| ADDRESS NEW OWNER (S) AS FOLLOWS: | SEND TAX BILLS TO: | MAP PARCEL NUMBER |
|---|---|---|
| Continental Consultants Inc | Same | Map 103-5-2 |
| c/o L. Hearn (NAME) Peters | (NAME) | Parcel 19 |
| Route 3 Box 249 | | |
| (STREET ADDRESS OR ROUTE NUMBER) | (STREET ADDRESS) | |
| Camden TN 38320 | | |
| (CITY) (STATE) (ZIP) | (CITY) (STATE) (ZIP) | |

MASTER DEED

POLK MANOR, A CONDOMINIUM

BOOK 5339 PAGE 281

THIS MASTER DEED, is made and entered into this 17th day of July, 1984, by CONTINENTAL CONSULTANTS, INC., a Tennessee corporation (the "Developer");

W I T N E S S E T H:

WHEREAS, the Developer is the owner of certain real property located in Davidson County, Tennessee; and

WHEREAS, the Developer wishes to submit such real property together with all improvements constructed and to be constructed thereon to a horizontal property regime pursuant to the provisions of the Tennessee Horizontal Property Act.

NOW, THEREFORE, THE DEVELOPER DECLARES as follows:

1. DEFINITIONS. The following words and terms, whenever used herein or in exhibits hereto and made a part hereof, unless the context indicates clearly to the contrary, shall be defined as follows:

(a) The words and terms "condominium," "condominium project," "co-owner," "council of co-owners," "master deed," "person," "property," and "to record," shall have the same meaning as provided for such words and terms in the Act.

(b) "Act" shall mean the Horizontal Property Act, Tennessee Code Annotated, Sections 66-27-101, et seq., as the Act may be amended from time to time.

(c) "Board of administration" or "Board" shall mean the governing body of the council of co-owners.

(d) "Building" shall mean each separate structure containing an apartment or apartments.

(e) "Bylaws" shall mean the bylaws of Polk Manor, A Condominium attached hereto as Exhibit "A" and made a part hereof as fully as though copied herein.

(f) "Common elements" shall mean both general common elements and limited common elements.

(g) "General common elements" shall mean those portions of the property not contained within the cubic boundaries of any apartment and which are not designated as limited common elements. Should any of the twenty-six apartments provide the lodging of janitors or persons in charge of the building, such apartment shall not be a general common element solely by reason of the fact that such apartment provides such lodging.

(h) "Limited common elements" shall mean all common elements contiguous to and serving exclusively a single apartment or one or more, but not less than all, apartments as an inse-

7 24.00 CHECK

This Instrument prepared by:

GEARHISER, PETERS & HORTON
ATTORNEYS AND COUNSELORS AT LAW
801 CHESTNUT STREET
CHATTANOOGA, TENNESSEE 37402

parable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful occupants of such apartment or apartments either in this Master Deed, on the plat or by the council of co-Owners. Said limited common elements shall include, but shall not be limited to, the flat roof, the separate furnace, air conditioner and water heater located within, without or adjacent to an apartment or apartments and serving only such apartment or apartments, pipes, ducts, electrical wiring and conduits located entirely within an apartment or adjoining apartments or serving only such apartment or apartments, any balconies and patios and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows and entryways, and all associated fixtures and structures therein, as lie outside the apartment boundaries. Limited common elements shall not include the fire sprinkler system.

(i) "Plat" shall mean the Four (4) sheets comprising the plat of Polk Manor Condominiums, copies of which are attached hereto as Exhibit "B" and made a part hereof.

(j) "Property" shall mean and include the real property described on Sheet 1 of Exhibit "B", as supplemented by Exhibit D, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all personal property intended for common use in connection therewith.

(k) "Apartment" shall have the same meaning as that term is defined in the Act and shall mean that portion of the property, as designated on the plat, as intended for the independent use of a co-owner and shall consist of the undecorated or unfinished interior surfaces of its perimeter walls, lower most floors and uppermost ceilings and the interior surfaces of the door and door frames, window and window frames and trim of each designated apartment and everything within such cubic boundaries, except for the spaces and improvements lying beneath the undecorated and/or unfinished interior surfaces of all interior bearing walls and/or bearing partitions, columns and girders, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utilities or other services to other villas and/or the common elements. If any pipes, ducts, wires, conduits or other facilities lie partially within and partially without the boundaries of an apartment, any portions thereof serving only that apartment shall be deemed a part of that apartment; while any portion thereof serving more than one apartment or any portion of the common element shall be deemed a part of the common elements.

2. SUBMISSION TO HORIZONTAL PROPERTY REGIME. The parcel of real estate described on Sheet 1 of Exhibit "B" is hereby submitted to a horizontal property regime pursuant to the provisions of the Act, such horizontal property regime to be known as Polk Manor, A Condominium.

3. DESCRIPTION OF SPECIFIC APARTMENTS.

(a) All the apartments are delineated on the plat, and the legal description of each apartment shall consist of the identifying number and/or letter of such apartment as shown on the plat.

(b) There are ten (10) typical apartment floor plans which are designated by the capital letters A, B, C, D, E, F, G, H, I, and J. These apartments are generally described below with corresponding apartment number and typical floor plan designation. Further details are illustrated by building plans and specifications included in the plat.

| Apartment Type | Apartment Numbers | Description | Net Size |
|---|---|---|---|
| A | 99 | 2 BR | 690 |
| B | 101 | 1 BR | 800 |
| C | 102 | 1 BR | 645 |
| D | 103 | 1 BR | 485 |
| E | 104 | 2 BR | 960 |
| F | 201, 301, 401, 501, 601 | 2 BR | 875 |
| G | 202, 302, 402, 502, 602 | 1 BR | 705 |
| H | 203, 303, 403, 503, 603 | 1 BR | 505 |
| I | 204, 304, 404, 504, 604 | 2 BR | 1145 |
| J | 701 | 2 BR | 1600 |

4. CO-OWNER'S RIGHTS - EXCLUSIVE AND COMMON. A co-owner shall have (a) the exclusive ownership in fee to his apartment, and (b) as an appurtenance to the ownership of such apartment, (i) an undivided interest in the common elements in the percentage set forth in Exhibit "C" attached hereto and made a part hereof as fully as though copied herein, and (ii) the exclusive use of any limited common elements designated on the plat or in this master deed as appurtenant to such apartment.

5. REAL ESTATE TAXES. It is intended that real estate taxes are to be separately taxed to each co-owner for his apartment in accordance with his respective percentage of ownership in the common elements, as provided in the Act. In the event that for any years such taxes are not separately taxed to each co-owner, but are taxed on the property as a whole, then each co-owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership in the common elements.

6. USE AND OCCUPANCY OF APARTMENTS AND COMMON ELEMENTS. The apartments and common elements shall be occupied and used as follows:

(a) No part of the property shall be used for other than housing and the related common purposes for which the property was designated, and each apartment shall be used as a single family dwelling or for such other uses permitted by this master deed and for no other purposes. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned as set forth in the bylaws.

(b) No industry, business, trade, occupation or profession of any kind shall be conducted, maintained, or permitted on any part of the property, except that the Developer shall be entitled to access, ingress and egress to the property as the Developer shall deem necessary in connection with the construction or sale of the building or any apartment or any future expansion of the condominium project and the Developer shall have the right to use any unsold apartment as a model or for sale or display pur-

poses and to maintain on the property, until the sale of the last apartment, all models, sales offices and advertising signs or banners, if any, and lighting in connection therewith.

(c) There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board, except as expressly provided herein. The use of and the covering of the interior surfaces of windows whether by draperies, shades or other items visible on the exterior of the building, shall be subject to the rules and regulations of the Board, as they from time to time exist.

(d) Nothing shall be done or kept in any apartment or in the common elements which will increase the rate of or result in cancellation of the insurance on the building or the contents thereof, without the prior written approval of the Board.

(e) A co-owner shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside of walls of the building and no sign, paint, structure, awning, canopy, shutter, radio or television antenna (except as constructed by the Developer) shall be affixed to or placed upon the exterior walls or roof or any part thereof, and no alteration of same may be made without the prior written consent of the Board.

(f) No animal shall be kept in the common elements or in any apartment.

(g) No noxious or offensive activities shall be carried on in any apartment nor in the common elements, nor shall anything be done therein, either willfuly or negligently, which may be or become an annoyance or nuisance to the co-owners or occupants.

(h) All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accummulate nor any fire hazard allowed to exist.

(i) Nothing shall be done in any apartment, or in, on or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as otherwise provided herein.

(j) Without the written consent of the Board, nothing shall be altered or constructed in or removed from the common elements except a co-owner may remove his own personal property from the common elements.

(k) If, due to the act or neglect of a co-owner, or a member of his family or a guest or other authorized occupant or visitor of such apartment and/or co-owner, damage shall be caused to the common elements or to an apartment owned by others, or maintenance, repairs, or replacement shall be required which would otherwise be at common expense, then such co-owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not paid by insurance.

(l) Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the council of co-owners and the board of administrators in the manner provided in the bylaws. Copies of such regulations and amendments thereto shall be furnished by the council of co-owners or board of administrators to all apartment owners and residents. Each apartment owner shall be governed by and shall comply with the terms of this master deed, the bylaws, and regulations adopted pursuant thereto, and by such documents and regulations as they may be amended from time to time.

7. MAINTENANCE, REPAIR AND REPLACEMENT.

(a) Each apartment owner, at his own expense, shall furnish and be responsible for all maintenance and repairs to and replacements within his own apartment. Maintenance of, repairs to and replacements within the common elements shall be the responsibility of and shall be furnished by the Board. The cost of maintenance of, repair to and replacements within the common elements shall be part of the common expenses, subject to the bylaws, rules and regulations of the council of co-owners. The council of co-owners shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas. This reserve fund shall be maintained out of regular assessments for common expenses. The expenses for the maintenance, repair or replacement of an apartment's limited common elements, as defined in Paragraph 1(h) herein, shall be assessed to the co-owner or co-owners of the apartment or apartments to which such limited common elements are appurtenant.

(b) Each assessment by the Board against an apartment shall also be the personal obligation of the co-owner from the time the assessment falls due. Such personal obligation shall not pass to successors in title unless assumed by them or required by applicable law.

(c) The Board shall have the authority and duty to levy and enforce the collection of all assessments (general and special) described in subparagraph (a) of this Paragraph 7, as further described in the bylaws and such other assessments as may be described in the bylaws.

(d) If a co-owner is in default for twenty (20) days in the monthly payment of any charges or assessments levied by the Board, the Board shall notify his mortgagee and may assess a service charge of five-tenths (5/10) of a percent of the balance of the aforesaid charges and assessments in default for thirty (30) days for each month, or part thereof, that said balance or any part thereof, remains unpaid. In addition to any remedies or liens provided by law or equity, if a co-owner is in default in the monthly payment of the aforesaid charges or assessments for twenty (20) days, the Board may bring suit for and on behalf of itself as representative of the council of co-owners to enforce collection thereof or to foreclose a lien thereof as provided by law; and there shall be added to the amount due the costs of said suit, together with interest at ten percent (10%) per annum and reasonable attorneys fees to be fixed by the court.

(e) Assessments against any apartment, plus interest, and costs and reasonable attorneys fees incurred by the Board in efforts to collect such assessments, shall become and constitute a lien upon such apartment if not paid within twenty (20) days after the due date.

8. WORKING CAPITAL FUND. Prior to the sale by the Developer of the first apartment, the Developer shall establish an amount of a working capital fund equal to at least two months' assessments for each apartment. Developer shall estimate this amount in good faith and Developer's estimate shall be final and binding. Each apartment's share of the working capital fund shall be collected and transferred to the council of co-owners at the time of closing of the sale of each apartment and maintained in an account for the use and benefit of the council of co-owners. Such apartment's share of the working capital fund shall not constitute a credit against any future assessments.

9. SANCTIONS FOR VIOLATION. The violation of any restriction or condition or regulation adopted by the Board or the

breach of any covenant or provision herein or contained in the bylaws, shall give the Board the right, in addition to any other rights provided in the Act and in this master deed: (a) to enter upon the apartment, or any portion of the property upon which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting co-owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the exhibits hereto, and the rules and regulations of the Board, and the Board, or its employees or agents shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

10. NOTICE OF LIEN OR SUIT.

(a) An apartment owner shall give notice to the Board of every lien upon his apartment, other than for permitted mortgages, taxes, and special assessments, within five (5) days after the attaching of the lien.

(b) Notice shall be given to the Board of every suit or other proceeding that may affect the title to his apartment within five (5) days after the apartment owner receives knowledge thereof.

11. ENTRY BY BOARD. The Board, its agents or employees may enter any apartment when necessary in connection with painting, maintenance, reconstruction, or any other work reasonably necessary for the proper maintenance and operation of the condominium, or for emergency repairs, for which the Board is responsible, or which the Board has a right or duty to do. Such entry shall be made with as little inconvenience to a co-owner as practicable, and any damage caused thereby shall be repaired by the Board as a common expense.

12. INSURANCE.

(a) Insurance policies upon the condominium property covering the items described in subparagraph (b) of this paragraph shall be purchased by the Board as a common expense on behalf and for the benefit of the council of co-owners and the apartment owners and their mortgagees as their interests may appear. Provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of apartment owners and the successors and assigns of such mortgagees. All policies shall require the insurer to notify in writing the council of co-owners and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes coverage. Such policies and endorsements shall be deposited with the insurance trustee retained by the Board pursuant to Paragraph 9(c) of the bylaws. The purchase of such insurance shall be without prejudice to the right of each co-owner to insure his apartment on his own account and for his own behalf.

(b) Insurance shall cover the following:

(i) all buildings and improvements upon the land and all personal property included in the common elements in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board. Such coverage shall afford protection against loss or damage by fire and all other hazards that are normally covered by a standard extended coverage endorsement, and against all other perils customarily covered for similar types of projects, including those covered by the standard "all risks" endorsement, and such other risks as are customarily covered with respect to buildings similar to the buildings on the land, such as, but not

limited to, vandalism and malicious mischief. The following endorsements are required: (a) Agreed Amount and Inflation Guard Endorsement (when it can be obtained); (b) Construction code endorsements (if there is a construction code provision that requires changes to undamaged portions of the building even when only part of the building is destroyed by an insured hazard) which typically include Demolition Cost Endorsements, Contingent Liability from Operation of Building Laws Endorsement, and Increased Cost of Construction Endorsement; and (c) Steam Boiler Coverage Endorsement, if applicable, (providing at least Fifty Thousand Dollars ($50,000.00) coverage for each accident at each location). In addition, the policy should provide that any Insurance Trust Agreement will be recognized, the right of subrogation against apartment owners will be waived, the insurance will not be prejudiced by any acts or omissions of individual apartment owners that are not under the control of the council of co-owners, and the policy will be primary, even if an apartment owner has other insurance that covers the same loss.

(ii) public liability in the amount of at least One Million Dollars ($1,000,000.00) for bodily injury and property damages for any single occurrence, including, but not limited to, hired automobile and nonowned automobile coverages, and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner, and including bodily injury and property damage that results from the operation, maintenance or use of the common areas, and any legal liability that results from lawsuits related to employment contracts in which the council of co-owners is a party.

(iii) workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(iv) a "master" or "blanket" type of insurance policy covering all general and limited common elements that are normally included in such coverage, including fixtures and building service equipment and common personal property and supplies belonging to the council of co-owners; and

(v) such other insurance as the Board shall determine from time to time to be desirable.

(c) Premiums upon insurance policies purchased by the Board shall be paid by the apartment owners as common expenses as provided for in Paragraph 9 of the bylaws.

(d) The Board is hereby irrevocably appointed agent for each apartment owner to adjust all claims arising under insurance policies purchased by the Board, and to execute and deliver releases upon the payment of claims.

13. RESPONSIBILITIES OF INSURANCE TRUSTEE.

(a) All insurance policies purchased by the Board shall provide that proceeds covering property losses shall be paid to any bank or trust company in Tennessee which is selected by the board as a trustee, which bank is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of policies, or for the failure to collect any insurance proceeds.

(b) The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold them in trust for the benefit of the apartment owners and their mortgagees as follows. An undivided share of such proceeds on account of damage to common elements shall be allocated to the apartment owners according to their shares of the common elements. Proceeds on account of apartments shall be held for the owners of damaged

apartments in proportion to the cost of repairing the damage suffered by each apartment owner, which cost shall be determined by the board. In the event a mortgagee endorsement has been issued as to an apartment, the share of the apartment owner shall be held in trust for the mortgagee and the apartment owner as their interests may appear.

(c) Proceeds of insurance policies received by the Insurance Trustee shall be distributed as follows:

(i) All expenses of the Insurance Trustee shall be first paid.

(ii) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be expended as provided in Paragraph 14 herein. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

(iii) If it is determined as provided in Paragraph 15 that the damage for which the proceeds are paid shall not be reconstructed or repaired, or if there are excess proceeds remaining after a reconstruction and repair, the remaining proceeds shall be distributed to the beneficial owners, remittances to apartment owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by such mortgagee.

(iv) In making distribution to apartment owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Board as to the names of the apartment owners and their respective shares of the distribution, and as to whether or not the building is to be reconstructed or repaired.

14. WHEN DAMAGED PROPERTY IS TO BE RECONSTRUCTED OR REPAIRED.

(a) If common elements are damaged, they shall be reconstructed or repaired, unless it is determined that the condominium shall be terminated.

(b) If the damaged property is an apartment building, and if apartments to which 66 2/3% or more of the common elements are appurtenant are found by the Board to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty it is determined that the condominium shall be terminated.

(c) If the damaged property is an apartment building, and if appurtenances to which more than 66 2/3% of the common elements are appurtenant are found by the Board to be not tenantable, the damaged property will not be reconstructed or repaired and condominium will be terminated unless within 60 days after the casualty the owners of 100% of the common elements agree in writing to such reconstruction or repair. No mortgagee shall have any right to participate in the determination as to whether damaged property shall be reconstructed or repaired.

(d) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, or if not, then according to plans and specifications approved by the Board, and if the damaged property is an apartment building, by the owners of not less than 75% of the common elements, including the owners of all damaged apartments, which approval shall not be unreasonably withheld.

15. RESPONSIBILITIES AND PROCEDURES AS TO PAYMENT FOR REPAIRS.

(a) Where the building is, for some reason, not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction, the new building costs shall be paid by all the co-owners directly affected by the damage in proportion to the value of their respective apartments, or as may be provided by the bylaws; and if any one or none of those composing the minority shall refuse to make such payments the majority may proceed with the reconstruction at the expense of all the co-owners benefitted thereby, upon proper resolution setting forth the circumstances of the case and the cost of the works, with the intervention of the council of co-owners. The provisions of this paragraph may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

(b) The proceeds of insurance received by the Insurance Trustee shall be disbursed as follows:

(i) The portion of insurance proceeds representing damage, the reconstruction and repair of which is the responsibility of the apartment owner, shall be paid by the Insurance Trustee to the apartment owner or, if there is a mortgagee endorsement, then to the apartment owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(ii) The portion of insurance proceeds representing damage, the reconstruction and repair of which is the responsibility of the council of co-owners, shall be disbursed in payment of the costs of such repair and reconstruction in the manner required by the Board.

(iii) The Insurance Trustee shall not be required to determine whether a disbursement is to be made, the identity of the payee, or the amount to be paid, but may rely upon a certificate of the Board stating such information.

16. ACCEPTANCE OF PROVISIONS. Each co-owner, by the acceptance of a deed of conveyance, accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this master deed and the exhibits hereto or otherwise of record, and the provisions of the Act, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations imposed hereby and by the exhibits hereto or otherwise of record shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land and shall inure to the benefit of such person in like manner as though the provisions of this master deed and the exhibits and other recorded instruments were recited and stipulated at length in each and every deed of conveyance.

17. INCORPORATION. The Developer (prior to the election of the first board) and the Board may, upon the affirmative vote of a majority of the co-owners, at any time hereafter, cause the formation of a Tennessee not-for-profit corporation for the purpose of facilitating the administration and operation of the property.

18. FAILURE TO ENFORCE. No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein or the exhibits hereto shall be abrogated or waived by any failure to enforce the same no matter how many violations or breaches may occur.

19. NOTICES. Notices required or permitted to be given to the Board or to any co-owner may be delivered to any member of the Board or such co-owner either personally or by mail addressed to such board member or co-owner at his apartment.

20. AMENDMENT AND ALTERATIONS OF APARTMENT PLANS. Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, so long as Developer owns the units so altered. No such change shall increase the number of apartments nor alter the boundaries of the common elements without amendment of this master deed by approval of the council of co-owners, apartment owners and owners of mortgages in the manner elsewhere provided. If Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment to the master deed. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements which are appurtenant to the units concerned. An amendment of this master deed reflecting such alteration of apartment plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the council of co-owner, apartment owners or lienors or mortgagees of apartments or of the condomium, whether or not elsewhere required for an amendment.

21. AMENDMENTS. Until such time as an apartment is owned by an entity other than the Developer, an amendment of this master deed and the exhibits hereto may be made by Developer alone. After such time as one or more apartments are owned by an entity other than the Developer, this master deed and the exhibits hereto may be amended, changed or modified by an instrument in writing seting forth such amendment, change or modification, signed and acknowledged by all members of the board, the co-owners owning at least 75% of the undivided interest in the common elements and their mortgagees, where applicable, if the interests of such mortgagees are to be materially adversely affected, and containing an affidavit by an officer of the Board certifying that a copy of the amendment, change or modification has been mailed by certified mail to all parties having bona fide liens of record against any apartment not less than ten days prior to the date of such affidavit. Notwithstanding the preceding sentence, the bylaws may be amended, changed or modified with the written consent of the co-owners owning at least 66 2/3% of the undivided interest in the common elements and such consent shall be in form similar to that required to amend this master deed. Any amendment, change or modification shall conform to the provisions of the Act and shall be effective upon recordation thereof. No amendments shall change any apartment nor the share in the common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the apartment and all record owners of liens thereon shall join in the execution of the amendment. No amendment may alter or change in any way the Developer's right of first refusal as provided in Paragraph 22 hereof, without the prior written consent of Developer, which consent may be withheld for any reason.

22. TRANSFER OF A UNIT BY SALE, LEASE, GIFT, INHERITANCE OR OTHERWISE - FIRST OPTION TO DEVELOPER AND SECOND OPTION TO COUNCIL OF CO-OWNERS.

A. Unrestricted Transfers. Subject to Subparagraph B below, a co-owner may, without restriction under this Master Deed, sell, give, devise, lease or otherwise transfer his apartment, or any interest therein, to his spouse, or to his child, parent, brother, sister, grandchild or descendant or to any one or more of them, or to any trustee of a trust, the sole beneficiary of which is the co-owner or his spouse, child, parent, brother, sister, grandchild or descendant or any one or more of them. Notice of any such unrestricted transfer shall be given to the Board within five (5) days following consummation of such transfer.

B. Leases. No co-owner other than the Developer may lease his apartment or any interest therein without the prior written consent of the Board. Any such lease shall be consistent with the master deed and the bylaws and as they may be amended from time to time and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board, that the tenant shall neither sublet the demised premises or any part thereof, nor assign the lease thereto, without the prior consent in writing of the Board and the Board shall have power to terminate such lease and/or to bring appropriate legal proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be the then current form of apartment lease, approved in writing by the Board. Any purported lease of an apartment in violation of this section shall be voidable at the election of the Board. Should a co-owner desire to lease or rent such co-owner's unit in accordance with the terms and conditions of this master deed, the bylaws and the rules and regulations of the Board and council of co-owners, co-owner is not required to use any particular rental agent to assist co-owner with such lease or rental. Neither Developer, the Board nor the council of co-owners shall participate in any rental pool arrangement connected with the property. No co-owner is required to hold his apartment available for rental or lease to another at any time. Developer may, in Developer's discretion, lease any apartment owned by Developer to the janitor or other persons in charge of the building or to any other entity.

C. Notice to Developer and Board of Certain Transfers. Whenever a co-owner shall propose to sell, give, devise, lease or otherwise transfer his apartment, or any interest therein, to any person or entity other than a person or entity described in subparagraph A above, said co-owner shall give the Developer and the Board not less than thirty (30) days prior written notice of the proposed transfer, which notice shall briefly describe the type of transfer proposed by the co-owner and shall state the name, address and financial and character references of the proposed transferee. The notice shall also include a copy of the proposed lease, contract for sale or other documents, if any, effecting said transfer.

D. Developer's First Option.

(a) If Proposed Transfer is a Sale or Lease. If a co-owner proposes to sell or lease his apartment, or any interest therein, to any person or entity other than a person or entity described in subparagraph A above, for a period of thirty (30) days following the date notice of said proposed transfer is given to the Developer and the council of co-owners, the Developer shall have the first right, at its option, to purchase or lease such apartment from said co-owner (the "transferring party") upon the terms described in said notice.

(b) If Proposed Transfer is a Gift. If a co-owner proposes to make a gift of his apartment, or any interest therein, to any person or entity other than a person or entity described in subparagraph A above, for a period of thirty (30) days following the date notice of said proposed transfer is given to the Developer and the Board, the Developer shall have the first right, at its option, to purchase such apartment. The price to be paid by the Developer for said apartment or interest therein shall be agreed upon by said co-owner (the "transferring party") and said Developer, or, if not promptly agreed upon shall be determined in accordance with the procedure set forth in subparagraph E below.

(c) If Proposed Transfer is Upon the Death of a Co-Owner. If a co-owner dies and under applicable law his apart-

ment, or any interest therein, is subject to a probate proceeding, then during a period of six (6) months after appointment of a personal representative of said deceased co-owner, the Developer shall have the first right, at its option, to purchase said apartment either from the devisee thereof named in the deceased co-owner's will, if any, or from the appointed personal representative of such deceased co-owner who is empowered or authorized to sell the apartment (the "transferring party"). However, the foregoing option shall not apply to any such transfer upon the death of a co-owner to a person or entity described in subparagraph A above. The price to be paid by the Developer for said apartment, or interest therein, shall be agreed upon by the Developer and said transferring party, or if not promptly agreed upon, shall be determined in accordance with the procedure set forth in subparagraph E below.

E. Determination of Disputed Purchase Price. If the price to be paid by the Developer for an apartment or interest therein, pursuant to subparagraph D(b) and (c), above, is not promptly agreed upon said price shall be equal to the fair market value of the apartment, as determined by an M.A.I. appraiser mutually agreed upon by the transferring party and the Developer, and, in the event of no prompt agreement on said appraiser, by a majority decision of three M.A.I. appraisers, one chosen by the transferring party, one chosen by the Developer and the third chosen by the two appraisers. The cost of said appraiser or appraisers shall be paid one-half by the transfering party and one-half by the Developer or if Developer exercises its first option. If Developer does not exercise its first option and the Council of Co-Owners exercises its "second option", as provided in subparagraph F, the cost of said appraiser or appraisers shall be paid one-half by the transferring party and one-half by by the council of co-owners (as a common expense).

F. Second Option to Council of Co-owners. If the Developer does not elect to exercise its first option as provided in this Paragraph 22, the council of co-owners shall have the right, but not the obligation, to purchase or lease, as the case may be, the same on the same terms and conditions that the Developer could have purchased or leased the apartment. Such option must be exercised within thirty (30) days of the date Developer notifies the Board in writing of its election not to purchase or lease said apartment or sixty days after the notice referred to in Subparagraph D(a) above, is given, whichever shall first occur.

G. Election Not to Exercise Second Option. The Board shall have authority, on behalf of and in the name of the council of co-owners, to elect not to exercise the council of co-owner's second option hereunder, and shall promptly give written notice of said election to the transferring party. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board shall elect not to exercise the council of co-owners second option hereunder. The Board shall be deemed to have elected not to exercise its first option if either (i) the Board notifies the transferring party that it has elected not to exercise its option, or (ii) the Board fails to notify the transferring party, before expiration of the applicable option period provided herein, that the Board elects to exercise its option.

If the Board and the Developer elect not to exercise either of their respective options, in the case of a proposed sale, lease or gift of an apartment, the transferring party may proceed to close said proposed transfer any time within forty-five (45) days after said later election. Thereafter, said transfer of the apartment, or any interest therein, shall become again subject

to the Developer's and council of co-owner's right of first and second option, as herein provided.

A certificate executed by the President, Vice-President, Secretary or other duly authorized officer of the council of co-owners, certifying that the council of co-owners, by its Board, has elected not to exercise its second option, shall be conclusive evidence of such election and of a co-owner's compliance with the provisions hereof. Such a certificate shall be furnished to a co-owner upon his compliance with the provisions hereof, provided the co-owner requests such certificate from the Board in writing and prays the Board a reasonable fee for said certificate.

H. Election to Exercise Second Option. The Board shall have authority to recommend to the co-owners that the council of co-owners elect to exercise its option. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board should make such recommendation. In the event the Board decides not to recommend that the council of co-owners elect to exercise its option, then notice of the Board's decision shall be promptly given to the transferring party.

In the event the Board shall decide to recommend to the co-owners that the council of co-owners elect to exercise its option, the Board shall call and hold a meeting of all the co-owners, within the twenty (20) days following its determination to recommend such election, for the purpose of voting upon whether the council of co-owners will elect to exercise its option. If co-owners owning not less than seventy-five percent (75%) of the total ownership of the common elements by affirmative vote at such meeting or by written proxy or consent, elect to exercise the council of co-owners second option, then the Board shall promptly give written notice of said election to the transferring party.

The council of co-owners shall be deemed to have exercised its option hereunder if it tenders the required sum of money to the transferring party within the applicable option period provided herein.

I. Council of Co-owner's Right to Purchase at a Foreclosure Sale. The Board shall have the power and authority to bid and purchase, for and on behalf of the council of co-owners, any apartment, or interest therein, at a sale pursuant to a deed of trust or mortgage foreclosure of the lien for common expenses under the Act, or an order or direciton of a court, or at any other involuntary sale, upon the consent or approval of co-owners owning not less than seventy-five percent (75%) of the total ownership of the common element. Such consent shall be set forth a maximum price which the board or its duly authorized agent may bid and pay for said unit.

J. Financing of Purchase by Council of Co-owners. The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective co-owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a unit or interest therein, by the council of co-owners. However, no such financing arrangement may be secured by an encumbrance on any interest in the property other than the apartment, or interest therein, to be purchased or leased, and the percentage interest in the common elements appurtenant thereto.

K. Miscellaneous.

(a) A transfer or lease of an apartment, or interest therein, by or to the Board, the Developer or the holder of any deed of trust or mortgage on an apartment which comes into

possession of the mortgaged apartment pursuant to remedies provided in such deed of trust or mortgage, or pursuant to foreclosure of such deed of trust or mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such deed of trust or mortgagee, shall not be subject to the provisions of this Paragraph 22.

(b) The Association shall hold title to or lease any apartment, pursuant to the terms hereof, in the name of the council of co-owners, or a nominee thereof delegated by the Board, for the sole benefit of all co-owners. The Board shall have the authority at any time to sell, lease or sublease said Unit on behalf of the council of co-owners upon such terms as the Board shall deem desirable, but in no event shall an apartment be sold for less than the amount paid by the council of co-owners to purchase said apartment unless co-owners owning not less than seventy-five percent (75%) of the total ownership of the common elements first authorize the sale for such lesser amount.

(c) All notices referred to or required under this Paragraph 22 shall be given in the manner provided in this Master Deed for the giving of notices.

(d) The provisions of this Paragraph 22 with respect to the council of co-owner's right of second options shall be and remain in full force and effect until the property as a whole shall be sold or removed from the provisions of the act, as provided therein, unless the provisions of this Paragraph 22 are sooner rescinded or amended by the co-owners.

(e) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Paragraph 22, for the purpose of implementing and effectuating said provisions.

(f) If any transfer or lease of an apartment is made or attempted without strictly complying with the provisions of this Paragraph 22, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to the Developer and the council of co-owners hereunder and otherwise. Failure to object to a lack of strict compliance shall not be deemed a waiver of any rights that the Developer and/or the council of co-owners may have hereunder.

23. LENDER'S NOTICES. Upon written request to the council of co-owners, identifying the name and address of the holder, insurer or guarantor and the apartment number or address, any mortgage holder, insurer, or guarantor is entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the condominium or the apartment securing its mortgage;

(b) Any sixty (60) day delinquency in the payment of assessment or charges owed by the owner of any apartment on which it holds the mortgage;

(c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the council of co-owners; and

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

24. SEVERABILITY. The invalidity of any restriction hereby imposed, or any provision hereof, or of any part of any such restriction or provision, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this

master deed and all of the terms hereof and the exhibits hereto are hereby declared to be severable.

25. CONSTRUCTION. The provisions of this master deed and exhibits hereto shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first class condominium.

26. CONVEYANCE OF INTEREST IN COMMON ELEMENTS. The undivided interest in the common elements shall not be separated from the apartment to which such interest appertains and shall be deemed conveyed or encumbered with the apartment even though such interest is not expressly mentioned or described in the deed of conveyance or other instrument.

27. FEDERAL NATIONAL MORTGAGE ASSOCIATION REGULATIONS. Notwithstanding anything to the contrary contained in this master deed or in the bylaws, all terms, conditions, and regulations which are now existing, or as they may be amended from time to time, of the Federal National Mortgage Association pertaining to condominiums are hereby incorporated as terms and conditions of the master deed and bylaws and such shall govern the property, the developer, the council of co-owners and all co-owners, so long as such terms or conditions are not inconsistent with the laws of the State of Tennessee as found in T.C.A. Sections 66-27-101 et seq., as amended.

28. EFFECTIVE DATE. This master deed and the exhibits hereto shall be effective upon recordation.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its duly authorized officers as of the day and date first above written.

CONTINENTAL CONSULTANTS, INC.

By: William L. McBee
(William L. McBee) President

ATTEST: Ella Shadelene McBee
(Ella Shadelene McBee) Secretary

STATE OF TENNESSEE

COUNTY OF Hamilton

Before me, a notary public of the state and county aforesaid personally appeared William L. McBee and Ella Shadelene McBee with whom I am personally acquainted, and who, upon oath, acknowledged themselves to be the president and secretary, respectively, of Continental Consultants, Inc., the within named bargainor, a corporation, and they as such president and secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as president and secretary.

Witness my hand and seal, at office this 17th day of July, 1984.

Jay L. Settle
Notary Public

My commission expires: 5/9/88



065/115-129

EXHIBIT "A"

BYLAWS OF POLK MANOR

A CONDOMINIUM

The following provisions shall constitute the bylaws of POLK MANOR, a condominium, which shall, along with the provisions of the master deed and rules and regulations adopted by the Board, govern the administration of the property.

1. Voting Rights. Any specified percentage of the co-owners, or the majority or otherwise, for purposes of voting and for all purposes and wherever provided shall mean such percentage in the aggregate in interest of the common elements. If any apartment is owned by more than one person, the voting rights with respect to such apartment shall not be divided, but shall be exercised as if the co-owners of such apartment consisted of only one person in accordance with a proxy or other designation made by the persons constituting the owners of such apartment.

2. Board of Administrators. The direction and administration of the property shall be vested in a board of administrators (the "Board") consisting of five persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the co-owners; provided, however, that in the event a co-owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner or such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity shall be eligible to serve as a member of the Board.

3. Terms and Voting of Board Members. The members of the Board shall serve for a term of two years and until their successors are elected. At the first meeting of the Council of Co-owners, the co-owners shall, by a vote of a majority of the co-owners present at such meeting, elect three members of the Board to serve for two years and two members of the board to serve for one year. Thereafter, at such annual meeting of the Council of Co-owners, the co-owners shall, by a vote of a majority of the co-owners present at such meeting, elect members to fill the vacancies of those expiring terms. No member may serve for more than two successive terms. A majority of the members of the Board shall constitute a quorum. The Board shall act by the vote of the majority of those members present at the meeting of the Board when a quorum is present, or by unanimous written consent signed by all of the members of the Board. Until the first meeting of the Council of Co-owners, the Developer shall act as and for the Board under those restrictions set forth in Paragraph 8(b) hereof.

4. Meetings of the Board. A regular annual meeting of the Board shall be held immediately after, and at the same place as annual meetings of the Council of Co-owners. Other meetings of the board may be called, held and conducted in accordance with such regulations as the Board may, from time to time, adopt.

5. Removal of Board Member. Any member of the Board may be removed from office by the affirmative vote of 66 2/3% of the co-owners at a special meeting of the Council of Co-owners called for such purpose.

6. Indemnity and Liability of Board Members. The members of the Board and the officers thereof shall not be liable to the co-owners for any mistake of judgment, or of any acts or omissions made in good faith as such members or officers. The Council of Co-owners shall indemnify and hold harmless each

member of the Board and officers against all contractual liabilities to others arising out of contracts made by such members or officers on behalf of the Council of Co-owners, unless any such contract shall have been made in bad faith or contrary to the provisions of the master deed, or the exhibits thereto. The liability of any co-owner arising out of any contract made by such member or officer of the Board or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as such co-owners percentage interest in the common elements bears to the total percentage interest of all of the co-owners in the common elements. Each agreement made by such members or officers shall be executed by such members or officers as agents for the Council of Co-owners.

7. Binding Effect of Board Determination. In the event of any dispute or disagreement between any co-owners relating to the property, or any question of interpretation or application of the provisions of the master deed and the exhibits thereto, the determination thereof by the Board shall be final and binding on the co-owners.

8. Powers of the Board. LIBER 6339 PAGE 297

(a) The Board shall have the power:

(i) to engage the services of a manager or managing agent, who may be any person, firm or corporation, upon such terms and compensation as the Board deems fit, and to remove such manager or managing agent at any time;

(ii) to engage the services of any persons deemed necessary by the Board at such compensation deemed reasonable by the Board, in the operation, repair, maintenance and management of the property, and to remove at any time any such personnel;

(iii) to establish or maintain one or more bank accounts for the deposit of any funds paid to, or received by the Board;

(iv) to make such charges as it sees fit for the use by co-owners or others of the common elements or portions thereof on such terms as the Board sees fit. Any funds received by the Board for any such use shall become a part of the maintenance fund;

(v) to enter any apartment to make emergency repairs, and to enter at reasonable times to make non-emergency repairs to common elements that may be accessible through the apartment and to do other work reasonably necessary for the proper maintenance and operation of the condominium;

(vi) to grant permits, licenses and easements over the common areas for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the condominium; and

(vii) to make and collect assessments as described in Paragraph 16.

(b) Prior to the first meeting of the Council of Co-owners, the Developer, acting as and for the Board, has no power or authority to enter, directly or indirectly, into leases or contracts, including management contracts, on behalf of the co-owners unless such lease or contract provides for a right of termination of such contract or lease without penalty by the Council

of Co-owners at any time after the first meeting of the Council of Co-owners upon not more than ninety (90) days' notice to the other party.

9. Payments from Maintenance Fund. The Board shall acquire and make arrangements for, and pay out of the maintenance fund, in addition to the manager, managing agent or other personnel above provided for, the following:

(a) water, waste removal, electricity and telephone and other necessary utility service for the common elements and such services to the apartments as not separately metered to the co-owners thereof;

(b) such insurance as the Board is required to obtain and such other insurance as the Board deems advisable in the operation; (any losses under such policies of insurance shall be payable and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of the Act, all rules and regulations of the Federal National Mortgage Association, the master deed, and the exhibits thereto);

(c) the services of a bank or trust company authorized to do business in the State of Tennessee to act as Insurance Trustee, pursuant to the provisions of the master deed, on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss and the proceeds from any condemnation, upon such terms as the Board shall determine consistent with the provisions of the master deed and the exhibits thereto;

(d) a policy or policies insuring the Board and the Council of Co-owners against any liability, incident to the ownership and the use of the common elements, the liability under such insurance shall be not less than $1,000,000.00 for bodily injury and property damages for any single occurrence (such limits to be reviewed at least annually by the Board and increased in its discretion) with severability of interest endorsements;

(e) workmen's compensation insurance to the extent necessary to comply with any applicable law;

(f) all other insurance required by provisions of the master deed;

(g) landscaping, gardening, snow removal, painting, cleaning, maintenance, security, decorating, repair and replacement of the common elements (not including the interior surfaces or windows and doors of the apartment, and the patios and balconies which the co-owners have the exclusive right to use and occupy pursuant to the master deed and the exhibits thereto, which the respective co-owners shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the common elements as the Board shall determine are necessary, and the Board shall have the exclusive right and duty to acquire the same for the common elements;

(h) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board deems necessary or proper for the maintenance and operation of the property as a first class condominium, for the enforcement of any restrictions or provisions contained in these bylaws, the master deed and exhibits thereto;

(i) any amount necessary to discharge any mechanic's lien or other encumbrance levied against the property or any part thereof which in the opinion of the Board constitutes a lien against the property or against the common elements, rather than merely against the interest therein of particular co-owners;

(where one or more co-owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any cost incurred by the Board by reason of said lien or liens shall be specially assessed to said co-owners, and shall, until paid by such co-owners, constitute a lien on the interest of such co-owners in the property as provided in the Act with respect to liens for failure to pay a share of the common expenses);

(j) maintenance and repair of any apartment or of any other portion of the property which a co-owner is obligated to maintain or repair under the terms of the master deed or the exhibits thereto, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements, or any portion of the property, and the co-owner or co-owners of said apartment have failed or refused to perform said maintenance or repair within a reasonable time after the notice of the necessity of said maintenance or report delivered by the Board to said co-owner or co-owners; provided, that the Board shall levy a special assessment against such apartment in proportion to the cost of maintenance or repair of the respective apartment for the cost of such maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of said co-owner or co-owners in the property as provided in the Act with respect to liens for failure to pay a share of the common expenses; and

(k) a fidelity bond covering each employee handling funds of the Council of Co-owners.

10. Meetings of the Council of Co-owners. The first meeting of the Council of Co-owners shall be called by the Developer no later than the earlier of the following events: (i) four months after seventy-five percent (75%) of the apartments have been conveyed to unit purchasers; or (ii) three years following conveyance of the first apartment. Thereafter, an annual meeting of the Council of Co-owners shall be held on the third Monday in January of each year for the purpose of electing members of the Board and such other business as comes before the meeting. Special meetings of the Council of Co-owners may be called, for any reasonable purpose, either by the president, or not less than 33 1/3% of the co-owners, the notice for which shall specify matters to be considered in such special meeting.

11. Time, Place and Notice of Meeting; Quorum; Voting by Co-Owners. All meetings of the Council of Co-owners shall take place at 7:00 p.m. in some section of the property designated by the person or persons calling a special meeting, or at such other reasonable place or time designated by the board. Written notice of the holding of the regular or a special meeting of the Council of Co-owners, stating the date, hour and place of such meeting shall be delivered or sent in person or by mail, to each co-owner in care of his apartment at least five days before the date of such meeting. A majority of the co-owners shall constitute a quorum at such meeting. A co-owner may vote either in person or by proxy at a regular or special meeting of the council of co-owners. Every proxy must be dated and in writing and no proxy shall be valid after twelve months from the date of its execution.

12. Election and Removal of Board Officers. A president, one or more vice presidents, a secretary and a treasurer shall be elected at each annual meeting of the Board from among its members. Any two or more offices may be held by the same person, except the offices of president and secretary. Any such officer may be removed by the majority of the board at any time. A vacancy in any office may be filled by the board for the unexpired term.

13. Duties of Board President. The president shall preside over the meetings of the Board and the Council of Co-owners; he may sign, together with any other officer designated by the board, any contracts, checks, drafts, or other instruments designated or approved by the board. The absence of the president, or in the event of his inability to act, the vice presidents (in the order elected) shall perform the duties of the president.

14. Duties of Board Secretary. The secretary shall, in addition to any other duties, see that all notices are duly given as herein provided. The secretary shall also take minutes of each meeting and shall keep and maintain the minute book wherein all minutes and resolutions of the Board and Council of Co-owners shall be recorded.

15. Approval of Expenditures. All expenses, charges and costs of the maintenance, repair or replacement of the common elements, and any other expenses, charges or costs which the Board may incur or expend pursuant hereto shall be approved by the Board, and a written memorandum thereof shall be prepared and signed by the treasurer. There shall be no structural alterations, capital additions to, capital improvements on, the common elements (other than for purposes of replacing or restoring portions of the common elements) requiring an expenditure in excess of Five Thousand Dollars ($5,000.00) without the prior approval of 66 2/3% of the co-owners.

16. Annual Budget. Each year on or before December 1, the Board shall estimate the annual budget of the common expenses (the "annual budget") for the next year including the total amount required for the cost of wages, materials, insurance, services, and supplies which will be required during the ensuing calendar year for the rendering of all services together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before December 15 notify each co-owner in writing as to the amount of such estimate with reasonable itemization thereof. Said annual budget shall be assessed to the co-owners according to each co-owner's percentage of ownership in the common elements. On or before January 10 of the ensuing year, and on the tenth day of each other month of said year, each co-owner shall be obligated to pay to the Board, or as it may direct, 1/12 of the assessment made pursuant to this paragraph. On or before the first day of April of each calendar year, the Board shall supply to all co-owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid together with the tabulation of the amounts collected pursuant to the estimates provided, and showing the net income 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 co-owner's percentage of ownership in the common elements to the next monthly installments due from co-owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each co-owner's percentage of ownership in the common elements to the installments due in the succeeding six months after rendering of the accounting. The Board shall build up and maintain a reasonable reserve for contingencies and replacements and shall include such reserve in the calculation of the annual budget. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year, shall be charged first against such reserve, but if said annual budget provision is inadequate for any reason, including nonpayment of the co-owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the co-owners according to each co-owner's percentage of ownership in the common elements. The Board shall serve notice

of such further assessment to all co-owners by a statement in writing giving the amount and reasons therefor, and such assessment shall become effective with the first monthly maintenance payment which is due more than ten days after the delivery or mailing of such notice or further assessment all, and co-owners shall be obligated to pay the adjusted monthly amount.

17. Estimated Budget of First Board. When the first Board elected hereunder takes office, it shall determine the estimated budget, as hereinabove defined, for the period commencing thirty days after said election and ending on the last day of the calendar year in which said election occurs. Assessments shall be levied against co-owners during said period as provided in Paragraph 16. No credit shall be given to a co-owner for capital fund payments made pursuant to Paragraph 8 of the master deed.

18. Failure to Prepare Budget Not a Waiver. The failure or delay of the Board to prepare or serve the annual or adjusted budget on the co-owners shall not constitute a waiver or release in any manner of the co-owner's obligation to pay the maintenance and other costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, the co-owners shall continue to pay the monthly assessments charges at the then existing monthly rate established for the previous period until the first monthly assessment payment which is due more than ten days after the new annual or adjusted budget shall have been mailed or delivered.

19. Books of Account. The Board shall keep true and correct books of account and the same, along with current copies of the Master Deed, Bylaws and other rules governing the property, shall be open for inspection by any co-owner, or by any lender who has a mortgage on any apartment in the condominium, or any holder, insurer or guarantor of any first mortgage on an apartment in the condominium, or any representative of a co-owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the co-owner. 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 the co-owners and for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all of the co-owners in the percentages provided.

20. Developer to Act Until First Board is Elected. Until such time as the first Board provided for herein is elected, the Developer may assess each co-owner a maintenance fee. All the rights, duties and functions of the Board set forth in the master deed and the exhibits thereto shall be exercised by the Developer for a period ending thirty days after the first meeting of the Board pursuant to the terms of Paragraph 10 hereinabove.

21. Default by Co-Owner. If a co-owner is in default in the monthly payment of the aforesaid charges or assessments for twenty (20) days, the Board shall notify his mortgagee and may assess a service charge of five tenths of a percent (.5%) of the balance of the aforesaid charges and assessments in default for thirty days for each month, or part thereof, that said balance or any part thereof, remains unpaid. In addition to any remedies or liens provided by law or equity, if a co-owner is in default in the monthly payment of the aforesaid charges or assessments for twenty (20) days, the Board may bring suit for and on behalf of itself as representative of the Council of Co-owners to enforce collection thereof or to foreclose a lien thereof as provided by

law; and there shall be added to the amount due the costs of said suit, together with interest at 10% per annum and reasonable attorney's fees to be fixed by the court. The Board shall also notify the co-owners' mortgagee in event of casualty losses or condemnation.

22. Priority of Claims for Assessments. Any mortgage or deed of trust made, owned or held by a bank, savings and loan association, or insurance company or other institutional lender and recorded prior to the recording or mailing of a notice by the Board of the amount owing by a co-owner who has refused or failed to pay his share of the monthly assessments when due shall be superior to the lien of such unpaid expenses set forth in said notice and to all assessments for common expenses which shall become due and are unpaid subsequent to the date of the recording of such first mortgage or first deed of trust. The purchaser from such lender shall be responsible for all assessments for common expenses levied after the date of such purchase.

23. Adoption and Amendment of Rules and Regulations by Board. The Board may, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the common elements and the apartments, which amendment or amendments shall not be inconsistent with the terms of the master deed and the exhibits thereto, as the Board sees fit, and the co-owners shall conform to, and abide by, such rules and regulations. Written notice of the adoption and amendment of such rules and regulations shall be given to all co-owners and occupants. A violation of such rules and regulations shall be deemed a violation of the master deed and the exhibits thereto.

24. Notice and Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the master deed or the exhibits thereto, including these bylaws, a waiver thereof in writing of the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice.

25. No Authority to Conduct Business for Profit. Nothing contained in these bylaws shall be construed to give the Board authority to conduct any business for profit on behalf of the Council of Co-owners or any co-owner.

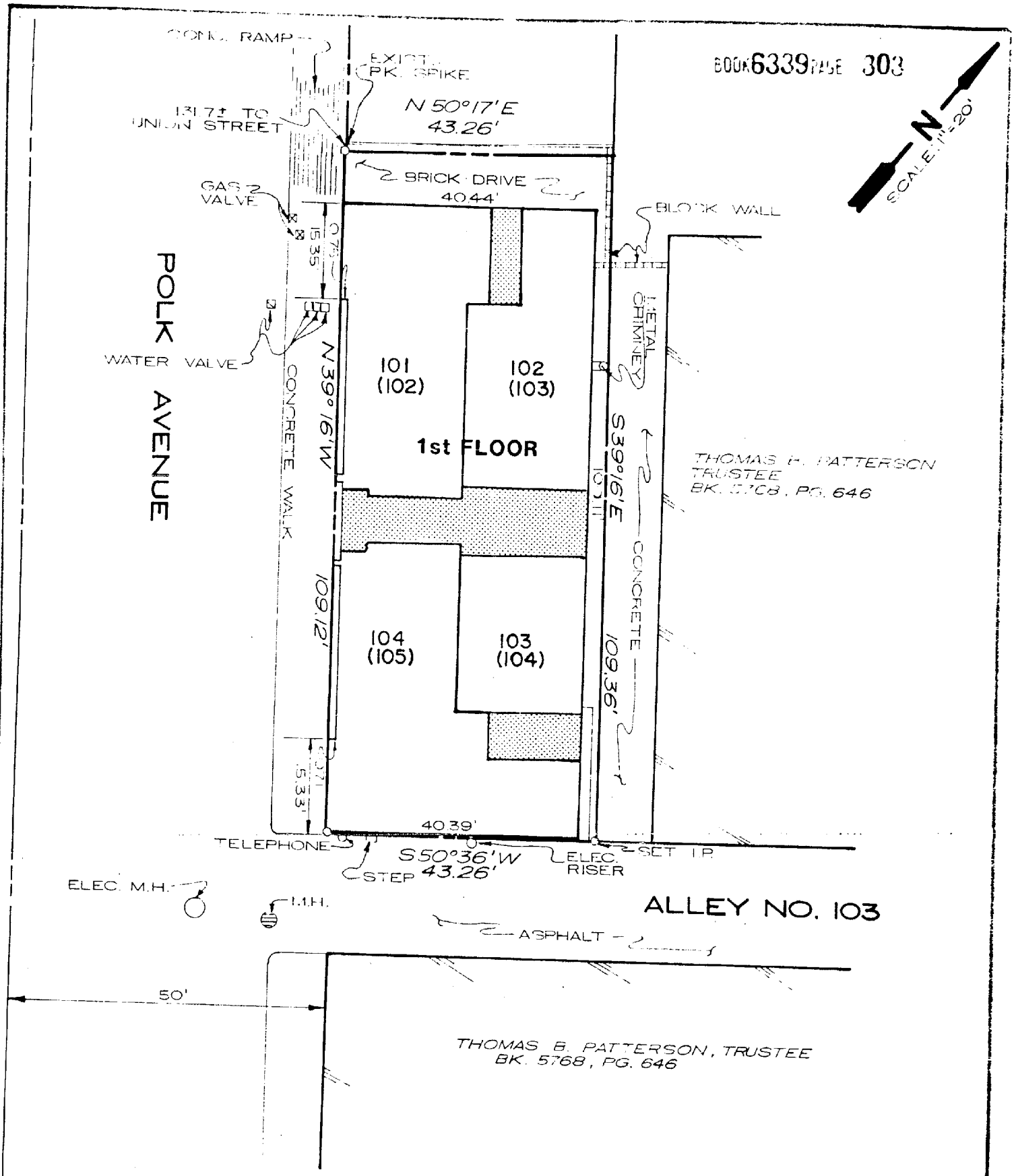
CONTINENTAL CONSULTANTS, INC.

By: William L. McBee
(William L. McBee) President



063/47-53

BOOK 6339 PAGE 303




Surveyor's Certificate

I hereby certify that the information given hereon is correct and true to the best of my knowledge and belief.

By: E. J. Thornton Jr. Date: 7/13/84

# EXHIBIT "B"

# POLK MANOR CONDOMINIUM

FIRST CIVIL DISTRICT, DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE


BARGE, WAGGONER, SUMNER, & CANNON
204 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37219


FILE NO. 8168

SHEET 1 OF 4

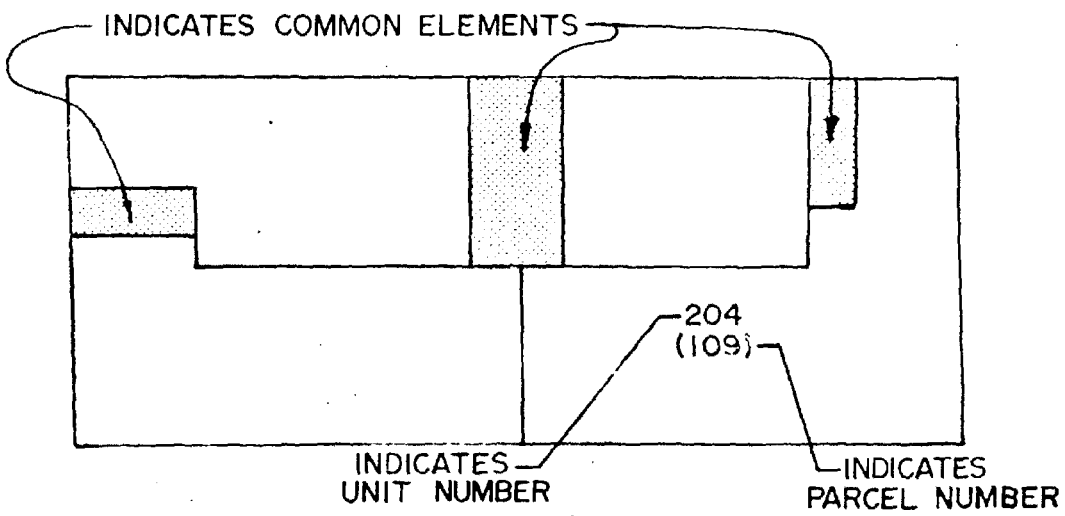
# UNIT SCHEDULE



| UNIT NUMBER | UNIT TYPE | APPROXIMATE AREA IN SQUARE FEET | PARCEL NUMBER |
|---|---|---|---|
| 99 | 2 Bedroom | 690 | 101 |
| 101 | 1 Bedroom | 800 | 102 |
| 102 | 1 Bedroom | 645 | 103 |
| 103 | 1 Bedroom | 485 | 104 |
| 104 | 2 Bedroom | 960 | 105 |
| 201 | 2 Bedroom | 875 | 106 |
| 202 | 1 Bedroom | 705 | 107 |
| 203 | 1 Bedroom | 505 | 108 |
| 204 | 2 Bedroom | 1145 | 109 |
| 301 | 2 Bedroom | 875 | 110 |
| 302 | 1 Bedroom | 705 | 111 |
| 303 | 1 Bedroom | 505 | 112 |
| 304 | 2 Bedroom | 1145 | 113 |
| 401 | 2 Bedroom | 875 | 114 |
| 402 | 1 Bedroom | 705 | 115 |
| 403 | 1 Bedroom | 505 | 116 |
| 404 | 2 Bedroom | 1145 | 117 |
| 501 | 2 Bedroom | 875 | 118 |
| 502 | 1 Bedroom | 705 | 119 |
| 503 | 1 Bedroom | 505 | 120 |
| 504 | 2 Bedroom | 1145 | 121 |
| 601 | 2 Bedroom | 875 | 122 |
| 602 | 1 Bedroom | 705 | 123 |
| 603 | 1 Bedroom | 505 | 124 |
| 604 | 2 Bedroom | 1145 | 125 |
| 701 | 2 Bedroom | 1600 | 126 |

NOTE: SQUARE FOOTAGES TAKEN FROM ARCHITECTURAL PLANS BY REINHARDT DATED [illegible] AND REVISED 5-26-82

## TYPICAL UNIT DESIGNATION



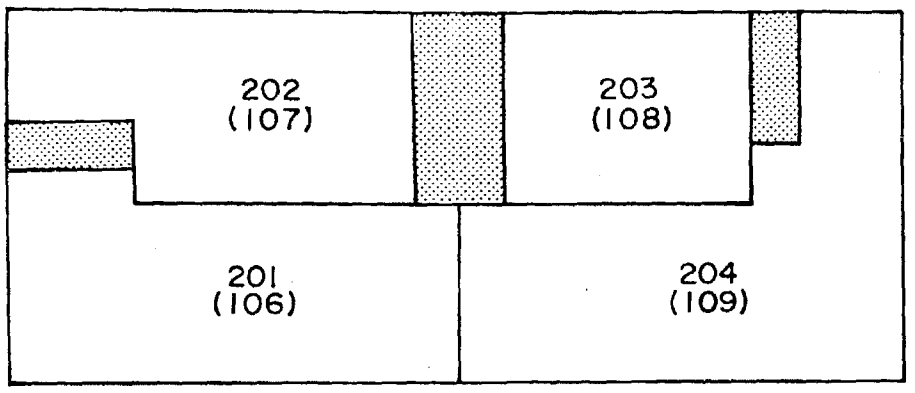

## POLK MANOR CONDOMINIUM

FIRST CIVIL DISTRICT, DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE

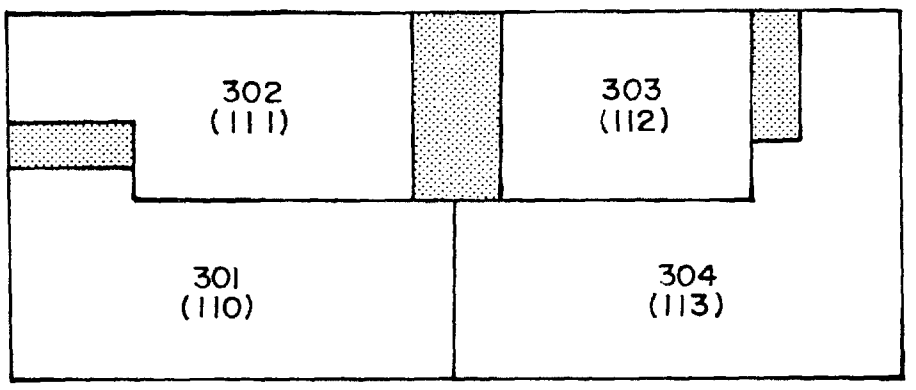
BARGE, WAGGONER, SUMNER, & CANNON
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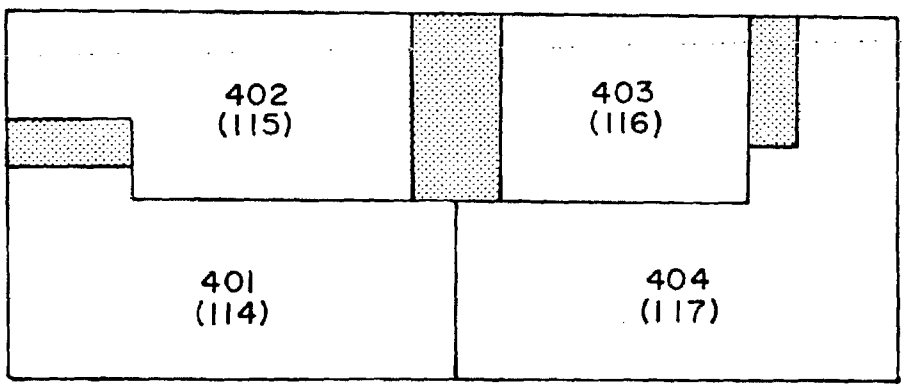
FILE NO. 8168



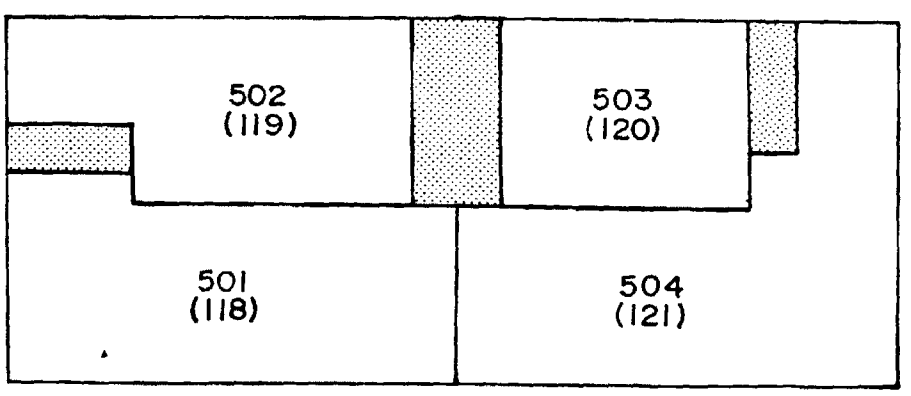

2nd FLOOR




3rd FLOOR




4th FLOOR




5th FLOOR

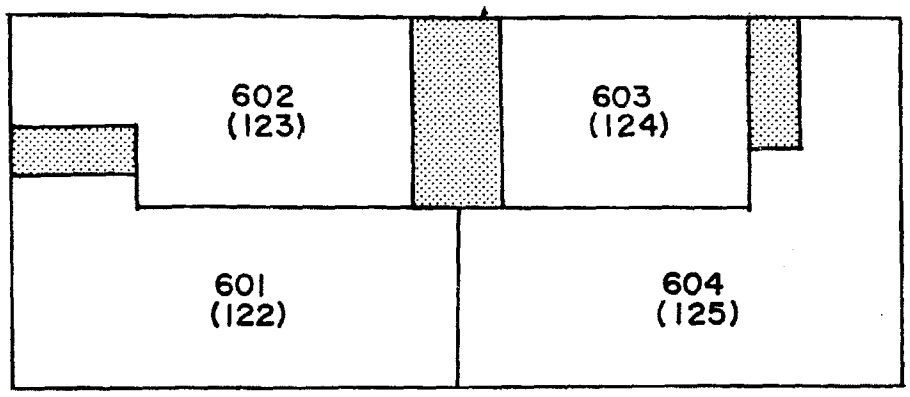
# POLK MANOR CONDOMINIUM

FIRST CIVIL DISTRICT, DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE

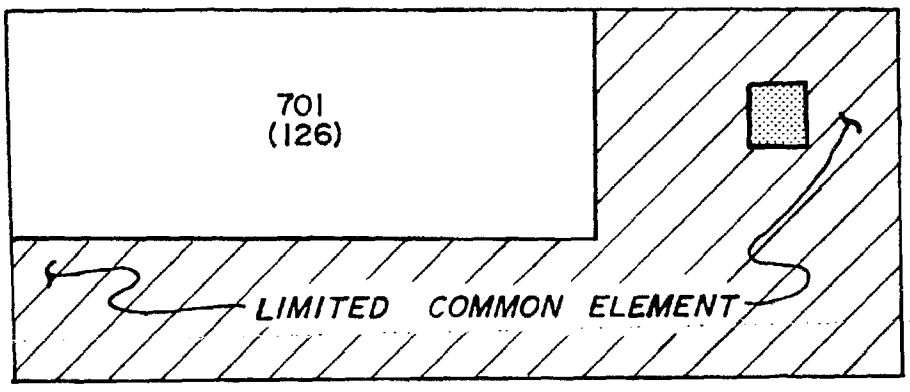
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**SHEET 3 OF 4**

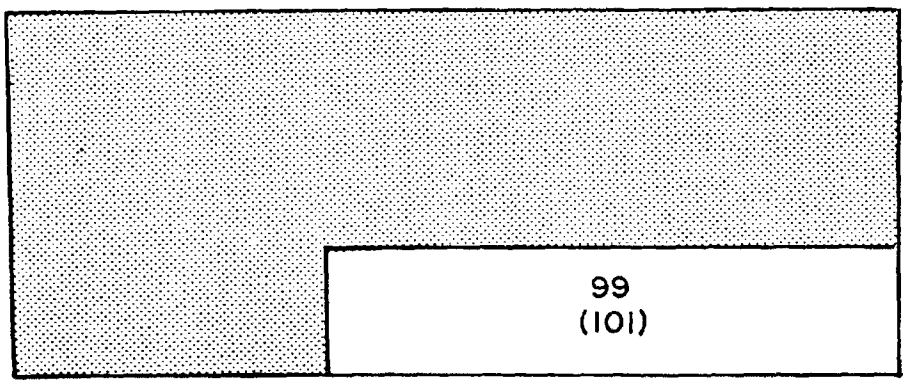
FILE NO. 8168




6th FLOOR




7th FLOOR




BASEMENT

# POLK MANOR CONDOMINIUM

FIRST CIVIL DISTRICT, DAVIDSON COUNTY, CITY OF NASHVILLE, TENNESSEE

BARGE, WAGGONER, SUMNER, & CANNON
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EXHIBIT "C" TO MASTER DEED

POLK MANOR, A CONDOMINIUM

A co-owner of an apartment shall have an undivided interest in the the common elements in the percentage set forth below:

| Apartment Number | Percentage Interest |
|---|---|
| 99 | 3.22 |
| 101 | 3.74 |
| 102 | 3.02 |
| 103 | 2.27 |
| 104 | 4.50 |
| 201 | 4.10 |
| 202 | 3.31 |
| 203 | 2.37 |
| 204 | 5.37 |
| 301 | 4.10 |
| 302 | 3.31 |
| 303 | 2.37 |
| 304 | 5.37 |
| 401 | 4.10 |
| 402 | 3.31 |
| 403 | 2.37 |
| 404 | 5.37 |
| 501 | 4.10 |
| 502 | 3.31 |
| 503 | 2.37 |
| 504 | 5.37 |
| 601 | 4.10 |
| 602 | 3.31 |
| 603 | 2.37 |
| 604 | 5.37 |
| 701 | 7.50 |
| | 100.00 |

EXHIBIT D

Being parts of Lots Nos. 136 and 148 on the unrecorded Map of the Original Town of Nashville, and described according to a copy of a survey thereof made by J.R. Wauford & Company, Engineers, June 30, 1958, as follows:

Beginning at the northeasterly intersection of Polk Place and the first alley South of Union Street; thence with the margin of Polk Place northerly 108.4 feet more or less to an iron pin; thence easterly 43.2 feet more or less to an iron pin near a brick wall; thence southerly parallel to the East margin of Polk Place 108.4 feet more or less to the North margin of said alley; thence with the margin of the same westerly 43.2 feet more or less to the point of beginning.

Being the same property conveyed to William L. McBee by First American National Bank of Nashville by deed dated July 3, 1984 and recorded in Book 6331, page 329, in the Register's Office of Davidson County, Tennessee.

BEING the same property conveyed to Continental Consultants, Inc. by William L. McBee and Ella Shadelene McBee by Quitclaim Deed dated July 16, 1984 and recorded in Book [illegible], page [illegible], in the Register's Office of Davidson County, Tennessee.

136656

IDENTIF. REFERENCE

JUL 17 11 35 AM '84

DAVIDSON COUNTY, TN