property submitted to this Declaration in perpetuity. They shall be binding on all parties having any right, title or interest in the described Property, or any part thereof, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner thereof.

Section 2. Sidewalks and Walking Trails. Every owner shall have a right and easement of enjoyment in and to the sidewalks and walking trails, if any, located in the Common Area, subject to any restrictions or limitations contained in this Declaration or in any Deed or amendment thereto conveying the Common Area to the Association or subjecting such Common Area to this Declaration. Any owner may delegate his other right of enjoyment to the members of his or her family, tenants and social invitees subject to reasonable regulation by the Board and in accordance with procedures the Board may adopt from time to time.

Section 3. Common Open Spaces.

(a) Purposes - Common open space shall be used for amenity or recreational purposes

(b) Uses - Common open space may be used for resource protection purposes, multiuse storm water facilities, passive or active recreational purposes, or for incidental utility uses. Open space areas shall not be occupied by non-recreational buildings, parking areas, streets, or street rights-of-way, nor shall it include the required minimum yards or lots of dwelling units.

(c) Improvements - Common open space shall be suitably improved for its intended uses, but common open space containing natural features worthy of preservation shall be left undisturbed. The buildings, structures, and improvements which are permitted in the open space shall be appropriate to the uses which are authorized for common open space and shall conserve and enhance the amenities with regard to its topography and unimproved condition.

(d) Maintenance - Common open space shall be maintained in reasonable order and condition, as determined by the codes director. In the event that common open space is not maintained in reasonable order and condition in accordance with the approved site plan, then the codes director may serve written notice of the deficiencies to the Master Association and each of its Member Associations of the development. If the deficiencies cited by the codes director have not been corrected within thirty (30) days after written notice, then he shall have the authority to correct the deficiencies. The cost of the correction shall be assessed jointly and severally against the Member homeowners associations .

ARTICLE III

Membership and Voting Rights

Section 1. Membership in the Association. The Declarant and each separate homeowners association (Village, Hamlet, Tors, and Vale) shall be a Member of the Association ("Member".)

Section 2. Class of Membership. The Association shall have one class of membership, the voting rights of which shall be set forth in the Bylaws.

ARTICLE IV

Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area and such other portions of the Property as the Board of Directors of the Association shall contract to maintain. Such maintenance shall include, without limitation, maintaining, repairing and replacing, subject to any insurance then in effect, all sidewalks, walking trails, trees, landscaping and other flora, structures, streets, security gates, alleys, irrigation system, storm water control and any other improvements situated upon the Common Area.

ARTICLE V

Insurance and Casualty Losses

Section 1. Insurance. The Board of Directors for the Association, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area, 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 the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability and hazard/multi-peril policy covering the Common Area, 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 Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a One Million Dollar (\$1,000,000.00) limit per occurrence, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance required by this Article V to be maintained by the Association shall be Common Expenses of the Association and shall be included in the General Assessment, as defined in Article IX, Section 1. The policy or policies may contain a reasonable deductible, and 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.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association. 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 and holding a rating of BBB+ or better in the Financial Category as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the more nearly equivalent rating.

(b) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees,

(c) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified

persons, at least one of whom must be in the real estate industry and familiar with construction in the Franklin, Williamson County, Tennessee, area.

(d) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, the Owners and their respective tenants, servants, agents and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) that no policy may be canceled, invalidated or suspended on account of any one or more individual Owners;

(iv) that no policy may be canceled, invalidated or suspended on account of the conduct of any Director, officer or employee of the Association or its duly authorized agent without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three months' Assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least 30 days' prior written notice to the Association. As set forth in Article XII, Section 3, of this Declaration, the Board shall also obtain, as a Common Expense, a reasonably available amount of Directors and Officers Errors and Omissions insurance.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies on Common Areas shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or construction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 2(a) hereof.

Section 3. Damage or Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Common Area covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the costs of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Area to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at a Special Meeting (as defined in the Bylaws) called in accordance with the Bylaws at least 75% of the total eligible vote of the Association shall decide within 60 days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Association within the 60-day period referenced above, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed 60 days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed. In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged portions of the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition and the remaining insurance proceeds shall be delivered pro rata to the Owners of each Residential Unit.

Section 4. Repair and Reconstruction. If the damage or destruction to the Common Areas for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all the Members. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Section 5. Annual Review of Policies. At least annually, the Board shall review all insurance policies that are required by this Article V to be maintained by the Association in order to ascertain whether the coverage contained in the policies is sufficient. If the Board deems such coverage to be insufficient, the Board may expand the coverage to the extent it reasonably deems necessary.

ARTICLE VI

No Partition

There shall be no physical partition of the Common Area or any part thereof. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property, which may or may not be subject to this Declaration.

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 all Members) by any authority having the power of condemnation or eminent domain, each Member shall be entitled to participate in the proceedings incident thereto, unless otherwise prohibited by law. The award made for such taking shall be payable to the Association as Trustee for all Members to be disbursed as follows: If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within 60 days after such taking the Declarant and at least 75% of the total eligible 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 any 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

Rights and Obligations of the Association

In addition to the powers delegated to the Association by its Charter, the Association shall have the obligation to perform each of the following duties related to the Common Area:

Section 1. Operation and Maintenance of Common Area. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its Members over and within the Common Area; to keep all improvements, if any, of whatever purpose from time to time located on the Common Area in good order, condition and repair. Said maintenance shall include, but not be limited to, the maintenance obligations set forth in Article IV, Section 1. Any other provision of this Declaration or the Bylaws notwithstanding, the Association always shall maintain lien-free title to the Common Area, excepting only a lien for current taxes not yet due and payable.

Section 2. Water and Other Utilities. To acquire, provide, and/or pay for water, sewerage, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Area.

Section 3. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association and/or the property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or secured by a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

Section 4. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, with a financial rating by Best's Insurance Reports of BBB+ or better, and maintain in force at all times such insurance as is required by this Declaration.

Section 5. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold or other property interests within Williamson County, Tennessee, conveyed to it by the Declarant as permitted herein.

Section 6. Rules and Regulations. The Association, through its Board of Directors or otherwise, may make and enforce reasonable rules and regulations governing the use of the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines, suspension of the right to vote and suspension of the right to use the Common Area, The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. In addition, the Association, through the Board or otherwise, may, by contract or other agreement, enforce city and county ordinances or permit the City of Franklin and Williamson County, Tennessee, to enforce ordinances on the Property for the benefit of the Association and its members.

Section 7. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege

Section 8. Restrictions on Sale/Dissolution. The Association shall not be dissolved, nor shall it dispose of any common open spaces or facilities, by sale or otherwise, except to an organization conceived and established to own and maintain the common open space and facilities. Conditions of any such transfer shall continue to conform to the approved site plan.

ARTICLE IX

Assessments

Section 1. General Assessments. The Board may levy general assessments for expenses determined by the Board to benefit the Association or the Members as a whole, including, without limitation, expenses incurred by the Association in fulfilling its maintenance obligations set forth in Article IV, Section 1 ("General Assessments"). General Assessments shall be allocated equally among all the Members.

Section 2. Assessment Obligation. Each Member is deemed to covenant and agree to pay all Assessments levied by the Association pursuant to this Declaration. A budget for the first year of the Association, including contemplated General Assessments, Special Assessments (as defined below) and a breakdown thereof, is attached hereto as Exhibit D (the 'Base Budget'). Each Member shall be subject to the Assessments set forth in the Base Budget when a certificate of occupancy is obtained on the first Unit lot. The Base Budget year for the Association shall commence January 1, 2006.

All Assessments, together with interest at the highest rate allowable under the laws of Tennessee from time to time relating to usury for residential real estate loans (or if no such rate is

established, 16% per annum) ("Interest"), costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Real property owned by the Member against which each Assessment is made.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board. The manner of payment fixed by the Board may include, without limitation, acceleration of the Assessment levied on a particular Member on account of delinquent payment of such Assessment or monthly installment thereof. Unless the Board otherwise provides, Annual Assessments shall be paid in monthly installments. In the event a Member does not pay Assessments in such manner and on such dates fixed by the Board, the Board has the power to lien for collection of said Assessments. The entire Assessment shall be a lien upon the Member from the date that the lien is filed in the Register's Office of Williamson County until such date as the Assessment is paid in full.

Assessments cannot be increased more than 25% per annum without a two-thirds majority vote of the Members of the Association.

Section 3. Computation of Annual Assessment. It shall be the duty of the Board, at least 60 days before the beginning of the fiscal year and 30 days prior to the meeting at which the budget shall be presented to the Members, to prepare a budget covering the estimated costs of operating the Association during the coming year (the "Operating Budget"). The Operating Budget shall include a capital contribution establishing a reserve fund in accordance with a Capital Budget separately prepared, as more particularly described in Article IX, Section 6, below. The Board shall set Assessments based on the Operating Budget and the Capital Budget, provided that the Board may not increase Assessments more than 25% per annum except as set forth in Article IX, Section 2. The Board shall cause a copy of the Operating Budget, and the amount of each General Assessment to be levied against each Member for the following year, to be delivered to each Member at least ten days prior to the meeting. The Operating Budget, together with the Capital Budget and the General Assessments (collectively, the "Budget"), shall become effective unless disapproved at the meeting by a majority vote of the total Association membership.

The Annual Assessment will be allocated to the members on a pro-rata basis based on the number of residential units collectively comprising each Member.

Notwithstanding the foregoing, however, in the event the Members disapprove the proposed Budget or the Board fails for any reason to determine the Budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the Budget in effect for the then current year shall continue for the succeeding year.

Section 4. Special Assessments. In addition to the General Assessments authorized above, the Board may levy, during any calendar year, but in no event prior to the first annual meeting of the Members, special assessments, applicable only to that year, to be used solely to defray in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a capital improvement on the Common Area, including the necessary fixtures and personal property related thereto ("Special Assessments"). The Board may levy a Special Assessment against all Members for such expenses determined by the Board to benefit the Association and/or the Members as a whole, and may levy a Special Assessment against particular portions of the Common Area for such expenses as may be determined by the Board to benefit less than the Association as a whole. A Special Assessment must be approved by vote or written consent of (a) 67% of the Member Associations at a meeting called for such purpose at which a quorum is present; or (b) 67% of the Member's home owners directly affected or benefited by the Special

Assessment, in the opinion of the Board, if less than all of the Members are benefited.

Special Assessments will be allocated to the members on a pro-rata basis based on the number of residential units collectively comprising each Member.

Section 5. Capital Budget and Contribution. As noted in Article IX, Section 3, above, the Board of Directors shall annually prepare a Capital Budget that shall 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 shall 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 Assessments over the period of the Budget. The capital contribution required shall be fixed by the Board and included within the Operating Budget and Assessment, as provided in Section 3 of this Article.

Section 6. Start-up Assessment. Each Member shall pay to the Association a start-up assessment fee equal to one month's Assessment to provide the Association with initial working capital ("Start-up Assessment"). This one time Start-up Assessment shall be in addition to the regular Assessments provided for above.

Section 7. Changing Needs. The Association shall be able to adjust assessments in order to meeting changing needs.

ARTICLE X

Use Restrictions

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

(a) Entrance Use. Except as otherwise provided in this Declaration, the Common Area shall be used as the main entrance to the Property and for no other purposes.

(b) Association to Landscape Common Area. Except as otherwise provided herein, 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. No Member shall remove, alter or injure in any way any shrubs, trees, grass, plants or other landscaping placed upon or about the Common Area.

(c) Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any portion of the Common Area, except for: (1) directional or informational signs, established by Declarant or the Association; and (2) signs used by Declarant, or by its successors or assigns, to advertise the Property.

(d) Quiet Enjoyment. No noxious, offensive or illegal activity shall be carried on, in or upon any part of the Common Area, nor shall anything be done thereon that may be or may become an annoyance or nuisance to the neighborhood, that shall interfere in any way with each Member's quiet enjoyment of its respective real property, or that shall increase the rate of insurance in any way.

(e) Temporary Structures. No structure of a temporary character, or other out-building shall be used on the Common Area at any time as a residence or otherwise, either temporarily or permanently. Declarant or its agents shall have the right to conduct any business necessary for

the sale of the Property. In furtherance thereof Declarant shall have an easement over all of the Common Area for ingress, egress and parking for itself, its agents, employees and prospective buyers of the Property for so long as Declarant or any subsidiary or affiliated company owns any interest in the Property.

(f) Vehicles. No truck, trailer, camper, boat, van or similar equipment or disabled car shall be permitted to remain upon or within the Common Area unless on space designated for such use by the Association. No such equipment may be stored or permitted to remain upon or within any portion of the Common Area for more than 48 hours.

(g) Compliance with Law. The Association and each Member shall comply promptly with all laws, statutes, ordinances, rules and regulations of federal, state or municipal governments or authorities applicable to use, occupancy, construction and maintenance of any improvements upon the Common Area.

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 Common Area, provided such rules and regulations are not inconsistent with this Declaration.

ARTICLE XII

General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Common Area, and shall inure to the benefit of and shall be enforceable by the Association or each Member subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 30 years from the date this Declaration is recorded. After the initial 30-year term has expired, the term of this Declaration shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by 67% of the then Members, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

Section 2. Amendment. At any time and from time to time, until the first annual meeting of the membership of the Association. Declarant may amend this Declaration, without joinder of any Member, Thereafter or in the event Declarant does not own any of the Property, this Declaration may be amended by a 75% affirmative vote. Any amendment shall not become effective until recorded in the Register's Office of Williamson County, Tennessee. 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.

Section 3. Indemnification. The Association shall indemnify its officers and directors against any and all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other controversy or proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party, or may become involved, by reason of being or having been an officer or director of the Association. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be

members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Delegation of Use. Any Member may delegate, in accordance with the Bylaws of the Association, its right of enjoyment to the Common Area and facilities to its members, subject to such rules and regulations as the Board of Directors may adopt.

Section 5. Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant and granted to the Association blanket easements upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining security and similar systems, irrigation systems, walkways and all utilities, including, but not limited to, water, sewers, telephones, gas and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development, maintenance or alteration of any portion of the Property.

(b) Declarant hereby reserves unto itself and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as set forth in this Declaration, Bylaws and Association Rules.

(c) Notwithstanding anything herein to the contrary, this Declaration and the conveyance of each part of the Property shall be subject to all easements, licenses or permits heretofore or hereafter granted by Declarant or by the Board for the installation and maintenance of utilities and drainage facilities necessary for the development of the Property.

(d) Each of the easements provided for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Property and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Property.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect. Each covenant and restriction shall be enforced to the fullest extent permitted by law.

Section 7. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIII

Regulation by the City of Franklin, Tennessee

Each Member hereby agrees that the City of Franklin, Tennessee, is authorized and empowered to require the Association and each Member, jointly and/or severally, to provide for

the orderly maintenance and upkeep of the Common Area. In the event that the City, or any agent thereof, determines that the Common Area is being maintained in a manner which is dangerous or detrimental to the health, safety and welfare of the community, pursuant to the provisions of the Franklin Municipal Charter and Code, the City and its agents may, upon ten (10) days' notice to the Association, enter upon the Common Area and make any repairs or improvements to the Common Area which the City and its agents deem necessary to remedy such conditions. Thereafter, the Association and each Member shall be obligated to pay to the City its costs for all improvements, work and/or labor supplied or furnished to the Common Area. The obligation to pay said costs shall be an obligation of the Association and each Member, jointly and severally. All such costs shall be paid to the City within five days of receipt from the City of a statement for such costs, which receipt shall be required to be served upon the President of the Association only. All Members hereby waive notice of receipt of said statement for such costs, In order to secure payment at and after the due date, there shall arise a continuing lien and charge against any real property owned by a Member in favor of the City, the amount of which shall include costs and reasonable attorneys' fees to the extent permissible by law. The City may bring an action at law against the Association and/or any Member.

ARTICLE XIV

Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Register's Office of Williamson County, Tennessee.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration effective as of the date first set forth above.

AVALON PARTNERS, LLC

By: David L. Schwab

Print Name: DAVID L. SCHWAB

Title: Chief Manager

STATE OF TENNESSEE
COUNTY OF WILLIAMSON)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid,

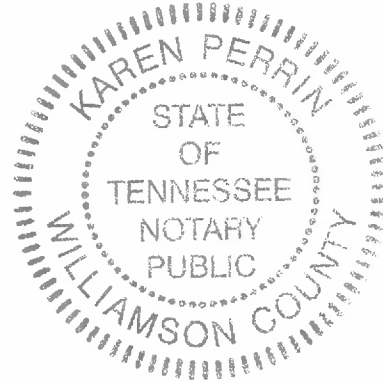
David Schwab with whom I am personally acquainted (or proved to me on basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of AVALON PARTNERS, LLC, the within named

bargainor, a Tennessee limited liability company, and he as such Chief Manager being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such Chief Manager.

WITNESS MY HAND and official seal at my office on this the 15 day of Dec, 2009.

Karen Perrin
Notary Public

My Commission Expires: July 21, 2013



Bylaws of Avalon Master Association, Inc.
(Amended November 2009)

Article I — Name

The affairs of the Association shall be conducted using the name Avalon Master Association, Inc. (the "Association") or such other name or names as the Board of Directors may from time to time authorize.

Unless otherwise herein to the contrary expressly provided, all capitalized terms used but not defined herein shall be deemed to have those meanings assigned thereto in the Declaration of Covenants, Conditions, and Restrictions for Avalon of record in Book 4973 page 1-25, Register's Office for Williamson County, Tennessee (the "Declaration").

Article II — Offices

The principal office of the Association shall be located in 5120 Virginia Way, Suite B-11, Brentwood, Tennessee, 37027. The Association may also maintain offices at such other places as the Board of Directors may from time to time designate or as the affairs of the Association may from time to time require.

Article III — Association Membership and Purpose.

3.01 Membership. Every Homeowner's Association comprising shall be deemed to have a membership in the Association. Specifically the members are: The Village of Avalon Homeowners Association, Inc.; The Hamlet of Avalon Homeowners Association, Inc.; The Tors of Avalon Homeowners Association, Inc.; and the Vale of Avalon Homeowners Association, Inc. (collectively, the "Members"). Membership shall be appurtenant to and may not be separated from the individual associations, and the existence of the individual associations shall be the sole qualification for such membership. In the event that legal and equitable fee title to any of the associations is transferred or otherwise conveyed, that membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an individual association's membership in the Association. Notwithstanding any of the foregoing to the contrary, no individual association, whether one or more associations, shall have more than one membership per association. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by one of the associations representatives, but in no event shall more than one vote be cast or more than one office be held by an individual association. The voting weight appurtenant to each individual association is equal and each individual association shall have one vote, except that until the first annual meeting of the Association as defined in Article 4.01 of these Bylaws, each individual association owned by the Declarant shall be entitled to four (4) votes on each issue voted upon by the membership of the Association; and, thereafter, each individual association owned by the Declarant shall be entitled to three (3) votes on each issue voted upon by the membership of the Association. Such voting weight shall continue to be equal upon the addition of all or a portion of the Additional Property, as defined in the Declaration, and each individual association therein shall have one vote, except as provided in this Article 3.01.

3.02 Purpose of the Association. The Association is formed to own the common area of Avalon which real property shall constitute the main entrance to the Property, and any improvements thereon and to provide for the maintenance, control and preservation of said real property.

Article IV — Meeting of Members

4.01 Notice of Meeting and Quorum. Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized under Sections 7.01 and 7.02 hereof, shall be sent to all members not less than fifteen (15) days nor more than forty-five (45) days in advance of such meeting. With respect to annual meetings, the presence of members or proxies entitled to cast over fifty percent (50%) of all the votes of the Association shall constitute a quorum. In the event of the absence of a quorum at such meeting, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of members having one-third (1/3) of the total votes of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The first annual meeting of the Association shall be held within sixty (60) days January 1, 2006.

4.02 Special Meetings. Special meetings of the Members may be called by the President, a majority vote of the Board of Directors, or by written request of fifteen (15%) percent or more of the members entitled to vote. Notices of a special meeting must contain a statement of the purpose for which such meeting is called, and no other business may be transacted at that meeting.

4.03 Informal Action. Any action required by law to be taken at a meeting of the Members, or any action that may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof.

4.04 Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy.

4.05 Voting by Mail. As to any matter requiring approval: and vote of the Members, including but not limited to the election of Directors or officers, such election or vote maybe conducted by mail, using absentee ballots, or in such other manner as the Board of Directors shall determine.

Article V — Board of Directors

5.0.1 Composition. The affairs of the Association shall be governed by the Board of Directors of not less than three (3) nor more than five (5) Directors. The Association, subject to the rights of Declarant and the rights and duties of the individual associations set forth in the Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the laws of Tennessee relating to non-profit corporations, the Declaration, the Bylaws, or the charter, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors acting through the officers of the Association, without any further consent or action on

the part of the individual associations. Declarant shall have the right to appoint one member of the Board of Directors so long as Declarant owns any Residential Unit in Avalon. Directors appointed by Declarant need not be an Owner or one of the member associations. Each individual association vests in Declarant such authority to appoint and remove Directors and officers of the Association,

5.02 Election of Board of Directors. Subject to the rights of the Declarant, Directors shall be elected annually by each Member Association Board of Directors for one (1) year terms.

5.03 Removal of Directors. Any director may be removed without cause by a vote of two-thirds (2/3) of the Directors then in office. In the event a director is removed, his/her replacement shall be the selected by the respective Member's Board of Directors to serve out the remaining term.

5.04 Resignation. Any director may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board or the Association. A resignation shall be effective when notice thereof is so delivered, unless the notice specifies a later effective date. In the event a director resigns, his/her replacement shall be selected by the respective Member's Board of Directors to serve out the remaining term.

5.05 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or the Articles of Incorporation of the Association or by these Bylaws may not be delegated to the Board of Directors by the individual associations. The powers and duties to be exercised by the Board of Directors shall include but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the main entrance to the Property;
- (b) Determination of the amount of funds required for operation, maintenance and other affairs of Avalon;
- (c) Collection of the assessments and common charges from the individual associations;
- (d) Employment and dismissal of personnel necessary for the efficient maintenance and operation of the Association;
- (e) Adoption and amendment of rules and regulations covering the details of the operation of the Association;
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefore;
- (g) Obtaining insurance for the Association property, pursuant to the provisions of the Declaration and these Bylaws;
- (h) Making repairs, additions and improvements to, or alterations of, the Association property, in accordance with the provisions of the Declaration; and

5.06 Manager. The Board of Directors may employ for the Association a manager at a compensation established by the Board of Directors. The Board of Directors may delegate to the

manager or managing agent all of the powers granted to the Board of Directors by the Declarant and by these Bylaws other than the powers set forth in subdivisions (b), (e), (g) and (i) of Section 5.05 of this Article V.

The Principals Group, LLC or an affiliate shall be employed as the manager of the Association and Avalon for such period of time as Declarant has the right to appoint and remove officers and Directors of the Association.

5.07 Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director, by mail or facsimile, at least three (3) business days prior to the day named for such meeting.

5.08 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each Director, given by mail or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Secretary in like manner.

5.09 Notice. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by email, such notice shall be deemed to be delivered when the email is acknowledged to the sender by the recipient. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

If the Board of Directors changes the place, date or time of a regular meeting, notice of such action shall be given to each Director who was not present at the meeting at which such action was taken. Any Board action to remove a Director; amend the bylaws; amend the charter (other than a charter amendment to: [a] delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the Secretary of State; [b] change the address of the principal office of the Association; or [c] change the corporate name by substituting the word 'corporation,' 'incorporated,' 'company,' 'limited,' or the abbreviation 'corp.,' 'inc.,' or 'Ltd.,' or a similar word or abbreviation in the name or by adding a geographical attribution to the name; approve a transaction in which a Director or officer of the Association has a conflict of interest; authorize the indemnification of a Director, employee or agent of the Association; approve a plan of merger, approve a sale, lease, exchange or other disposition of all or substantially off of the Association's assets other than in the regular course of activities; or approve a dissolution of the Association requires that each Director be given at least seven (7) days' written notice that the matter will be voted upon at a Directors' meeting. The notice of any meeting at which a bylaw amendment; charter amendment; plan of merger; plan for the sale, lease, exchange or other disposition of all or substantially all of the Association's assets; or plan of dissolution is to be voted upon must state that the purpose, or one of the purposes, of the meeting is to consider such proposed amendment or plan and contain or be accompanied by a

copy or summary of such amendment or plan.

Where reasonable under the circumstances, notice may be either written or oral, and may be communicated in person, by telephone, email, or other form of wire or wireless communication, or by mail or private carrier. Written notice in a comprehensible form is effective at the earliest of the following:

- (a) when received;
- (b) five (5) days after its deposit in the United State mail, if mailed correctly addressed and with first class postage affixed thereon;
- (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee; or
- (d) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first-class, registered or certified postage affixed.

Notice of an adjourned meeting need not be given if the time and place to which such meeting is adjourned are fixed at the meeting at which the adjournment is taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment. At the adjourned meeting, the Board of Directors may transact any business, which might have been transacted at the meeting.

5.10 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice.

5.11 Quorum of Board of Directors. If two-thirds (2/3) or more of the Directors are represented at a meeting of the Board of Directors, a quorum shall be considered. to be present. A majority vote of the Directors represented at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting to a specific future time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.12 Fidelity Bonds, The Board of Directors may obtain adequate fidelity bonds for such officers and employees of the Association handling or responsible for Association funds. The premiums of such bonds shall constitute a common expense.

5.13 Telephone Board and Committee Meetings. Members of the Board of Directors, or of any committee of the Board of Directors, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by mans of which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in such a meeting shall constitute presence in person at such a meeting.

5.14 Reliance Upon Information, Opinions, Reports or Statements. To the full extent allowed by law, a member of the Board of Directors, or a member of any committee of the Board of Directors, shall, in the performance of his duties, be protected in relying in good faith upon

information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or (iii) a committee of the Board of Directors of which he is not a member if the Director reasonably believes the committee merits confidence.

Article VI — Officers

6.01 Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect such other officers as in its judgment may be necessary.

6.02 Election of Officers. Officers shall be elected annually by the Board of Directors. In the event of the death, resignation or disability of an Officer, his successor may be appointed by the Declarant or elected at any regular meeting of the Board of Directors called for such purpose, as the case may be.

6.03 Removal of Officers. Any Officer may be removed by a vote of the majority of the Board of Directors, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purpose.

6.04 Resignation. Any officer may resign at any time by delivering notice to the Association. Such a resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

6.05 Reliance Upon Information, Opinions, Reports or Statements. To the full extent allowed by law, an officer of the Association shall, in the performance of his duties, be protected in relying in good faith upon information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Association whom the officer reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

6.06 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are incident to his office and shall perform all of the duties assigned by the Board of Directors.

6.07 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis, The Vice President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors or by the President.

6.08 Secretary. The Secretary shall keep the minutes of all meetings of the individual associations and of the Board of Directors. He shall be in charge of such books and papers as the

Board of Directors may direct, shall give notice in conformity with these Bylaws of any and all meetings, and shall also perform all other duties assigned to him by the Board of Directors.

6.09 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account and for the preparation of all required financial statements, including an itemized record of all receipts and expenditures, as well as a separate account for each individual association which shall indicate the name and address of the individual association, the amount of each assessment for expenses against such individual association, the date when due, the amount paid thereon, and the balance remaining unpaid. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all other duties assigned to him by the Board of Directors.

6.10 Agreements, Contracts, Deeds, Checks, et cetera. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors,

6.11 Compensation of Directors and Officers. No director or officer shall receive any compensation from the Association for acting as such.

Article VII — Operation of the Property

7.1 Computation of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause the budget and the proposed total of the annual assessments to be levied against individual associations for the following year to be delivered to each individual association at least fifteen (15) days prior to such meeting. The total annual assessments shall be divided among the individual associations equally, so that each individual association shall be subject to equal annual assessments. Upon the addition of the Additional Property or any portion thereof to Avalon, assessments shall continue to be equal, and the individual associations being added to Avalon shall pay assessments which are equal to those imposed upon the individual associations previously in Avalon, subject to the terms and provisions of the Declaration. In such event, the Association's budget shall be accordingly revised by the Board, without the necessity of approval by the individual associations, to include Common Expenses and assessments related to such additional individual associations. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (1) Declarant, for so long as Declarant has the authority to appoint and remove Directors and officers of the Association, or (ii) a vote of a majority of the votes of the individual associations (provided that it shall require a vote of a least fifty-one percent (51 %) of the total membership to disapprove the budget. Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual assessments in effect for the then current year shall remain in effect until a new budget shall have been approved as provided above. If any budget at any item proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special assessment as provided in Section 7.02 hereof. The Common Expenses to be funded by the annual assessments may include, but shall

not necessarily be limited to the following:

(a) management fees and expenses of administration, including legal and accounting fees and insurance premiums;

(b) utility charges for utilities serving the Common Areas and charges for other common services for Avalon, including trash collection and security services, if any such services or charges are provided or paid by the Association;

(c) the expenses of maintenance, operation and repair of those portions of the Common Areas including but not limited to entry monuments and signage, which are the responsibility of the Association under the provisions of the Declaration;

(d) the expenses of maintenance, operation and repair of other amenities and facilities serving Avalon, the maintenance, operation and repair of which the Board from time to time determines to be in the best interest of the Association;

(e) *ad valorem* real and personal property taxes assessed and levied against the Common Areas, if any;

(f) the expenses of recreational, cultural or other related programs for the benefit of the individual associations' Owners and their families, tenants, guests and invitees;

(g) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against individual associations; and

(h) the establishment and maintenance of a reasonable reserve fund (i) for inspections, maintenance, repair and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be inspected, maintained, repaired or replaced on a periodic basis, (ii) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds, and (iii) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters all as may be authorized from time to time by the Board of Directors.

7.02 Special Assessments. In addition to the annual assessments authorized above, the Association, acting through its Board of Directors, may levy in any assessment year special assessments for Common Expenses, applicable to that year only. Subject to the provisions of the Declaration, any such assessment shall be approved by (i) Declarant, for so long as Declarant owns any individual association primarily for the purpose of sale or has the unexpired option to add the Additional Property or any portion thereof to Avalon, and (ii) by sixty-seven percent (67%) of the votes of the individual associations at a meeting duly called for this purpose in accordance with the provisions of Section 4.01 hereof. The Board of Directors may make such special assessments payable in installments over a period which may, in the Board's discretion extend in excess of the fiscal year in which adopted. Such special assessments are to be prorated among the individual associations equally as provided with respect to annual assessments, except as provided in the Declaration.

7.03 Individual Assessments. Any expenses of the Association occasioned by the conduct of less than all of the individual associations, shall be specially assessed against such individual association. The individual assessments provided for in this Section 7.03 shall be levied by the

Board of Directors and the amount and due date of such assessment so levied by the Board shall be specified by the Board.

7.04 Liens. All sums assessed against any individual association pursuant to the Declaration, together with court costs, reasonable attorneys' fees, late charges and interest as provided herein, shall be secured by an equitable charge on the individual association .

7.05 Effect of Nonpayment; Remedies of the Association. Any assessments, or portions thereof, which are not paid when due shall be delinquent. Once any assessment or any portion thereof has become delinquent, the Association may require the delinquent individual association file a notice of lien in the records of the Register's Office of Williamson County, Tennessee of any delinquent homeowners. Any assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate to be determined by the Board of Directors. A lien and equitable charge as herein provided for each assessment shall attach simultaneously as the same shall become due and payable, and if an assessment has not been paid within thirty (30) days, the entire unpaid balance of the assessment may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such assessment shall include the late charge established by the Board of Directors, interest on the principal amount due, all costs of collection (including reasonable attorney's fees and court costs),. And any other amounts provided or permitted hereunder or by law. In the event that the assessment remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided herein shall be in favor of the Association, and each individual association or Owner by his membership in the Association and/or acceptance of a deed or other conveyance to a Residential Unit vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such assessments as a debt and/or to foreclose the aforesaid lien in the manner provided in the Declaration. The Individual Association shall have the power to bid on the Residential Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein, including by way of illustration, but not without limitation, non-use of the Common Areas or abandonment of his Residential Unit, and an Owner shall remain personally liable for assessments, interest and late charges which accrue prior to a sale, transfer or other conveyance of his Residential Unit.

7.06 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each individual association as set forth in the Declaration and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Annual assessments and any outstanding special assessments shall be adjusted for such individual association according to the number of months then remaining in the then fiscal year of the Association and the number of days then remaining in the month in which such individual association is first conveyed. Annual and special assessments for individual associations in portions of the Additional Property hereafter submitted to the terms of this Declaration shall commence as provided in the Declaration, and annual and special assessments for each such individual association shall be adjusted according to the number of months then remaining in the fiscal year of the Association and the number of days then remaining in the month in which such assessments commence. Except as provided in the Declaration, Declarant shall not be responsible for the payment of annual or special assessments on Residential Units which it or its affiliates own and which do not contain occupied residences, provided that Declarant covenants

and agrees to pay annual and special assessments for each Residential Unit owned by Declarant or an affiliate and containing residences (except as hereinafter provided). Furthermore, Declarant shall have the option to either pay annual assessments on the Residential Units owned by Declarant or fund any deficit which may exist between assessments and the annual budget of the Association; provided however, that the budget, assessments and deficit, if any shall be annually reviewed by Declarant and the Board of Directors, and during such period Declarant's obligation for funding deficits shall only be up to the amount of the Association's budget. Declarant's funding of any deficit which may exist between annual assessments and the annual budget of the Association will be deemed a loan from Declarant to the Association which is due and payable as Association funds are available.

Article VIII — Arbitration

8.01 Arbitration. Any disputes or controversies among Owners arising under these Bylaws or under the Declaration shall be submitted to the Board of Directors for decision. The Board of Directors is required to issue its decision on such matters within thirty (30) days after the controversy or dispute is submitted by any individual association. The submission of any such dispute or controversy to the Board of Directors shall be an express condition precedent to the institution of any legal action or proceeding.

Article IX — Record

9.01 Records and Audits. The Board of Directors shall keep detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the individual associations, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures, as well as a separate account for each Residential Unit which shall indicate the name and address of the Residential Unit, the date when due, the amounts paid thereof, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the Association shall be rendered by the Board of Directors to all individual associations promptly after the end of each fiscal year. All such records shall be open to inspection by representatives of any individual association as designated by the individual association's Board of Directors.

Article X — Miscellaneous

10.01 Notices. All notices to the Board of Directors or to the Association shall be sent registered or certified mail to such address as the Board of Directors may hereafter designate from time to time. All notices to any individual association shall be sent registered or certified mail to such address as shall be designated by him in writing to the Board of Directors.

10.02 Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity or enforceability, or affect the balance of these Bylaws.

10.03 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

10.04 Gender. All provisions herein include the male, female and neuter gender and include the singular and plural numbers as the case may be.

10.05 Waiver. No restriction, condition, obligation or provisions contained in these

Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce it, irrespective of the number of violations or breaches thereof which may occur.

Article XI — Amendments to Bylaws

11.01 Amendments to Bylaws. These Bylaws may be modified or amended by the vote of two-thirds (2/3) of the total authorized votes for all individual associations at a meeting of individual associations called for such purpose. The notice of such a meeting must be mailed to all individual associations at least ten (10) days prior to the scheduled date for the meeting and the notice must set forth the proposed amendment. No such amendment shall be effective until recorded in the office of the Register of Deeds of Williamson County, Tennessee.

Article XII — Indemnification of Officers, Directors, Employees and Agents

12.01 General. The Association shall have the power to indemnify any person authorized by the Tennessee Nonprofit Corporation Act, as the same may be amended from time to time, in the manner prescribed therein, to the full extent allowed thereby.

12.02 Indemnification Not Exclusive. To the extent permitted by the Tennessee Nonprofit Corporation Act, as amended, the rights of indemnification provided in this Article XII shall be in addition to any rights to which any such director, officer, employee or other person may otherwise be entitled by contract or as a matter of law.

12.03 Insurance. The Association shall have the power by action of the Board of Directors to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who, while a director, officer, employee or agent of the Association, is or was serving at the request of the Association as a director, officer, employee or agent of another corporation because of the Association's interest in such other corporation, from and against any liability asserted against him or incurred by him in any such capacity or arising out of his status as a director, officer, employee or agent, whether or not the Association would have the power to indemnify him against such liability.

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RESTRICTIONS	
12/15/2009	11:56 AM
BATCH	166679
MTG TAX	0.00
TRN TAX	0.00
REC FEE	125.00
DP FEE	2.00
ARC FEE	0.00
TOTAL	127.00

STATE OF TENNESSEE, WILLIAMSON COUNTY
SADIE WADE
REGISTER OF DEEDS