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BOOK 5532 PAGE 727

MASTER DEED

ESTABLISHING A HORIZONTAL PROPERTY REGIME OF

DORAL COUNTRY VILLA , SECTION VII

THIS MASTER DEED is made this 14th day of November, 1979, by EDDIE REDMON, TRUSTEE, (hereinafter called the "Developer"), for himself, his successors and assigns, wherein the Developer makes the following declarations and submissions:

1. SUBMISSION TO HORIZONTAL PROPERTY REGIME: The purpose of this Master Deed is to submit the land described in Exhibit A attached hereto and made a part hereof (hereinafter sometimes referred to as "Tract A"), and the improvements constructed or to be constructed thereon, to the regime established by Chapter 27 of Title 64, Tennessee Code Annotated, thereby establishing a Horizontal Property Regime, hereinafter sometimes referred to as "Doral Country Villa , Section VII," "condominium," or "condominium project."

2. NAME AND ADDRESS: The name by which this condominium is to be identified is Doral Country Villa , Section VII. The address is 523 Doral Country Drive, Nashville, Davidson County, Tennessee.

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

(i) "Doral Country Villa , Section VII" shall refer to the condominium project, which may be expanded from time to time, the planned community of residential condominium units, the common elements, the common property, and the buildings owned in common thereon.

(ii) "Developer" or "Grantor" shall refer to Eddie Redmon, Trustee.

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(iii) "Act" or "Horizontal Property Act" means Title 64, Chapter 27, Tennessee Code Annotated.

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

(v) "By-Laws" means the By-Laws of the Doral Country Villa , Section VII, Condominium Association, Inc., attached hereto and made a part hereof.

(vi) "Charter" shall refer to the Charter of Doral Country Villa , Section VII, Condominium Association, Inc.

(vii) "Association" shall refer to the condominium project; the Board of Managers of the condominium; Doral Country Villa , Section VII, Condominium Association, Inc., a not-for-profit corporation organized under the laws of Tennessee, the members of which are unit owners of this project; or the condominium unit owners as a group, or such other body or group as the context may require.

(viii) "Unit" or "Condominium Unit" means that portion of the condominium project property which is subject to private ownership, including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) within an enclosed space ("Condominium Unit" or "Unit" as defined herein is referred to as an "apartment" in the Horizontal Property Act).

(ix) "Condominium Unit Owner" means the owner of a condominium unit. ("Condominium Unit Owner" or "Unit Owner" as defined herein is referred to as "Co-owner" or "Apartment Co-owner" in the Horizontal Property Act.)

(x) "Common Expenses" means the expenses for which the condominium unit owners are liable to the Association as set forth in the condominium project documents.

(xi) "Condominium Property" or "Condominium Project" means the land, all improvements thereon, including the individual

condominium units, the common elements and limited common elements, and all easements and rights appurtenant thereto which are intended for use in connection with this condominium project.

(xii) "Common Elements" or "Common Areas" means the portion of the condominium project not included in the individual condominium units.

(xiii) "Limited Common Elements" or Limited Common Areas" means those portions of the common elements which are reserved for use of a certain individual condominium unit owner to the exclusion of other condominium unit owners.

(xiv) "Expansion," "Annexation," and "Merger" shall all refer to an expansion of the condominium project and shall be used interchangeably.

4. ADMINISTRATION: (i) The administration of the condominium project shall be governed by this Master Deed and any amendments thereto, and by the Charter and By-Laws of Doral Country Villa , Section VII, Condominium Association, Inc., a not-for-profit Tennessee corporation. The governing body of the condominium project shall be the Board of Managers of Doral Country Villa , Section VII, Condominium Association, Inc., as is set forth herein and in the By-Laws attached hereto and made a part hereof.

(ii) A unit owner of a condominium unit shall automatically become a member of the Doral Country Villa , Section VII, Condominium Association, Inc., upon acquiring an ownership interest in a unit, and shall remain a member for the period of his ownership.

5. OWNERSHIP AND DESCRIPTION OF LANDS: RESERVATION OF EASEMENTS: The lands hereby submitted to the Horizontal Property Regime, hereinafter sometimes referred to as Tract A, are owned in fee simple by the Developer and are described in Exhibit A attached hereto and made a part hereof. Said Tract A is the same real property shown on the plat of record at Book 5200, Page 223, Register's Office for Davidson County, Tennessee. The fee simple title in such land, together with the buildings and improvements thereon,

is hereby vested in the Horizontal Property Regime established by this Master Deed. In the event the condominium project is expanded, the common elements on Tract A shall become common elements for the expanded condominium project.

Perpetual easements are reserved for the following uses and purposes: (i) The Developer hereby reserves for himself and for all future condominium unit owners of the condominium project as expanded a perpetual easement of right-of-way and access to units over and across the condominium project for the benefit and use of the condominium unit owners and for construction, installation and maintenance of utilities, ingress and egress, for sales of condominium units and related activities, and for the reasonable use and enjoyment of the open areas and recreational facilities;

(ii) Developer further reserves the right to establish from time to time other easements, reservations, exceptions, and exclusions consistent with the condominium project, as expanded;

(iii) Easements are reserved over and across the condominium project for the Developer, who shall have the unrestricted right to relocate, expand, modify, reduce, or extend existing driveways, parking areas, and yards, and to construct, expand, enlarge or relocate sewers, utility lines, or service connections in order to serve the condominium project, along with those condominium units which may be annexed to this condominium project, or other condominium projects which may be merged into this condominium project;

(iv) Easements are hereby reserved in the common elements of Tract A for the benefit and use of the condominium unit owners of any condominium unit which may be annexed to or merged into this condominium project, if and at such time such condominium units are annexed to and become a part of this condominium project;

(v) Each of the easements provided for in the Master Deed shall be deemed to be established upon the recordation of the Master Deed, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the condominium units and unit owners, the common areas and common elements, and

any limited common elements, as the case may be. Said easements are superior to all other encumbrances applied against or in favor of any portion of the area which is the subject of the Master Deed, or the Master Deed as it may be amended;

(vi) There is hereby reserved to the Developer and to the Association, their successors, and assigns, and their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations as are set forth in the Master Deed, the Charter, the By-Laws, and the rules and regulations.

6. DESCRIPTION OF CONDOMINIUM PROJECT:

(i) The condominium project shall have 66 units. Additional units may be added to the development by expansion, annexation, or merger as provided in this instrument.

(ii) All of the condominium units and their respective unit numbers, property identification numbers, locations, and approximate areas are shown and set out in the Plat recorded in Book 5200, Page 223 in the Register's Office for Davidson County, Tennessee, which Plat is adopted herein by reference. A listing of each unit together with its approximate square footage is contained in Exhibit B which is attached hereto and which is hereby incorporated by reference and made a part of this instrument.

(iii) Each Building contains two (2) units. The condominium project shall have a concrete patio and a concrete parking pad adjacent to each of the respective units for the use and enjoyment of that unit. All units are centrally heated and air conditioned with individual controls in each unit. The condominium project contains a swimming pool for the use and enjoyment of the unit owners.

(iv) The Developer reserves the right to change the design and arrangement of any condominium unit and to alter the boundries between units so long as any unit so altered or directly affected by such alterations is owned by the Developer.

7. UNIT OWNERS' ASSOCIATION:

(i) Membership. Grantor shall forthwith cause to be formed a Tennessee Corporation, not for profit, to be called "Doral Country Villa , Section VII, Condominium Association, Inc.", which shall administer the condominium property. Each unit owner, upon acquisition of an ownership interest in a unit within the condominium property shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition of his ownership interest, at which time the new owner of such ownership interest shall automatically become a member of the Association.

(ii) Board of Managers and Officers. The Board and Officers of the Association, elected as provided in the By-laws, shall exercise the powers, discharge the duties and be vested with the rights conferred upon the Association by operation of law, by the By-laws and by this Declaration. The Grantor, his heirs, successors and assigns, shall have the right to elect or appoint a majority of the Board of the Association until September 30, 1981. In the event that there shall be a vacancy in the office of any Board member appointed by the Grantor during the time in which Grantor has the right to appoint a majority of the Board members, then the provisions of the By-laws to the contrary notwithstanding, the successor or substitute Board member shall be appointed or elected by the Grantor. During such time as the Grantor shall have, under the terms of this Paragraph, the right to appoint or elect the majority of said Board, Grantor shall not vote its memberships in the election of the remainder of the Board, to wit: the minority thereof, but said minority of Board shall be elected by the members exclusive of the Grantor. The Grantor's presence shall, however, be included for the purpose of determining a quorum at any meeting of the members at which the election of Board members takes place. The Grantor shall, at the annual meeting of members, advise the chairman of the annual meeting of the persons whom it desires to have appointed or elected Board members, not exceeding a majority of the whole Board of Managers, and such persons shall be deemed elected Board Managers

of the Association. The Board members appointed or elected by the Grantor hereunder need not be members of the condominium Association, the provisions of the By-laws of the condominium Association to the contrary notwithstanding, and need not be Officers or Directors of the Grantor, but may be any adult person, competent to contract under the laws of the State of Tennessee.

8. CONDOMINIUM UNIT BOUNDARIES: Each condominium unit shall consist of and contain that which is situated within the boundaries of such unit, except common elements as hereinafter listed within said boundaries. The boundaries shall be determined in the following manner:

(i) The upper boundary shall be the plane of the undecorated interior surfaces of the ceiling of such unit.

(ii) The lower boundary shall be the plane of the upper undecorated surfaces of the floor of such unit.

(iii) Horizontally, each unit consists of that which is contained between the plane of the unfinished surfaces of those interior walls which bound the apartment.

9. COMMON ELEMENTS: The common elements shall consist of the entire property, including all parts of all of the buildings and all other structures, but excluding that which is within the boundaries of any condominium unit except as hereinafter stated, and specifically including, without limitation, the following:

(i) The land comprising the condominium project as expanded from time to time.

(ii) The foundations, floors, exterior walls and other main walls and roofs, including all columns, girders, beams, and supports, but excluding the finished and/or decorated surface of the interior side of any wall within any condominium unit. No unit owner shall be deemed to own the undecorated and/or unfinished surfaces of the walls, floors, ceilings, windows, and doors within his unit; however, such unit owner shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise

refinish or decorate the inner surfaces of the walls, floors, ceilings, and doors within his unit.

(iii) All yards, sidewalks, and gardens, and all recreational and community facilities, including, but not by limitation, the swimming pool areas and facilities, and all open parking and driveway areas.

(iv) All spaces devoted to the use of a manager, superintendent, and/or other persons employed in connection with the operation of the property.

(v) All power lines, telephone lines, water lines, reservoirs, tanks, pumps, sewage systems, air conditioning and heating equipment, and all pipes, ducts, cables, and conduits used in connection therewith, whether located in common areas or within the boundaries of a condominium unit.

(vi) All storage spaces, office space, and all maid's rooms, locker rooms, and laundry rooms, if any, which are used for common facilities and are not attached to or within the boundaries of a condominium unit.

(vii) All other parts of the property existing for the common use which are necessary for the existence, maintenance, and/or safety of the property.

10. LIMITED COMMON ELEMENTS: (i) Balconies, patios, stoops, courtyards, driveway and parking pads or spaces appurtenant or adjacent to the respective individual units which serve only one unit are limited common elements to the use of that specific unit.

(ii) That portion of all interior walls, doors, floors and ceilings located within the bounds of a unit are limited common elements to the use of that specific unit.

(iii) All glass and screening within windows and doors lying within the perimeter walls of a unit are limited common elements to the use of that specific unit.

(iv) All ducts and plumbing, electrical and other fixtures, equipment and appurtenances, including heating and air conditioning systems and control devices, located within the bounds of a unit or which serve only such unit are limited common elements to the use of that specific unit.

(v) All gas, electric, water or other utility or service lines, pipes, wires, fixtures and conduits located within the bounds of a unit or which serve only a particular unit are limited common elements to the use of that specific unit.

(vi) A rectangular area immediately adjacent to the patio of each individual unit, said area being the width of the particular patio and extending 5 feet toward the rear line of each lot, after being enclosed by the unit owner in accordance with this instrument, the By-Laws and any rules and regulations adopted pursuant thereto, shall be a limited common element to the use of that specific unit.

(vii) All other common elements that may be located within the bounds of a particular unit or which serve only such unit are limited common elements to the use of that specific unit.

11. COMMON ELEMENTS INSIDE UNITS; EASEMENT: The Board of Managers shall have a right of access to each condominium unit to inspect all pipes, wires, ducts, cables, conduits, public utility lines, and all other common elements located within units, to remove violations therefrom, and to maintain, repair, or replace such common elements. Each condominium unit shall be subject to an easement in favor of the unit owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines, and other common elements which are necessary to provide utility service for other units.

12. ENCROACHMENTS: If any portion of the common elements shall encroach upon any condominium unit, or if any condominium unit shall encroach upon any other condominium unit or upon any portion of the common elements as a result of the construction

or reconstruction of any of the condominium units or buildings, or any portion of a unit or building, or as a result of the settling or shifting of any unit or building or any portion thereof, a valid easement for the encroachment and for its maintenance shall exist so long as such unit or building stands. However, no such easement shall be created in favor of a unit owner if such encroachment occurred due to his willful conduct.

13. UNDIVIDED SHARES IN COMMON ELEMENTS: (i) The common elements shall be owned by the unit owners as tenants in common, and ownership thereof shall remain undivided. The percentage interest of each unit in the common elements for the purpose of assessment of common expenses and for other purposes hereinafter stated shall be 1/66.

(ii) Each condominium unit shall have as an appurtenance thereto the right to use all of the common elements of this condominium project in accordance with the condominium documents. This right shall be shared by all unit owners of this condominium project, by unit owners of any condominium unit annexed to this condominium project, and with unit owners of other condominium projects, if any, merged into this condominium project and administered by the common Board of Managers. No action for partition of any part of the common elements shall be maintainable, nor may any unit owner waive or release any rights in the common elements.

14. RIGHT TO EXPAND CONDOMINIUM PROJECT: (i) By the Developer. The Developer, his successors and assigns, explicitly reserves the right to expand the condominium project from time to time by annexation of additional condominium units or by merger, until such time as Develper, his successors or assigns no longer owns a majority of the units.

(ii) By the Unit Owners. In addition to the foregoing, the condominium project may be expanded and real estate may be merged into the condominium project and become subject to this

Master Deed upon written approval or consent of the owner of fifty-one percent (51%) of the then existing units.

(iii) Method of Annexation. The expansion authorized pursuant to this paragraph shall be effectuated by the recordation of an Amended Master Deed. The Amended Master Deed shall be executed by the owner(s) of the real property sought to be annexed. In the event annexation is accomplished pursuant to subparagraph (ii), the Board of Managers shall keep on file in its principal office, the written consents or approval of the condominium unit owners as required by said subparagraph (ii). Each Amended Master Deed shall include (1) the amended legal description of the condominium project including the additional area annexed thereto; and (2) a separate legal description of such addition.

(iv) Amendment of Undivided Interests. The undivided ownership interests in the common elements as amended by each Amended Master Deed shall be determined and adjusted in the following manner:

The common elements as amended by such Amended Master Deed shall be deemed to consist of (1) the common elements as existing immediately prior to the recording of such Amended Master Deed ("existing common elements"), and (2) the common elements added by such Amended Master Deed ("added common elements").

The condominium units as amended by such Amended Master Deed shall be deemed to consist of the condominium units existing immediately prior to the recording of such Amended Master Deed ("existing units"), and the condominium units added by such Amended Master Deed ("added units").

The existing units shall be deemed to have an undivided ownership interest in the added common elements as well as in the existing common elements.

The added units shall be deemed to have an undivided ownership interest in the existing common elements as well as

in the added common elements, and the percentage interest attributable to each unit in the common elements shall be changed to reflect the increased number of units.

Each and all of the provisions of this Master Deed and the exhibits attached hereto, as amended by each successive Amended Master Deed and the exhibits attached thereto, shall be deemed to apply to each and all of the condominium units, including all added units and all existing units, and to all of the common elements, both added common elements and existing common elements.

(v) Liens. The recording of an Amended Master Deed shall not alter or affect the amounts of any liens for common expenses due from any existing unit owners prior to such recording, nor the respective amounts theretofore assessed to or due from the existing unit owners for common expenses or other assessments.

(vi) The ownership in the common elements appurtenant to each condominium unit shall include any additional common elements annexed hereto by a recorded Amended Master Deed and each deed, mortgage, or other instrument affecting a condominium unit shall be deemed to include such additional common elements, and the ownership of any such unit and lien of any such mortgage shall automatically include and attach to such additional common elements as such Amended Master Deed is recorded.

(vii) Effect of Merger. From and after an expansion in accordance with the provisions of this Paragraph 14, the areas annexed shall be treated as though they had been developed, sold, held, occupied, and used as if they had been part of the condominium project from the date of the filing of the original Master Deed. Pursuant thereto, the following consequences shall ensue:

(a) Use of Common Area. The owners of condominium units in the annexed area shall have the right to use the common elements of the entire condominium project to the same extent as that possessed by the owners of the condominium units within the condominium project as it existed prior to annexation.

(b) Assessment. The condominium units in any annexed area shall be assessed on the basis of an estimated cash requirement treating the condominium project as a whole.

(c) Voting. The owner(s) of condominium units in the annexed area shall have one vote per unit.

(d) Election of Board. Immediately following annexation, the Board shall govern all of the annexed area. At a special meeting called for the purpose after annexation, the unit owners may remove the existing Board of Managers and elect a new Board to govern the entire condominium project, including the annexed areas, until the next annual meeting, subject to the rights of the Developer.

Procedures for calling and holding such meetings shall be those set forth in the By-Laws attached to this Master Deed.

(viii) The Developer reserves the right to amend this Master Deed and any Amended Master Deeds in such manner as may be necessary to cause the provisions of this Paragraph 14 to comply with the Horizontal Property Act, as it may be amended from time to time, and any other applicable statutes presently existing or hereinafter enacted. Each condominium unit owner agrees to execute and deliver such documents as may be necessary or desirable to accomplish the foregoing.

15. OWNERSHIP OF CONDOMINIUM PROJECT AND SHARING IN COMMON EXPENSES AND COMMON SURPLUS: A condominium unit owner shall have the exclusive ownership of his condominium unit and shall have an undivided interest in the common elements. The common expenses shall be shared and the common surplus shall be owned in such manner as is determined by the Board of Managers pursuant to the By-Laws. The undivided interest of the unit owners in the common elements and the fee title to the respective units shall not be separated or separately conveyed, encumbered, inherited, or divided and each undivided interest shall be deemed to be conveyed or encumbered with its respective unit even though the description in

the instrument of conveyance or encumbrance may refer only to the fee title to such unit.

16. VOTING RIGHTS OF CONDOMINIUM OWNERS: (i) The unit owner or owners, collectively, of each condominium unit shall be entitled to one vote per unit as to the matters requiring a vote by unit owners as provided by this Master Deed, the Charter, By-Laws, and/or rules and regulations, or by the Horizontal Property Act.

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

(iii) The Developer shall be entitled to three votes for each unsold unit. The rights of the Developer to so vote shall cease after all of the condominium units have been sold.

17. COMMON EXPENSES AND ASSESSMENTS: (i) It is the express duty of each condominium unit owner to promptly pay his share of the common expenses and assessments levied by the Board of Managers. The common expenses shall be assessed against the unit owners by the Association according to the percentage interest in the common elements attributable to each respective unit, which percentage interest shall be 1/66th per unit owner, until such time that the condominium project may be expanded, at which time the percentage interest will change to reflect the increased number of units. The common expenses and assessments shall be paid in the manner required by the Board.

(ii) The Association shall have a lien upon each unit owner's ownership interest for the payment of all assessments levied by the Association against such unit which remain unpaid for ten (10) days after the same have become due and payable. Notice of said lien may be filed with the Register's Office for Davidson County, Tennessee, pursuant to authorization given by the Board. Such notice shall contain a description of the unit, the name or names of the unit owner(s), the amount of the lien claimed and shall be subscribed by an officer of the Association. The

lien shall remain valid for a period of five (5) years from the date it arises, unless sooner released or discharged. Each unit owner shall also be personally liable for all assessments levied by the Association against his unit. After any foreclosure of a lien for delinquent assessments, the owner of the condominium unit subject to the lien shall be required to pay a reasonable rental for the condominium unit, and the Association shall be entitled to the appointment of a receiver to collect such rental.

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

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

(v) Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. Where the mortgagee of a first mortgage of record acquires an ownership interest in a unit as a result of foreclosure of the first mortgage, its successors and assigns or subsequent transferees, shall not be personally liable for the

assessments levied against such unit which were levied prior to the acquisition of an ownership interest in such unit by such mortgagee. Such assessments shall be a lien, however, and shall be paid out of any excess monies received, if any, at the foreclosure sale, if applicable. To the extent such assessments are not paid, however, they shall be deemed to be common expenses and shall be levied against all of the unit owners at the time of the first assessment next following the acquisition of title by such mortgagee except that the mortgagee, its successors and assigns, or transferrees shall have no liability for pre-foreclosure assessments on that particular unit.

(vi) Liability of Assessments Upon Voluntary Conveyance. In a voluntary conveyance of an ownership interest in a unit, other than by deed in lieu of foreclosure, the Grantee of the ownership interest shall be jointly and severally liable with the Grantor for all unpaid assessments levied by the Association against such unit prior to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. However, such prospective Grantee shall, upon written request, be entitled to a statement from the Board setting forth the amount of all unpaid assessments due the Association with respect to the ownership interest to be conveyed, and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments which became due prior to the date of the making of such request if the same were not set forth in such statement.

18. CONDOMINIUM UNITS SUBJECT TO THE MASTER DEED: Each condominium unit owner shall be governed by and shall comply with the terms of this Master Deed, the Charter, the By-Laws, and the rules and regulations of the Association, if any, and by such documents and regulations as they may be amended from time to time. The acceptance of a deed of conveyance, devise, or inheritance, or the entering into of a contract of sale for a unit or of a lease and/or occupancy of a condominium unit shall constitute an agreement

that the provisions of this Master Deed, the Charter, the By-Laws, and the rules and regulations adopted pursuant thereto, are accepted and ratified by each unit owner and/or tenant and/or occupant and are taken to be covenants running with the land and shall bind any person having at any time any interest or estate in any such condominium unit as though such provisions were recited and stipulated in full in each such deed of conveyance, devise, inheritance or lease.

19. AMENDMENTS: In addition to the procedure outlined in Paragraph 14, this Master Deed may be amended by consent of owners of not less than seventy-five percent (75%) of the units in the project, as it may be expanded. Such consent may be obtained either by written consents, or by duly adopted resolution at a meeting of the unit owners called in accordance with the condominium documents. A certificate of amendment setting forth the alteration and amendment and the manner of its adoption shall be executed by the President or Vice President and by the Secretary or an Assistant Secretary of the Association and shall be filed with the Register's Office for Davidson County, Tennessee. Such amendment shall be effective from and after the time said certificate is so filed for recording.

Notwithstanding the foregoing and except as provided in Paragraph 14, any amendment altering the percentage interest of the unit owners in the common elements shall require the unanimous approval of the unit owners. Further, no amendment shall have any effect on the Developer or his rights under this Master Deed, or upon the rights of bona fide first mortgagees of record until the written consent of Developer and/or such mortgagees has been secured. Such consent shall be retained by the Secretary of the Association and his certification in the instrument of amendment as to the consent or non-consent of the Developer and the naming of the consenting and non-consenting mortgagees of the various units may be relied upon for all purposes.

20. TERMINATION: The unit owners by unanimous vote at a duly called meeting may elect to remove the condominium project from the provisions of the Horizontal Property Act at any time subsequent to January 1, 1985. No such removal shall be permitted prior to that date. No such removal shall occur without the consent of the Metropolitan Planning Commission. In the event of such election all liens and encumbrances, except taxes and assessments not then due and payable, upon all or part of the condominium shall be released and discharged. A certificate setting forth that such election was made shall be filed for record with the Register's Office for Davidson County, Tennessee. Said certificate shall be executed by the President of the Association who shall therein verify that said liens and encumbrances upon the common elements have been paid, released or discharged and shall further be executed by the unit owners, each of whom shall verify that all said liens and encumbrances on his respective unit have been paid, released or discharged.

21. APPROVAL BY MORTGAGEES: Notwithstanding anything herein to the contrary, unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned) of condominium units have given their prior written approval, the Board of Managers and/or the unit owners shall not be entitled to:

(i) By act or omission, seek to abandon or terminate the condominium regime;

(ii) Change the pro rata interest or obligations of any condominium unit for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (b) determining the pro rata share of ownership of each unit in the common elements.

(iii) Partition or subdivide any condominium unit;

(iv) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the common elements.

The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause.

(v) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

In case the condominium project is expanded pursuant to Paragraph 14, clauses (ii) and (iv) above shall be deemed waived by said mortgagees to the extent necessary to allow the addition of new phases in accordance with the Master Deed.

22. RIGHT OF THE DEVELOPER TO SELL OR LEASE UNITS OWNED BY IT FREE OF RESTRICTIONS SET FORTH IN THIS MASTER DEED OR IN THE BY-LAWS: So long as the Developer shall own any condominium unit, whether by reacquisition or otherwise, the Developer shall have the absolute right to lease, sell, or mortgage any such unit to any person, firm, or corporation, upon any terms and conditions as it shall deem to be in its own best interest; and, as to the lease, sale, or mortgage of any condominium unit by the Developer, the right of notice and consent herein granted to the Association in this Master Deed shall not be operative or effective in any manner. This provision under the Master Deed may not be suspended or superseded by any amendment unless consented thereto, in writing, by the Developer. The Developer shall have the right to transact on the condominium project property any business necessary to consummate the sale of individual condominium units, including but not limited to the right to maintain models, have and display signs, maintain an office or offices, maintain employees in such offices, use the common elements, and show the individual condominium units. The Developer may assign the rights granted him under this paragraph to such other persons or entities as he may choose.

A sales office, signs, and all items pertaining to sales shall not be considered common elements or common property, and shall remain the property of the Developer.

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

24. MANAGEMENT, MAINTENANCE, REPAIRS, ALTERATIONS AND IMPROVEMENTS: (i) Responsibility of the Association. Except as otherwise expressly provided herein, the Association at its expense, shall be responsible for the management, maintenance, repair, replacement, alteration and improvement of the common areas and facilities, excluding the limited common elements, but including the exterior surfaces of all buildings. The Association may delegate all or any portion of its authority to discharge such responsbility to a managing agent. Such delegation to a managing agent may be evidenced by one or more management contracts, no

one of which shall exceed three (3) years in duration, which shall provide for the payment of reasonable compensation to said managing agent as a common expense. Upon the expiration of the initial term of any such management contract, the Association may renew such contract for successive periods, or enter into a new management contract for an additional period or designate a different managing agent. Developer (or any other entity designated by Developer to act in such capacity) shall be employed as the managing agent for the period ending three (3) years after the date this Master Deed is filed for record. The managing agent, or the Association, if there is no managing agent, shall have the authority to enter into agreements with Developer or one or more other firms or corporations, affiliated with Developer, for the common management, maintenance and repair of the condominium property and such other developments of Developer or his affiliates. Without intending to limit the generality of the foregoing, such agreements may provide for the allocation of expenses, purchase of equipment and supplies and joint sharing of employees and management overhead. Any agreement for professional management, or any other contract providing for services by the Developer herein, must contain a provision permitting termination by the Association upon (90) days written notice.

(ii) Responsibility of Unit Owner. The responsibility of each unit owner shall be as follows:

(a) Except as otherwise expressly provided in Section 26 hereof, to maintain, repair and replace, at his expense, all portions of his unit and all limited common elements and facilities designated for his use.

(b) To perform his responsibilities in such manner so as not to unreasonably disturb other unit owners and occupants;

(c) To pay all costs for utility services furnished to his unit or to the limited common elements designated for his use;

(d) Not to paint or otherwise decorate or change the appearance of any portion of the buildings not within the bounds of his unit, unless prior written consent of the Association is obtained. This provision expressly forbids construction of any out buildings or patio fences or enclosures without such prior written consent of the Association.

(e) To promptly report to the Board or managing agent employed by the Association the need for any maintenance or repair to any portion of the condominium property which the Association is obligated to maintain or repair pursuant to the Master Deed, By-laws or rules established pursuant thereto.

(f) Not to make any alterations in the common elements and facilities or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety or soundness thereof, except as hereinafter provided in Section 27, without the prior written consent of the Association.

(g) Not to impair the use and enjoyment of the easements herein provided, without first obtaining the written consent of the Association and of any other person, firm or corporation for whose benefit such easements exist; and

(h) To observe, fulfill and perform all other obligations of a unit owner as set forth in this Master Deed or the By-laws or any rules promulgated pursuant thereto.

(iii) Rights of the Association. Notwithstanding anything to the contrary contained herein, in the event the Association deems it necessary and desirable to maintain, replace, repair or decorate any part or parts of the limited common areas and facilities, whether due to the failure on the part of the unit owner or due to the desire on the part of the Association for the good of all unit owners, then, the Association shall have the right to perform such maintenance, replacement, repair or decoration and charge the particular unit owner with the expense thereof. Such expense shall be in addition to the common expense,

as elsewhere defined and shall be subject to the lien provisions as elsewhere contained in this Master Deed.

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

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

25. COVENANTS AND RESTRICTIONS AS TO USE AND OCCUPANCY. The following covenants and restrictions as to the use and occupancy of the condominium property shall run with the land and shall be binding upon each unit owner and occupant:

(i) Purpose of Property. The condominium property shall be used for single family residence purposes and common recreational purposes auxilary thereto and for no other purposes. A unit owner or occupant may use a portion of his unit for his office or studio (other than a music studio) provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other unit owner or occupant and further provided that such activities shall not involve the personal services of any

unit owner or occupant to a customer or other person or client who comes to the condominium property, and shall not be in violation of any applicable zoning regulations of Metropolitan Nashville and Davidson County.

(ii) Obstruction of Common Areas and Facilities. There shall be no obstruction of, nor shall anything be stored in, the common areas and facilities, excluding the limited common areas and facilities located within the bounds of a unit or pertaining to a unit, without the prior written consent of the Association.

(iii) Hazardous Uses and Waste. Nothing shall be done or kept in any unit or in the common areas and facilities which will increase the rate of insurance on the common areas and facilities, or contents thereof without the prior written consent of the Association. No unit owner shall permit anything to be done or kept in his unit or in the common elements which will result in the cancellation of insurance on the common areas and facilities, or contents thereof, or which would be in violation of any law. No waste shall be committed in the common elements.

(iv) Exterior Surfaces of Buildings. Unit owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of any of the buildings and no sign, awning, canopy, shutter, radio or television antenna, other than those originally provided by the Developer, shall be affixed to or placed upon the exterior walls or roof of any of the buildings without the prior consent of the Association.

(v) Animals and Pets. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any unit or in the common areas and facilities, except that dogs, cats or other usual household pets may be kept in the units, subject to the rules and any other agreements, provided that they are not kept, bred or maintained for any commercial purpose, and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the condominium

property upon three (3) days written notice from the Board. No dog pens of any type shall be erected unless approval in writing has been obtained from the Association prior thereto.

(vi) Nuisances. No noxious or offensive activity shall be carried on in any unit or in the common elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to any of the unit owners or occupants.

(vii) Impairment of Structural Integrity of Building. Nothing shall be done in any unit or in, on, or to the common elements which would impair the structural integrity or would structurally change any of the buildings, except as provided in this instrument or the By-laws.

(viii) Laundry or Rubbish in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed on any part of the common areas and facilities not within the bounds of a unit. The parts of the common elements not within the bounds of a unit shall be kept free and clear of rubbish, debris and other unsightly materials.

(ix) Lounging or Storage in Common Elements. There shall be no playing, lounging or parking of baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the common elements not within the bounds of a unit except in accordance with the rules and except that balcony, courtyard, deck, patio, garage and parking areas may be used for their intended purposes, including the prohibited uses as specified in this subparagraph (ix). No playground equipment or swing sets shall be installed without the prior written consent of the Association.

(x) Prohibited Activities. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, shall be conducted, maintained or permitted on any part of the condominium property except as provided in subparagraph (i) of this Section, nor shall any "For Sale" or "For Rent"

signs or other displays or advertising be maintained or permitted on any part of the condominium property, except that (1) the right is reserved by Developer to place "For Sale" or "For Rent" signs on any unsold or unoccupied units, and (2) the right is hereby given the Association or its representatives to place "For Sale" or "For Rent" signs on any unit or on the condominium property, for the purposes of facilitating the disposal of units by any unit owner, mortgagee or the Association.

(xi) Alteration of Common Elements. Nothing shall be altered, constructed in, removed from or added to the common elements, except as hereinafter provided in Section 27, without the prior written consent of the Association, nor shall anything be done which would or might jeopardize or impair the safety or soundness or the common areas and facilities.

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

(xiii) Overhanging Storage Facilities. In any unit which contains a large storage area which overhangs the unit of another owner, such unit is for storage purposes only, and it is expressly understood that such area cannot be utilized for living space by the occupants in any manner. Use of such area shall be inspected and regulated by the Association to insure compliance with this provision.

26. INSURANCE AND RECONSTRUCTION: (i) Insurance. The insurance which shall be carried upon the condominium property shall be governed by the following provisions:

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

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

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

(b) The policy or policies providing such coverage (hereinafter called "casualty insurance") shall provide that notwithstanding any provision thereof which gives the carrier an option to restore damage in lieu of making a cash settlement therefor, such option shall not be exercisable in the case of removal of the condominium property from the provisions of Chapter 27 of Title 64 of Tennessee Code Annotated, as amended, as provided for in this Master Deed and shall further provide that the coverage thereof shall not be terminated for non-payment of premiums without at least ten (10) days written notice to each unit mortgagee.

All casualty insurance policies shall be purchased by the Association for the benefit of the Developer, the Association, the unit owners and their respective mortgagees, as their interests may appear, and shall provide for the issuance of certificates of insurance with standard mortgagee endorsements to the holders of mortgages on the units, if any. Certificates and/or policies with mortgagee endorsements must be delivered to the mortgagee, if any. Such casualty insurance policies and any endorsements thereto shall also be deposited with the insurance trustee (as hereinafter defined) who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof. All casualty insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to any trustee which is selected by the Association, and which shall be any national or state banking institution located in Nashville, Tennessee, with assets in excess of $10,000,000.00 with trust powers (herein referred to as the "insurance trustee"). The insurance trustee shall not be liable for payment of premiums not for the renewal of the policies, nor for the sufficiency of coverage, nor for the form or contents of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Developer, the Association, the unit owners and their respective mortgagees.

(c) The Association shall insure itself, the members of the Board, the unit owners and the occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the common elements, including without limitation, water damage, legal liability, hired automobile, non-owner automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars ($1,000,000.00) in respect to personal injury,

disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars ($1,000,000.00) in respect to any one occurrence, and to the limit of not less than Two Hundred Fifty Thousand Dollars ($250,000.00) in respect to damage to or destruction of property arising out of any one accident. All liability insurance shall contain cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner.

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

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

(f) If any applicable insurance policy is not invalidated by such release, each of the unit owners, occupants, the Association, the managing agent, the Developer and any affiliates of the Developer hereby release each and all of the unit owners, occupants, the Association, the managing agent, the Developer and any affiliates of the Developer, of and from any liability for damage to or destruction of any part of the condominium property or any personal property situated thereon to the extent that the owner or owners of the damaged or destroyed property is or are compensated by insurance as a result of such damage or destruction.

(ii) Responsibility for Reconstruction or Repair.

(a) If any portion of the common elements shall be damaged by perils covered by the casualty insurance, the Association shall cause such damaged portion to be promptly reconstructed or repaired to the extent of the funds made available to the insurance trustee, as hereinafter provided, and any such reconstruction or repair shall be substantially in accordance with the original plans;

provided, however, if such damage renders two-thirds or more of the units then comprised within the condominium property untenantable then the provisions of Section 64-2718, Tennessee Code Annotated, as amended shall govern, and such section is incorporated herein by reference as if fully set forth herein verbatim. Should any pro-rata distribution be made subject to such Section 64-2718, no unit owner shall receive any portion of his share of such proceeds until all liens and encumbrances on his unit have been paid, released or discharged.

(b) Each unit owner shall be responsible for reconstruction and repair of his unit after casualty. (See Section 29 hereinafter for special assessment in event of non-consenting mortgagee of individual units.)

(iii) Procedure for Reconstruction or Repair.

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

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

(c) The proceeds of the casualty insurance referred to in Subparagraph (i) (a) of this Section 26 and the sums deposited with the insurance trustee by the Association from collections of special assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed to the insurance trustee and be applied by the insurance trustee to the payment of the cost of reconstruction and repair

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

(iv) The insurance trustee may rely upon a certificate of the Association certifying as to whether or not the damaged property is to be reconstructed or repaired. The Association, upon request of the insurance trustee, shall deliver such certificate as soon as practical.

(v) Each unit owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under the casualty insurance policies referred to in this Section.

27. REHABILITATION OF EXISTING BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS. The Association may, by the affirmative vote of unit owners entitled to exercise not less than seventy-five percent (75%) of the voting power, determine that the condominium property is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Board shall thereupon proceed with such renewal and rehabilitation and the cost thereof shall be a common expense. Any unit owner who does not vote for such renewal and rehabilitation may elect, in a writing served by him on the president of the Association within five (5) days after receiving notice of such vote, to receive the fair market value of his ownership interest, less (1) the amount of any liens and encumbrances on his unit as of the date such vote is taken and (2) the amount of any liens and encumbrances arising out of actions of said unit owner filed during the period from the date of such vote to the date of conveyance, in return for a conveyance of his ownership interest, subject to such liens and encumbrances, to the president of the Association as trustee for all other unit owners. In the event of such election by a unit owner to receive the fair market value of his ownership interest, such conveyance and payment of the consideration therefor, which shall be a common expense to the unit owners who have elected to renew and rehabilitate, shall be made within ten (10) days thereafter, and, if such unit owner and a majority of the Board cannot agree upon the fair market value of such unit, such determination shall be made by majority vote of three apparisers, one of which shall be appointed by the Board, one of which shall be appointed by such unit owner, and the third of which shall be appointed by the first two appraisers.

28. REMEDIES FOR BREACH OF COVENANTS AND RULES: (i) Abatement and Enjoinment. If any unit owner (either by his own

conduct or by the conduct of any occupant of his unit) shall violate any of the rules or breach any covenant or provision contained in this Master Deed or in the By-laws or rules promulgated pursuant thereto, the Association shall have the right, in addition to the rights hereinafter set forth in this Section and those provided by law (a) to enter any unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the owner of such unit, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of this Master Deed or of the By-laws, or of the Rules, and the Association, or its agents, shall not thereby be deemed guilty in any manner of trespass and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

(ii) Involuntary Sale. If any unit owner (either by his own conduct or by the conduct of any occupant of his unit) shall violate any of the covenants or provisions contained in this Master Deed or in the By-laws or in the rules, and such violation shall continue for thirty (30) days after notice in writing from the Association, or shall occur repeatedly during any thirty (30) day period after written notice or request to cure such violation from the Association, the Association shall have the right, upon the giving of at least thirty (30) days prior written notice to the unit owner and all lien holders of record, to terminate the rights of such unit owner or occupant to continue as a unit owner or occupant and to continue to occupy, use or control his unit. Thereupon, legal action may be filed by the Association against such unit owner or occupant for a decree of mandatory injunction against said unit owner or occupant, or for a decree declaring the termination of the right of such unit owner or occupant to occupy, use or control the unit owner or occupied by him and ordering that all the right, title and interest therein shall be sold (subject to any liens and encumbrances thereon) at a judicial

sale. The Association, however, may acquire said ownership interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge any first mortgage liens, court costs, receivers' fees, reasonable attorneys' fees and all other expenses of the proceedings, and all such items shall be taxed against such unit owner or occupant in said decree. Any balance of proceeds, after satisfaction of such charges and unpaid assessments owing to the Association or any liens required to be discharged, shall be paid to the unit owner or occupant. Upon the confirmation of such sale, the purchaser thereof shall, subject to the rights and privileges of the Association herein provided, be entitled to a conveyance of the ownership interest or interest therein and to immediate possession of the unit so conveyed, and may apply to the court for a writ for the purpose of acquiring such possession and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take such ownership interest subject to this Master Deed.

29. SPECIAL ASSESSMENT AFTER APPLICATION OF INSURANCE PROCEEDS TO SATISFY NON-CONSENTING MORTGAGEE. Where the Board has elected to repair or reconstruct a unit with the proceeds of insurance received for damage or destruction, and a mortgagee of any such individual unit elects to receive cash and terminate his mortgage interest pursuant to any such option in the insurance policy, the Board may levy upon the owner of such unit a special assessment for any amounts paid from insurance proceeds to such mortgagee for application in satisfaction of the debt of the owner. Such assessment shall be payable to the Association between construction or repair of any such unit, and the Board shall have the same lien rights for non-payment of such special assessment as granted herein for non-payment of other assessments.

30. SPECIAL ACTIONS REQUIRING MORTGAGEE APPROVAL. Notwithstanding anything herein to the contrary, unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for

each first mortgage owned), or owners (other than the developer or builder) of the individual condominium units have given their prior written approval, the condominium owners association shall not be entitled to:

(1) By act or omission, seek to abandon or terminate the condominium regime;

(2) Change the pro rata interest or obligations of any individual unit for (i) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (ii) determining the pro rata share of ownership of each unit in the common elements;

(3) Partition or subdivide any condominium unit;

(4) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause;

(5) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

31. SPECIAL RIGHTS OF MORTGAGEES. A first mortgagee, or beneficiary of any Deed of Trust, shall be entitled to the following special rights:

(1) Upon request, such first mortgagee is entitled to written notification from the Homeowners Association of any default in the performance of any individual unit mortgagor of any obligation under the condominium documents which is not cured by such owner within sixty (60) days.

(2) Any first mortgagee shall have the right to examine the books and records of the Condominium Owners Association or the

condominium project during regular business hours, and such books and records shall be made available to such first mortgagees upon their request.

32. CONFORMITY WITH FEDERAL HOME LOAN MORTGAGE CORPORATION REGULATIONS: Notwithstanding anything to the contrary contained in this Master Deed or in the By-laws, all terms, conditions, and regulations now existing, or which may be promulgated from time to time, by the Federal Home Loan Mortgage Corporation pertaining to condominiums are hereby incorporated as terms and conditions of the horizontal property regime established by this Master Deed and such shall be governing upon the horizontal property regime constituted hereby, the Developer, and the Doral Country Villa , Section VII, Condominium Association, Inc., so long as such terms and conditions are not inconsistent with the laws of the State of Tennessee as found in T.C.A. 64-2701 et seq., as amended, and do not impinge on any substantial property right of individual co-owners.

33. DEVELOPER'S RIGHTS PENDING SALE OF A MAJORITY OF UNITS: Notwithstanding any other provisions herein, until such time as Developer shall have consummated the sale of a sufficient number of ownership interests to entitle the unit owners, other than Developer, to exercise a majority of the voting power in the Association and a meeting of the Association at which a Board is elected has been held, Developer shall exercise the powers, duties, rights and function of the Association and the Board, including, without limitation, the power to determine the amount of, and to levy special assessments and assessments for common expenses.

34. NOTICES OF MORTGAGES: Any unit owner who mortgages his ownership interest or interest in his unit, shall notify the Association in such manner as the Association may direct, of the name and address of his mortgagees and thereafter shall notify the Association of the payment, cancellation or other alteration in the status of such mortgages. The Association shall maintain such information in a book entitled "Mortgagees of Units."

35. COPIES OF NOTICES TO MORTGAGE LENDER: Upon written request delivered to the Board, the holder of any duly recorded mortgage on any ownership interest or interest therein shall be given a copy of any and all notices permitted or required by this Master Deed to be given to the unit owner or owners whose ownership interest or interest therein is subject to such mortgage.

36. ASSIGNMENT: Any and all rights reserved to the Developer in any of the condominium documents shall be assignable by the Developer.

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

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

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

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

IN WITNESS WHEREOF, the Developer has executed this Master Deed at Nashville, Davidson County, Tennessee, on the day and date first above written.

Eddie Redmon, Trustee

Eddie Redmon, Trustee

STATE OF TENNESSEE )
) SS
COUNTY OF DAVIDSON )

Personally appeared before me, Kenneth L. Campbell, a Notary Public in and for the said County and State, the within named Eddie Redmon, the bargainor, with whom I am personally acquainted and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at office at Nashville, Tennessee, this 14th day of November, 1979.

Kenneth L Campbell
Notary Public

My Commission Expires: August 6, 1980

EXHIBIT A TO MASTER DEED

Description of Land Submitted to Horizontal Property Regime

"TRACT A"

Land in Davidson County, Tennessee, being Lots No. 12, 13, 34, 35, 36, 37, 38, 39, 40, 41, 42, 64, 65, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 94, 95, 96, 97 and 98, and a triangular parcel designated reserved parcel 25, said triangular parcel being adjacent to the easterly line of Lot No. 65, all as shown on the Plan of Doral Country Estates, Section 1, as of record in Plat Book 4300, page 155, said Register's Office; and Lots No. 87, 88, 89, 90, 91, 92 and 93 on the Resubdivision of Lots No. 87 through 93, Doral Country Estates, Section 1, as of record in Plat Book 4470, page 181, said Register's Office, to which plans reference is hereby made for a more complete description.

Being the same property conveyed to Eddie Redmon, Trustee, by deed from Barry Zeitlin and wife, Linda Zeitlin of record in Book 5532, page 717, said Register's Office.

# EXHIBIT B TO MASTER DEED

## Listing of Approximate Square Footage Contained in Condominium Units

| Unit No. | Square Footage |
|---|---|
| 12A | 1000 |
| 12B | 1350 |
| 13A | 1318 |
| 13B | 1000 |
| 77A | 1350 |
| 77B | 1834 |
| 78A | 1000 |
| 78B | 1271 |
| 79A | 1000 |
| 79B | 1834 |
| 80A | 1350 |
| 80B | 1350 |
| 81A | 1271 |
| 81B | 1350 |
| 82B | 1318 |
| 82B | 1271 |
| 83A | 1100 |
| 83B | 1350 |
| 84A | 1350 |
| 84B | 1834 |
| 85A | 1200 |
| 85B | 1318 |
| 86A | 1100 |
| 86B | 1271 |
| 87A | 1000 |
| 87B | 1834 |
| 89A | 1318 |
| 89B | 1271 |
| 90A | 1834 |
| 90B | 1000 |
| 91A | 1000 |
| 91B | 1271 |
| 92A | 1350 |
| 92B | 1100 |
| 93A | 1350 |
| 93B | 1350 |
| 94A | 1000 |
| 94B | 1318 |
| 95A | 1100 |
| 95B | 1318 |
| 96A | 1350 |
| 96B | 1100 |
| 97A | 1350 |
| 97B | 1834 |
| 98A | 1000 |
| 98B | 1000 |
| 34A | 1350 |
| 34B | 1350 |
| 35A | 1318 |
| 35B | 1271 |
| 36A | 1350 |
| 36B | 1100 |
| 37A | 1834 |
| 37B | 1000 |

EXHIBIT B TO MASTER DEED (Continued)

| Unit No. | Square Footage |
|---|---|
| 38A | 1350 |
| 38B | 1834 |
| 39A | 1834 |
| 39B | 1000 |
| 40A | 1834 |
| 40B | 1350 |
| 41A | 1350 |
| 41B | 1834 |
| 42A | 1350 |
| 42B | 1350 |
| 76A | 1350 |
| 76B | 1075 |

# BY-LAWS OF DORAL COUNTRY VILLA , SECTION VII, CONDOMINIUM ASSOCIATION, INC.

These By-Laws shall constitute and be the administrative By-Laws of DORAL COUNTRY VILLA , SECTION VII, CONDOMINIUM ASSOCIATION, INC., as required by Tennessee Code Annotated, Section 64-2711, as amended, and the administration of such condominium shall be governed hereby:

## ARTICLE I

## FORM OF ADMINISTRATION - THE ASSOCIATION

Section 1. NAME AND NATURE OF ASSOCIATION. The Association shall be a Tennessee Corporation not for profit and shall be called DORAL COUNTRY VILLA , SECTION VII, CONDOMINIUM ASSOCIATION, INC.

Section 2. MEMBERSHIP. Each Unit Owner upon acquisition of an Ownership Interest in a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such Unit Owner of his Ownership Interest, at which time the new Unit Owner shall automatically become a member of the Association.

Section 3. VOTING RIGHTS. Each member owning the entire Ownership Interest in a Unit shall be entitled to exercise the voting power of his one share in the Association. The proportionate Ownership Interest in the Association attributable to each unit shall be 1/66th, there being 66 Units in the Development. If two or more persons, whether fiduciaries, tenants in common or otherwise, own undivided interests in the

Ownership Interest in a Unit, each shall be entitled to exercise such proportion of the voting power for such Unit as shall be equivalent to such person's proportionate interest in the Ownership Interest of such Unit.

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

Section 5. MEETINGS OF MEMBERS.

A. Annual Meeting. The annual meeting of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place upon the Condominium Property as may be designated by the Board and specified in the notice of such meeting. The annual meeting of members of the Association shall be held on the first Tuesday of May of each year, if not a legal holiday and, if a legal holiday, then on the next succeeding business day. The annual meeting shall be held at 8:00 o'clock p.m., or

at such other time as may be designated by the Board and specified in the notice of the meeting.

B. Special Meeting. Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice-President of the Association authorized to execute the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of members entitled to exercise at least twenty-five percent (25%) of the voting power. Calls for such meetings shall specify the time, place and purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

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

Association, may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protest prior to or at the commencement of the meeting of the lack of proper notice shall be deemed to be a waiver by said member of notice of such meeting.

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

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

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

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

Section 7. No decision or action may be taken by the Association unless a majority of the owners shall have consented to such decision or action, either at any meeting or as otherwise specified herein.

## ARTICLE II

## BOARD OF MANAGERS

Section 1. NUMBER AND QUALIFICATION. The Board shall consist of seven members. Except for those members elected or appointed by the Developer, as hereinafter provided, each member nominated and elected to the Board shall be a Unit Owner and occupant.

The Developer, Eddie Redmon, Trustee, his successors and assigns, shall in accordance with the provisions of the Master Deed, have the right to elect or appoint a majority of the Board for a limited period of time

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

Section 2. ELECTION OF BOARD; VACANCIES. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be elected, only persons nominated as candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies

in the Board, however caused, the remaining Board members, though less than a majority of the whole authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term; provided, however, that a vacancy in the position filled by appointment by the Developer shall be filled by a subsequent designation of the Developer as provided in Section I of this Article II.

Section 3. TERM OF OFFICE; RESIGNATIONS. Each Board member shall hold office until the next annual meeting of the members of the Association and until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of five (5) Board members shall be two (2) years (four of which shall be designated by Developer pursuant to Section 1 of this Article II), and the term of office of the remaining Board members shall be one (1) year. At the expiration of such initial term of office of each respective Board member, his successors shall be elected to serve for a term of two (2) years.

Section 4. ORGANIZATION MEETING. Immediately after each annual meeting of members of the Association, the newly elected Board members and those Board members whose terms hold

over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 5. REGULAR MEETINGS. Regular meetings of the Board may be held at such times and places as shall be determined by a majority of the Board, but atleast four such meetings shall be held during each fiscal year.

Section 6. SPECIAL MEETINGS. Special meetings of the Board may be held at any time upon call by the President or any two Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two days before the meeting; provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting. Such notice may also be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 7. QUORUM; ADJOURNMENT. A quorum of the Board shall consist of a majority of the Board members then in office; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any

meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Master Deed or in these By-Laws.

Section 8. POWERS AND DUTIES. Except as otherwise provided by law, the Master Deed or these By-Laws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Condominium Property, subject to the limitations prescribed by law, the Master Deed or these By-Laws, the Board, for and on behalf of the Association may

A. purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;

B. make contracts;

C. effect insurance;

D. borrow money, and issue, sell and pledge notes, bonds and other evidences of indebtedness of the Association;

E. levy assessments against Unit Owners;

F. employ a managing agent to perform such duties and services as the Board may authorize;

G. employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and

H. do all things permitted by law and exercise all power and authority within the purposes stated in these By-Laws or the Master Deed or incidental thereto.

Section 9. REMOVAL OF MEMBERS OF BOARD. At any regular or special meeting of members of the Association duly called, at which a quorum shall be present any one or more of the Board members, except the Board member, if any, designated by Developer, as provided in Section 1 of this Article II, may be removed with or without cause by vote of the members of the Association entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such Board member or members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 10. FIDELITY BONDS. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association and shall be a Common Expense.

ARTICLE III

OFFICERS

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

are members of the Association.

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

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

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

Section 5. SECRETARY. The Secretary shall keep the minutes of meetings of the members of the Association and of

the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Master Deed or by these By-Laws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Master Deed or in these By-Laws.

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

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

Section 8. DELEGATION OF AUTHORITY AND DUTIES. The Board is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV

GENERAL POWERS OF THE ASSOCIATION

Section 1. COMMON EXPENSES. The Association, for the benefit of all the Unit Owners, shall pay all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

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

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

C. Liability Insurance. The premium upon policy or policies insuring the Association, the members of the Board, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death or for

injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Areas and Facilities, as provided in the Master Deed the limits of which policy shall be reviewed annually.

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

E. Wages and Fees for Services. The wages and/or fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the maintenance or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Master Deed and these By-Laws and for the organization, operation and enforcement of the rights of the Association.

F. Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing of the common areas and facilities, excluding the limited common areas and facilities; provided, however, that if the need for such maintenance or repair is caused by the Unit Owner, through negligence or malice, he shall be responsible for such costs.

G. Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations and insurance, which the Association is required to secure or pay for pursuant to the terms of the Master Deed and these By-Laws which the Association deems necessary or proper for the maintenance and operation of the Condominium Property as a first class Condominium Project or for the enforcement of the Master Deed and these By-Laws.

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

I. Certain Maintenance of Units. The cost of the maintenance and repair of the Limited Common Areas and Facilities and of any Unit, if such maintenance or repair is necessary, in the discretion of the Association, to prevent damage to or destruction of any part of the Common Areas and Facilities, or any other Unit, and the Unit Owner having

the exclusive right to use such Limited Common Areas and Facilities or owning such Unit requiring such maintenance or repair shall have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Unit Owner; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended for such maintenance or repair.

Section 2. ASSOCIATION'S RIGHT TO ENTER UNITS. The Association or its agents may enter any Unit or portion of the Limited Common Areas and Facilities when necessary in connection with any maintenance, repair or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Association. The Association reserves the right to retain a pass key to each Unit and no locks or other devises shall be placed on the doors to the Units to obstruct entry through the use of such pass key, unless the owner of each unit shall have furnished such additional keys to the Office of the Association. In the event of any emergency originating in or threatening any Unit at a time when required alterations or repairs are scheduled, the managing agent or his representative or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not.

Section 3. CAPITAL ADDITIONS AND IMPROVEMENTS. Whenever in the judgment of the Board the Common Areas and Facilities shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of $5,000.00 and the making of such additions, alterations or improvements shall have been approved by Unit Owners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $5,000.00 or less may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a Common Expense.

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

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Section 5. SPECIAL SERVICES. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may desire to pay for the same, including, without limitation, the cleaning, repair and maintenance of Units and special recreational, educational or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to participating Unit Owners as a special assessment or paid by the Association as a Common Expense, in which case a special assessment shall be levied against such participating Unit Owners to reimburse the Association therefor.

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

ARTICLE V

FINANCES OF ASSOCIATION

Section 1. PREPARATION OF ESTIMATED BUDGET. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies

and replacements, and shall on or before December 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Areas and Facilities. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six months after rendering the accouting.

Section 2. RESERVE FOR CONTINGENCIES AND REPLACEMENTS. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures

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

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

Section 4. FAILURE TO PREPARE ANNUAL BUDGET. The failure or delay of the Association to prepare or deliver to the Unit Owner the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Unit

Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

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

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

Section 7. ANNUAL AUDIT. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. If requested by two members of the Board, such audit shall be made by a Certified Public Accountant. In addition and at any time requested by one or more Unit Owners or by Developer, the Board shall cause an additional audit to be made.

Section 8. SECURITY DEPOSITS FROM CERTAIN UNIT OWNERS. If in the judgment of the Board the equity of the persons owning the Ownership Interest in any Unit at any time is not sufficient to assure payment (whether by foreclosure of the lien in favor of the Association, or otherwise) of all assessments, charges or other sums which may be levied by the Association, then whether or not such Unit Owner shall be delinquent in the payment of such levies, the Association shall have the right to require such Unit Owner to pay to the Association a security deposit in an amount which the Board deems necessary for such purposes, provided, however, that such security deposit shall in no event exceed an amount, which, when added to such Unit Owner's equity interest in his Unit, will equal twenty-five percent (25%) of the purchase price of the Unit in question. In the event that any Unit Owner shall fail to pay any assessments, charges or other sums which may be due hereunder or shall otherwise violate any covenants, terms and conditions of the Master Deed or of these By-Laws, the Association shall have the right, but not

the obligation, to apply such security deposit in reduction of its alleged damages resulting from such failure or violation, which right shall be in addition to all other remedies provided for in the Master Deed or these By-Laws. Upon any sale by such Unit Owner of his Unit, or at such time as such Unit Owner's equity in his Unit is sufficiently great to dispense with the necessity of such security deposit, any unapplied balance of said security deposit remaining to the credit of said Unit Owner shall be refused, provided that such Unit shall not be in default under any of his obligations under the Declaration or these By-Laws. The Association shall have the right to maintain all security deposits held by it as aforesaid in a single bank account and shall not be required to credit interest thereon to any Unit Owner; such interest, if any, to be aid to and retained by the Association. Said security deposit shall at all times be subject and subordinate to the lien in favor of the Association as described in the Master Deed and all rights thereto shall inure to the benefit of the lienor.

## ARTICLE VI

## GENERAL PROVISIONS

Section 1. INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS. Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending

or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (A) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and cost to the Association of indemnifying such Board members or officers (and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such

action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (B) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially 10T or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member of officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Master Deed, any vote of Association members, or any agreement.

Section 2. AMENDMENTS. Provisions of these By-Laws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise

not less than a two-thirds of the voting power. No such amendment shall conflict with the provisions of the Master Deed.

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

Section 4. RIGHTS OF SUCCESSORS TO DEVELOPER. Any successor in interest to Eddie Redmon, Trustee, as Developer of DORAL COUNTRY VILLAS, SECTION VII, CONDOMINIUMS, by deed, assignment, foreclosure (or deed in lieu of foreclosure) shall automatically succeed to all of the rights and privileges of the said Eddie Redmon, Trustee, as such Developer or otherwise, under these By-Laws of DORAL COUNTRY VILLAS, SECTION VII, CONDOMINIUMS.