BOOK 7245 PAGE 211

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IDENTIFICATION REFERENCE

MAY 22 11 15 AM '87
FELIX Z. WILSON III REGISTER
DAVIDSON COUNTY, TN

**RESTATED**

**MASTER DEED**

**FOR**

**RIVERSTONE CONDOMINIUM**

THIS RESTATED MASTER DEED made and published this 7th day of April, 1987 by and between, Riley, Russell, Cahn & Associates, a Tennessee general partnership, (the "Developer") and any and all persons, firms or corporations hereafter acquiring any of the within described property;

WHEREAS, the purpose of this Restated Master Deed is to submit the land hereinafter described and the improvements constructed thereon, to the condominium form of ownership and use, in the manner provided under the provisions of Tennessee Code Annotated, Title 66, Chapter 27, Section 101, et seq., as amended, known as "The Horizontal Property Act" which may hereinafter be referred to as the "Condominium Act".

**WITNESSETH:**

WHEREAS, Developer is the fee simple owner of a real estate development consisting of approximately seven and one-half acres (7 1/2) more or less located in Davidson County, Tennessee, and more particularly described as follows:

> BEING a parcel of land situated in Nashville, Davidson County, Tennessee, said parcel being more particularly described by metes and bounds, according to the survey prepared by Dale and Associates, Inc., dated June 30, 1986 and revised July 24, 1986 and August 5, 1986, Job No. 86035-A (being also P.U.D. No. 298-84-U, Map 85-14, Parcel 19, as recorded in Plat Book 6200, page 466, Register's Office for Davidson County, Tennessee) as follows:
>
> BEGINNING at a point situated in the northerly margin of Lebanon Pike, said point being the southwest corner of the C. O. Vantrease property as of record in Deed Book 954, page 453, R.O.D.C., Tennessee, said point also being the southeast corner of the property herein described; thence, along said road, S 53 52' 46" W, a distance of 249.85 feet to a point; thence leaving said road, along the easterly line of Brainbridge Cluster Homes, recorded in Plat Book 6250, page 181, and the easterly line of Guill Heights recorded in Plat Book 2854, page 10, R.O.D.C., Tennessee, N 36 66'

14" W, a distance of 1208.32 feet to a point; thence, N 23 21' 01" E, adjacent to the shore line of Stones River, a distance of 295.56 feet to a point; thence, along the westerly line of the C. O. Vantrease property, S 36 38' 50" E, a distance of 1358.40 feet to the point of beginning and containing 7.45 acres of land more or less. Included within this description is a five foot wide right-of-way dedication as of record by the recorded plat of Riverstone in Plat Book 6200, page 466, R.O.D.C., Tennessee, and is described by metes and bounds as follows:

BEGINNING at a point situated in the northerly margin of Lebanon Pike, said point being the southwest corner of the C. O. Vantrease property and the southeast corner of the five foot right-of-way dedication; thence, along said road S 63 52' 46" W, a distance of 249.85 feet to a point, thence, N 36 56' 14" W, a distance of 5.00 feet to a point; thence, N 53 52' 46" E, a distance of 249.98 feet to a point; thence S 36 38' 50" E, a distance of 5.00 feet to the point of beginning and containing 0.029 acres of land more or less.

BEING the same property conveyed to Joseph Russell, et al, by deed of record in Book 6529, page 46, said Register's Office, and being thereafter conveyed to Riley, Russell, Cahn & Associates by deed of record in Book 6908, page 752, said Register's Office.

WHEREAS, Developer desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, certain rights, easements and privileges in, over and upon the said premises, and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property.

The land, which is hereby submitted to the condominium form of ownership, is fully described herein. The improvements to be constructed upon such land will include but are not limited to, nine residential buildings containing the proposed condominium units and in addition such improvements shall include such amenities as determined by Developer and shown on the Plat attached hereto as Exhibit A including but not limited to swimming pool, picnic areas, sidewalks, paved parking areas, driveways and landscaping improvements. Additional improvements may be added to the Property by Subsequent Amendment, as provided hereafter and in accordance with the bylaws of the Homeowners Association.

WHEREAS, it is in the best interest of Developer, as well as to the benefit, interest and advantage of each and every person or other entity hereafter acquiring any of the within described

property that certain covenants, conditions and easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land; and

WHEREAS, Developer further desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in this development; and for the continued maintenance and operation of such common areas as may be provided;

NOW, THEREFORE, in consideration of the premises, the Developer agrees with any and all persons, firms, corporations or other entities hereafter acquiring any of the property hereinafter described, that the same shall be and is hereby subject to the following restrictions, easements, assessments and liens (all hereafter collectively referred to as "Restrictions") relating to the use and occupancy thereof, said Restrictions to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and which shall inure to the benefit of each owner thereof. Every person or other party hereafter acquiring any of the within described residential units made subject to this Master Deed, by acceptance of a deed to any interest in or to said residential unit, shall take such property interest subject to this Master Deed, and to the terms and conditions hereof and shall be deemed to have assented to same.

## ARTICLE I

## DEFINITIONS

The following words when used in this Master Deed or any supplement thereto (unless the context shall prohibit) and in the By-Laws which are attached hereto as Exhibit B shall have the meanings stated in the Condominium Act, and as follows:

1. "Association" shall mean and refer to The Riverstone Homeowner's Association, Inc., a nonprofit corporation to be organized and existing under the laws of the State of Tennessee, its successors and assigns, the entity to be responsible for the operation of the Property. By-Laws and Charter are attached hereto as Exhibits B and C respectively.

2. "Common Area(s)" shall mean and refer to any and all real property owned by the Association or such other property to which the Association may hold legal title whether in fee or for a term of years for the non-exclusive use, benefit and enjoyment of the members of the Association subject to the provisions of this Master Deed such Common Areas to include, without limitation streets, roads, medians, sidewalks and other passageways, walls and fences, green areas, swimming pool, identity signs, service courts, and all other areas within the property but excluding all individual condominiums constructed or to be constructed by Developer. Common Areas with respect to the property made subject to this Master Deed, whether at the time of filing hereof or any amendment hereto shall be shown on the Plat and dedicated as "Open Area" attached herein as Exhibit A.

3. "Limited Common Area(s)" shall mean and include those common elements which are reserved for the use of a certain number of units to the exclusion of other units, that is used by one or more units but not all, such as special corridors, stairways, hallways, roof of buildings, exteriors of buildings, decks, patios and porches (for precise rule governing decks, patios and porches, see Article I, Section 12(iv)), elevators, sanitary services common to the units of a particular building and the like.

4. "Developer" shall mean and refer to Riley, Russell, Cahn & Associates, its successors and assigns.

5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any condominium which is a part of this development, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation but including the developer.

6. "Property" shall mean and refer to any and all of that certain real property, buildings, improvements, structures thereon, all easements, rights and appurtenances thereto, now or which may hereafter be brought within that certain residential subdivision being developed by Developer in Nashville, Davidson County, Tennessee, which subdivision is and shall be commonly known as The Riverstone Condominiums which consists of Buildings 1 through 9 and the Open Areas shown in the Plat.

7. "Member" shall mean and refer to any person or persons who shall be an owner of a condominium and, as such, shall be a member of the Association.

8. "Person" shall mean and refer to a natural person as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

9. "The Riverstone" shall mean and refer to that certain residential community known as The Riverstone, which is being developed on real property now owned by Developer in Nashville, Davidson County, Tennessee, together with such additions thereto as may from time to time be designated by Developer whether or not such properties are contiguous with or addjoining the boundary lines of The Riverstone.

10. Common Expenses mean the following:

(a) Expenses of administration of the Condominium;

(b) Expenses of maintenance, operation, repair or replacement of Common Areas and Limited Common Areas;

(c) Expense of Utility Services;

(d) Expenses declared as Common Expenses by provisions of this Master Deed or By-Laws; and

(e) Any valid charges made by the Association for the Condominium as a whole.

11. Plat means the recorded plan of the Property known as Riverstone Condominiums.

12. Unit shall mean the fee simple estate within each building, as such identified, located and described on the Plat and as hereinafter set forth, together with all easements, rights and privileges appurtenant thereto. A unit does not become a unit for assessment of expenses of administration, maintenance and repair of common areas or limited common areas or any expense agreed upon by the Association until said unit becomes substantially completed as defined by a certificate of occupancy or ownership.

(i) The boundaries of each unit shall be the unexposed and unfinished surface of the highest ceiling being that portion which is attached to the joists or rafters and the upper or unfinished surface of its subfloor, directly beneath the carpeting, hardwood floors or other covering.

(ii) The vertical boundaries shall be the unexposed and the unfinished surface of the walks, forming the perimeter of a unit as shown on the Plat, being that surface which is attached to the wall framing.

(iii) All air conditioning and heating equipment, exterior doors, windows, screens, storm windows, storm doors, garages, and garage doors, are designed to serve a single unit and are a part of the unit.

(iv) All patios, decks, balconies, and porches designed to serve a single unit, but located outside of the units above described boundaries are Limited Common Areas allocated exclusively to that unit. Painting of such exclusive areas shall be done by the unit owner in accordance with the rules and regulations set forth by the Association.

(v) All interior spaces, partitions, ducts, wires, conduit, chutes or chimney or any other fixture and improvement within the boundaries of the unit are part of a unit.

(vi) All tiles, wallpaper, paint, carpet, floor covering, wallboard, plasterboard, lath, furring, paneling, finished flooring and any other material constituting any part of the finished surfaces of the upper, lower and vertical boundaries are part of the unit.

13. Utility services shall include but not be limited to water, sewer and garbage collection for units and common elements, electricity and gas for common elements, and communication or cable television and other utility services provided by the Association to the Condominium as a whole and not separately billed by the utility to individual condominium unit owners.

## ARTICLE II

## PROPERTIES SUBJECT TO THIS MASTER DEED

Section One. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Master

Deed is located in Nashville, Davidson County, Tennessee, and is more particularly described and shown on the residential plan of The Riverstone Condominiums consisting of buildings numbered 1-9 and the Open Areas shown thereon.

Section Two. Without further assent or permit, Developer hereby reserves the right, exercisable from time to time, to subject other real property to the restrictions set forth herein, in order to extend the scheme of this Master Deed to other property to be developed as part of The Riverstone Condominiums and thereby to being such additional properties within the jurisdiction of the Association.

The additions herein authorized shall be referred to as Riverstone Condominium Phase II and shall be made by filing of record one or more Subsequent Amendments to this Master Deed in respect to the properties to be then subject to this Master Deed and which shall extend the jurisdiction of the Association to such property and thereby subject such addition to assessment for their just share of the Association's expenses. Each Subsequent Amendment to the Master Deed may contain such complementary additions and modifications as may be necessary to reflect the different character of the added properties; provided, however, and such Subsequent Amendment to the Master Deed shall not revoke or otherwise amend the provisions of this Master Deed as pertains to the properties subjected hereto.

## ARTICLE III

## HOMEOWNER's ASSOCIATION AND ADMINISTRATION OF THE PROPERTY

Pursuant to Tennessee Code Annotated, 66-27-111 and 66-27-112 the following shall govern the Property herein described in this Master Deed.

Section One: Form of Administration

There shall be formed as Association having the name "The Riverstone Condominium Homeowner's Association", a Tennessee not-for-profit corporation, which Association shall be the governing body for all unit owners, and shall be operated to provide for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Horizontal Property Act, T.C.A. 66-27-101 et seq., this Master Deed and the

By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Master Deed as Exhibit B and made a part hereof. The Board of Directors of the Association shall be elected and serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be the sole benefit of the unit owners, and all funds received by the Association shall be held and applied by it for the use and benefit of unit owners, in accordance with the provisions of this Master Deed and By-Laws.

Section Two: Membership

1. Every person or entity who is the Owner of record of a fee interest in any condominium within the Property shall be a member of the Association, subject to and bound by the Association's Charter, Exhibit C, By-Laws, rules and regulations. The foregoing is not intended to include persons or entities who hold an interest in any condominium merely as security for the performance of an obligation. Ownership of such unit shall be the sole qualification for membership. When any unit is owned of record in tenancy by the entireties or tenancy in common or by some other legal entity, membership as to such unit shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only as stipulated in Section Two herein below.

2. During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and the right to the use of the Open Areas, Common Elements, or any other facilities which the Association may provide may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a member of any rules or regulations established by the Board of Directors, such member's voting and use rights may be suspended by the Board after a hearing at which the general requirements of due process requirements shall be observed. Such hearing shall only be held by the Board (or a committee thereof)

after giving member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of any violation shall be made by a majority vote of the Board or the committee thereof.

3. A unit owner's membership shall automatically terminate when he ceases to be a unit owner. Upon the conveyance or transfer of a condominium owner's ownership interest to a new condominium owner shall simultaneously succeed to the former owner's membership in the Association.

4. No membership or initiation fee shall be charged, nor shall Members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charge, assessments and special assessments levied upon each Member's Condominium as specified in the Master Deed, the By-Laws, or as the Developer or the Directors of the Association may from time to time hereafter adopt.

Section Three: Voting and Voting Rights

1. The Voting rights of the membership shall be appurtenant to the ownership of the condominium. There shall be two classes with respect to voting rights:

A. Class A. Class A members shall be all Condominium Owners, with the exception of the Developer, and shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they determine among themselves but in no event shall more than one vote be cast with respect to any condominium unit.

B. Class B. The Class B member(s) shall be the Developer and shall be entitled to three (3) votes for each unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or.

(b) Three (3) years from and after the date of recordation of the deed evidencing the initial sale of a unit to a purchaser other than Developer.

2. Any member who is delinquent in the payment of any charges duly levied by the Association against a condominium unit owned by such Member shall not be entitled to vote until all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, have been paid.

3. Members shall vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the Member of his unit. A corporation Member's vote shall be cast by the President of the Member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation.

4. Voting on all matters except the election of directors shall be by voice vote or by show of hands unless a majority of the Members of each Class present at the meeting shall, prior to voting on any matter, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the Members, the solicitation of proxies for such elections may be conducted by mail.

5. The Developer shall have a least one (1) representative on the Board during the first five (5) years after the date hereof at Developer's option.

6. Upon the filing of Subsequent Amendments to this Master Deed which add additional properties to the development, either in the form of additional Open Areas or additional Condominium Units, or both, the time period specified above in Section 5 of this Article III shall be extended to run for the full period of five (5) years following the date of each such amendment.

Section Four: Management

1. The Board shall have the authority to engage the services of an agent to maintain, repair, replace, administer and operate the Property or any part thereof to the extent deemed advisable by the Board. The Board shall require that any such agent have fidelity bond coverage on its employees handling Association funds. The cost for such services shall be a common expense, as defined in Article V, Sections 1 and 2 hereof.

2. Prior to the appointment of the first Board, Developer may employ a management corporation to act as agent for the property; provided, however, that such contract shall not exceed one (1) year and shall be terminable for cause upon thirty (30) days written notice.

3. The Association and/or the Developer may enter into a contract for the management of Riverstone Condominiums with a professional management company. Any such contract shall provide that the Association may terminate said contract without cause or penalty upon ninety (90) days written notice. Any decision to establish self-management by the Association shall require the prior written consent of sixty-six and two-thirds percent (66 2/3%) of the votes of the Association and the approval of fifty-one percent (51%) of the first mortgagees (based upon one vote for each unit upon which a mortgage is owned).

Section Five: Use By Developer

During the period of sale by Developer of any Units, Developer and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of Units. While Developer owns any of the Units and until each Unit sold by it is occupied by the Purchasers, Developer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

Section Six: Non Liability of Directors and Officers

To the extent permitted by law, neither the directors nor officers of the Association shall be personally liable to Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. Unit Owners shall indemnify and hold harmless each of the directors or officers and their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

Section Seven: Board's Determination Binding

In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of this Master Deed or By-Laws, the determination thereof by the Board shall be final and binding on all Unit Owners.

Section Eight: Ownership of the Common Elements

Each Unit is hereby allocated an equal undivided interest in the Open Areas as determined by the total number of units divided equally. The undivided interest in the Open Areas appurtenant to any unit shall be deemed conveyed or encumbered with that unit even though the legal description in the instrument conveying or encumbering such unit may refer only to the fee title to that unit.

## ARTICLE IV

## COMMON AREA PROPERTY RIGHTS

Section One: Common Areas

Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Open Area, including any Open Areas which may be added in subsequent Phases of, or by supplements hereto, which shall be appurtenant to and shall pass with the title as designated upon the Plat for every unit subject to the provisions of this Master Deed and the Charter and By-Laws of the Association, including, but not limited to, the following:

1. The right of the Association to limit the use of the Open Area to Owners, their families, and guests;

2. The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his unit remains unpaid, or for any infraction of the Association's published rules and regulations;

3. The right of the Association to dedicate or transfer all or any part of the Open Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled vote by at least two-thirds (2/3) of the votes of Class A and Class B Members agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this paragraph shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of electrical, telephone, cablevision, water and sewerage, utilities and drainage facilities upon, over, under and across the Open Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property.

Section Two. The right and easement of enjoyment granted to every Owner in Section One of this Article may be exercised by members of the Owner's family. An Owner may, with the approval of the Board of Directors of the Association, delegate his rights of enjoyment in the Open Area to his tenants who occupy the residence of the Owner within the Property.

Section Three. Every Owner shall have an interest in all of the Common Elements and Open Areas as is allocated in Article III Section Eight of this Master Deed. Ownership interest in open areas, common areas, and limited common areas is an appurtenance to each unit and shall pass with that unit.

Section Four. Association shall have the right to install safety devices and/or safety signs upon any street, road, sidewalk, passageway or walkway within the development.

## ARTICLE V

## COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Monthly or Annual Assessment for Maintanance Fund.

For each unit owned within the Properties, every Owner covenants, and each subsequent Owner of any such unit, by acceptance of a deed therefor, whether or not it is so expressed in such deed, is deemed to covenant and agree to pay to the Association monthly or annual assessments or charges for the creation and continuation of a maintenance fund in the amount hereinafter set forth, which may be established or levied by the Board of Directors of the Association.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used to provide funds for such purposes as the Association may determine are for the benefit of its Members, which purposes shall include maintenance, landscaping and beautification of the Open Areas, Common Elements, maintenance of all walkways, streets and passageways, walls and fences constructed by Developer, and maintenance of all landscaped areas. Funds may also be used to provide other services for the Association Members to promote the health, safety and welfare of the residents of the community and in particular for the acquisition, improvement and maintenance of properties, services

and facilities related to the use and enjoyment of the Open Areas and Common Elements and Limited Common Areas including but not limited to the cost of repair, replacement and additions thereto; the employment of a general manager and other personnel; the cost of labor, equipment, materials, management and supervision thereof; the payment of taxes assessed against the Open Area; the procurement and maintenance of insurance; the employment of attorneys, accountants and other personnel whom the Directors may determine to be useful; the employment of security personnel to provide any service which is not readily available from any governmental authority; and such other needs as may arise.

Section Three. Determination of Common Expenses and Fixing of Common Charges. The Board of Directors of the Association shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges payable by the co-owners to meet the expenses of administration and of maintenance and repair of the general common areas and, in the proper case, of the limited common areas of the property and any other expenses lawfully agreed upon; and the Board shall allocate and assess such common charges among the co-owners according to the relationship of their square feet of floor area to the total square feet of floor area in all apartments as a general rule but the Board is not bound to make such allocation with respect to charges that would be unfairly allocated on such basis. The Board may determine different allocations. The allocations shall be applied uniformly to all owners of like situations. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board and the fees and disbursements of the Insurance Trustee. The common expenses shall also include such amounts as the Board may deem proper for the operation and maintenance of the property, including, without limitation, an amount for working capital of the Association, for a general operating reserve; for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common charges may also include such amounts as may be required for the purchase or lease by the

Board or its designee, corporate or otherwise, on behalf of all co-owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at foreclosure or other judicial sale, as well as the assessed cost to the Board with regard to any utilities (including, but not limited to, gas, electricity, water, sewer and the like), or other services for the property which are not separately charged or metered on the property. The Board shall advise all co-owners, promptly in writing, of the amount of common charges payable by each of them, respectively, and shall furnish copies of the budget on which such common charges are based to all co-owners and their mortgagees. The Developer shall commence receipt of payment of common charges within thirty (30) days of completion of each unit, said completion being evidenced by the issuance of a Use and Occupancy Permit.

Section Four. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first unit to an Owner, the maximum annual assessment shall be [illegible] dollars ($663.60) per unit.

(a) From and after January 1 of the year immediately following the conveyance of the first unit to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first unit to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section Five. Special Assessments for Capital Improvements In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in

whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto; provided, however, that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

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

Section Seven. Creation of the Lien and Personal Obligation of Assessment. In order to secure payment at and after due date; as each assessment becomes due there shall arise a continuing lien and charge against each unit to which it is attributable, the amount of which shall include costs and reasonable attorney's fees to the extent permissible by law. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The sale or transfer of any unit shall not affect any unsatisfied assessment lien. The Association shall have a lien upon the proceeds from the sale of the property or foreclosure junior only to the forclosed first mortgage. No sale or transfer shall relieve such unit owner from liability for any assessment thereafter becoming due or from the lien thereof.

Section Eight. Exempt Property. The assessments, charges and liens created under this Article V shall not apply to the Open

Areas and Common Elements. If such lien shall not have been satisfied as herein described in Section Three above, Article V, then upon the resale of such property by such first mortgagee the assessment herein provided shall again commence and accrue and shall be fully applicable to such lot upon the conveyance to any subsequent Condominium Unit Owner. Any unit which Developer may hereafter designate for common use as part of the Open Area or Common Elements or otherwise shall be exempt from the assessments and charges created herein. In addition, all property dedicated to and accepted by a local public authority, all land granted to or used by a utility company shall be exempt from such assessments.

Section Nine. Assessments Prior to Formation of the Association. The Developer shall have authority to assess all condominium units within the development, prior to the incorporation of the Association and the election of its first Board of Directors, provided that the maximum assessment, per month shall not exceed Fifty ($50.00) Dollars per unit during the first year, provided further that this authority shall expire, in any event, five (5) years from the date hereof.

Section Ten. Date of Commencement of Annual or Monthly Assessment: Due Dates: Certificate of Payment. Monthly assessments shall commence on the first day of the first month following the closing of the purchase of a unit by an owner unless modified by the Developer or the Association. At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each unit and in the event the Board elects not to fix such assessment rate as herein provided, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed assessment rate shall be sent to every Owner. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified unit have been paid to date.

Section Eleven. Effect of Non-Payment of Assessment: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal contract rate and to the extent allowed by law. The Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the lot to which the assessment relates, and interest, costs and reasonable attorney's fees for such action or foreclosure shall be added to the amount of such assessment to the extent. No owner may avoid liability for the assessments provided herein by non-use of the Open Areas or Common Elements or abandonment of his unit.

Section Twelve. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any unit shall not affect the assessment lien. The sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lien thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section Thirteen. Insurance. The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) replacement cost fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire building (including all of the units and the bathroom and kitchen fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not necessarily including furniture, furnishings or other property supplied or installed by tenants or co-owners) together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Association, the Board assess all the co-owners directly affected by the damage for such deficit as part of the common charges.

If two-thirds or more of any building is destroyed as a result of fire or other casualty, the net proceeds of insurance

policies shall be divided by the Board or the Insurance Trustees, as the case may be, among the co-owners of such buildings in proportion to their respective common interests after just payment out of the share of each co-owner of the amount of any unpaid liens in his unit, including mortgage indebtedness, in the order of priority of such liens. If there shall have been a repair or restoration pursuant to the first paragraph of Section 3 and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration,, the excess of such insurance proceeds shall be divided by the Board or the Insurance Trustee, as the case may be, among the co-owners in the same manner.

Section Fourteen. Payment of Common Charges. All members shall be obligated to pay the common charges assessed by the Board pursuant to the provisions of Section 1 of this Article V at such time or times as the Board shall determine. No member shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article VII of these By-Laws) of such condominium, together with the appurtenant interest, as defined in Section I of Article VII hereof. In addition, any member may, subject to the terms and conditions specified in these By-Laws, provided that his condominium is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid common charges, convey his unit, together with possession thereof and with the "appurtenant Interests" to the Board, or its designee, corporate or otherwise, on behalf of the members, and in such event be exempt from common charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that any purchaser of a unit pursuant to the foreclosure of a first mortgage shall not be liable for any assessments which become payable prior to such purchase at foreclosure. However, such a purchase pursuant to a first mortgage foreclosure shall not relieve the purchaser from liability for, nor the unit estate fro the lien of, any assessments made thereafter.

Section Fifteen. Collection of Assessments; Late Charges; Loss of Voting Rights. The Board shall assess common charges against the members from time to time and at least annually and shall take prompt action to collect any common charge due from any member which remains unpaid for more than thirty (30) days from the date of payment thereof. For any assessment not paid in full when due, the Board shall add such delinquent fee as it determines appropriate. Further a member delinquent in payment of any such assessment shall lose his/her voting rights for the period of delinquency.

Section Sixteen. Default in Payment of Common Charges. In the event of default by any member in paying to the Board the common charges as determined by the Board, Such member shall be obligated to pay interest at the maximum legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such member, or by foreclosure of the lien on such apartment granted by Section 66-27-116 of Tennessee Code Annotated, or both.

Section Seventeen. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a unit because of unpaid common charges, the member shall be required to pay a reasonable rental but not less than $85.00, per diem rent, from the date of the commencement of the foreclosure action for the use of his apartment and the complainant in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section Eighteen. Statement of Common Charges. The Board shall promptly provide any member so requesting the same in writing, with a written statement of all unpaid common charges due from such member.

Section Nineteen. Abatement and Enjoinment of Violations by Co-owners. The violation of any rule or regulation adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provision of the Master Deed shall give to the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the apartment in 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 therein contrary to the intent and meaning of the provisions, hereof, and the Board 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. The members of and any individual aggreived member shall have a similar right of action against the Association and the Board for any such violation.

Section Twenty. Maintenance and Repair. Except as provided in Section 3 hereof: (a) All maintenance of and repairs to any unit, structural or non-structural, ordinary or extra-ordinary, (other than the maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit), shall be made by the owner of such condominium. Each member shall be responsible for all damages to any and all other apartments and/or to the common areas that his failure so to maintain and repair his condominium may engender. Each owner shall be under a duty to report to the Board any conditions with regard to the common areas within or adjacent to his unit, which require maintenance or repair. The Board may make any repairs and maintain any units and charge the cost of the same to the affected co-owner or co-owners. Further, the Board may charge back to the unit owner the costs of any such repairs or improvements as deemed necessary by the Board, together with up to a twenty percent (20%) service charge.

(b) All maintenance, repairs and replacements to the common areas, whether located inside or outside of the units, (unless necessitated by the negligence, misuse or neglect of a member in which case such expense shall be charged to such member) shall be made by the Board and shall be charged to all the members as a common expense.

(c) All maintenance, repairs and replacements to any limited common elements (except terraces, storage areas and carports) identified on the recorded plan or otherwise herein (other than maintenance of and repairs to any common areas contained therein, and not necessitated by the negligence, misuse or neglect of any owner of the abutting units, or by any agent, invitee, contractor or guest of any such owner) shall be made by the Board and be charged to the members who abut such limited common area or who are directly affected by such limited common areas, as a common expense allocable to such members alone, unless already paid for by such affected co-owners.

Section Twenty-one. Terraces, Storage Areas and Carports. A terrace, storage area and carport to which a unit has sole access, shall be for the exclusive use of the owner of said unit. The same shall be kept free and clean of snow, ice and any accumulation of water by the owner of such unit who shall make all repairs thereto.

Section Twenty-two. Restrictions on Use of Units. In order to provide for congenial occupancy of the property and for the protection of the values of the units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) Each of the units shall be used for single family residences only.

(b) The common areas shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of units.

(c) No nuisances shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession proper use of the property by its residents.

(d) No immoral, improper, offensive, or unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the respective members or the Board whichever shall have the obligation to maintain or repair such position of the property.

(e) No transient tenants may be accommodated therein. All leases or rental agreements shall be in writing and must have a minimum initial term of not less than six (6) months. A copy of any lease must be filed with the President of the Homeowners Association and approved by the Board.

(f) No sale of any kind shall be conducted on the premises except to sell the personal effects of a deceased member or tenant or his or her spouse; provided, however, that such permitted sale shall be conducted for no longer than two (2) consecutive days and between the hours of 9:00 A.M. and 5:00 P.M.

Section Twenty-three. Additions, Alterations or Improvements by the Board. Whenever in the judgment of the Board the common areas shall require additions, alterations or improvements, and the making of such additions, alterations or improvements, shall have been approved by a majority of the members and the provisions of Section 12 of Article III hereof having been compiled with, the Board shall proceed with such additions, alterations, or improvements and shall assess all co-owners for the cost thereof as a common charge.

Section Twenty-four. Additions, Alterations or Improvements by Members. Any additions, alterations or improvements in or to his unit shall not be made by any member without prior written consent thereto of the Board. A lien for labor or materials shall attach to such members' interest in the Condominium and not to the Condominium as a whole. The Board shall have the obligation to answer any written request by a member for approval of a proposed structural addition, alteration or improvement in such co-owner's unit, within seventy-five (75) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition; alteration or

improvement. Any application to any department of the Metropolitan Government of Nashville and Davidson County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment shall be executed by the Board only, without, however, incurring any liability on the part of the Board or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section shall not apply to units owned by the Developer until such unit shall have been initially sold by the Developer and paid for.

Section Twenty-five. Use of Common Elements and Facilities.

(a) A member shall not place or cause to be placed in the common areas or facilities, other than a terrace or yard to which such co-owner has sole access, and other than the areas designated by the Board, any furniture, packages or objects of any kind, except with the written consent of the Board, or their agent.

(b) Any Limited Common Areas which have been designated as herein and otherwise in the Recorded Plan, shall be used only by that or those units which abut directly thereon, and the use thereof shall be limited only to that to which the same are reasonably suited and which are incident to the use and occupancy of such abutting units or as otherwise restricted herein or on the Recorded Plat.

Section Twenty-six. Right of Access. Co-owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any conditon originating or existing in his unit or threatening another unit or a common area, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas in his unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and

that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the member is present at the time or not.

Section Twenty-seven. Rules of Conduct. Rules and regulations concerning the use of the units and the common areas may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each member prior to the time when the same shall become effective.

Section Twenty-eight. Electricity, Water and Sewer Charges. Water shall be supplied to all of the units and the common areas through one or more building meters and the Board shall pay as a common expense, and for water consumed on the property, including the units, together with all related sewer charges arising therefrom, promptly after the bills for the same have been rendered. In the event of a proposed sale of a unit by the owner thereof, the Board, on request of the selling co-owner shall execute and deliver to the purchaser of such unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewerage affecting the property as of the date of closing of title to such unit, promptly after such charges shall have been billed by the property billing agency. The Board may in their sole and absolute discretion allocate utility charges on a different basis than the allocation of the other common charges. The allocation must be applied as uniformly as possible.

Section Twenty-nine. Special Assessments. In addition to the other common charges authorized herein, if either 51% of the members with the concurrence of the Board or 80% or more without the Board's approval decide upon and vote for the construction of additional recreational and other common facilities, or the alteration, remodeling, demolition or removal of existing recreational and other common facilities from time to time, then the cost of the said construction, et cetera, shall be financed by increasing the common charges paid by all the members upon the same basis as other common charges are paid and such increased common charges shall be paid monthly over a term of years if satisfactory financing can be obtained.

Section Thirty: **MORTGAGES**

1. Notice to Board. A member who mortgages his unit shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board; the Board shall maintain such information in a book entitled "Mortgages of Units".

2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgagee of an apartment, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged unit.

3. Notice of Default. The Board, when giving notice to a member of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such apartment whose name and address has theretofore been furnished to the Board.

4. Examination of Books. Each member, mortgagee, insuror or grantor of any first mortgage shall be permitted to examine current copies of the Master Deed, By-Laws, Rules and Regulations of the Condominium, the books, records and financial statements of the Association upon request at reasonable times during normal business hours on business days. However, each such individual shall be permitted such inspection only one (1) time during each calendar month.

5. Notices of Action. The Board upon written request of the mortgagee, insuror or guarantor of any condominium unit shall give timely written notice of the following:

(a) Any condemnation loss or casualty loss which affects a material portion of the condominium project or any condominium unit on which there is a first mortgage held, insured or guaranteed by any such individual;

(b) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Homeowners Association;

(c) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as provided herein.

6. Subordination of Assessments. All assessments for common expenses, special assessments, fees, late charges,

fines or interest levied by the Homeowners Association through its Board shall be subordinated to any first mortgage indebtedness placed upon any individual condominium unit.

Section Thirty-one: **SALES, LEASES AND MORTGAGES OF UNITS**

1. No Severance of Ownership. The interest, rights and privileges to which a co-owner is entitled by reason of the ownership of an apartment are herein designated Appurtenant Interests and include, but are not limited to: an undivided interest in the common areas of the horizontal property regime, the rights and privileges to use and enjoy the common areas, the interest of a member in a unit acquired by the Board or its designee on behalf of all co-owners or the proceeds of the sale or lease thereof, if any, the right to attend and to vote at the meetings of the members and the interest of a member in any other assets of the horizontal property regime. No member shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

2. Financing of Purchase of Units by Board. Acquisition of units by the Board or its designee, on behalf of the Association may be made from the working capital and common charges in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V or the Board, in its discretion, may borrow money to finance the acquisition of such unit provided, however, that no financing may be secured by an

encumbrance or hypothecation of any property other than the unit, together with the Appurtenant Interests, so to be acquired by the Board.

3. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board, or its Designee, on behalf of the Association as Tenants in Common. In the event that a unit or any common areas or any other property shall be acquired by the Board or its designee, on behalf of the Association, all members shall be deemed to have waived all rights of partition with respect to such apartment or property.

Section Thirty-two: **CONDEMNATION**

1. Condemnation. In the event of taking in condemnation or be eminent domain of a part of the common areas, the award made for such taking shall be payable to the Board for and on behalf of the Association, if such award amounts to $20,000.00 or less, and to the insurance trustee if such award amounts to more than $20,000.00. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such common areas the Board shall arrange for the repair and restoration of such common areas, and the Board or the insurance trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board does not duly and promptly approve the repair and restoration in appropriate progress payments. In the event that the Board does not duly and promptly approve the repair and restoration of such common elements, the Board or the insurance trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

## ARTICLE VI

## ARCHITECTURAL, MAINTENANCE AND USE RESTRICTIONS

The Developer shall have the responsibility for enforcing the restrictions set forth in this Article for the first three (3) years after the date hereof. However, upon the incorporation of the Association, and after six units are owned and occupied, the

Board of Directors of the Association shall assume the be responsible for the enforcement hereof. References in this Article to the Developer shall, therefore, apply to the Association after it has been incorporated and has assumed the enforcement of these restrictions.

The following architectural, maintenance and use restrictions shall apply to each and every unit now or hereafter subjected to this Master Deed.

Section One. Approval of Plans for Proposed Alterations. No external construction, reconstruction, remodeling, alteration or addition to any unit structure, building, fence, wall, driveway, path or other external improvement of any nature shall be constructed without obtaining the prior written approval of the Developer as to the location of the same and as to its plans and specifications.

Developer shall be the sole arbiter of such plans and may withhold its approval for any reasons, including purely aesthetic reasons. If approved, construction shall proceed to completion promptly and in strict conformity to such plans as approved.

At such time as Developer divests itself of all units within the development, the right of approval of plans for further construction, reconstruction, remodeling, alterations or additions shall thereafter vest exclusively in the Association and in such committees as the Association shall appoint by its Board.

Section Two. Improvement Restrictions.

1. All fencing along property lines shall be constructed only of such materials and erected only on such units as approved by the Association after initial completion of the development by the Developer.

2. A swimming pool shall be provided only where shown on the Plat.

3. No wall shall be built without the prior written approval of the Developer or after three years, approval of the Association. No retaining wall shall extend to a height greater than three (3) feet above the earth being retained and no wall or

fence enclosing a patio or courtyard shall extend to a height greater than six feet from ground level.

4. Incinerators for garbage, trash or other refuse shall not be used nor permitted to be erected or place din front of any unit. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles placed on any unit, whether temporary or permanent, shall be walled in to conceal the same from the view of neighboring units, roads, streets, and open areas. Plans for all screening walls and enclosures must be approved by the Developer or after three years by the Association.

5. Outside clotheslines and clothes hanging devices shall not be permitted and no clothes or rugs etc. will be cleaned, aired or dried outside except as they are out of site of adjoining units.

6. No advertising signs of any kind shall be located upon or displayed or otherwise displayed to view in front of any unit or improvement thereof, provided that this requirement shall not preclude the installation by the Developer of signs identifying the entire condominium project, and provided, further, that this requirement shall not preclude the placement by Home Owners of "For Sale" signs in the front of individual residences of such size, character and number as shall from time to time be approved by the Association.

7. No housetrailer, camper, boat, motorcycle, truck, van, or other like vehicles and no tent, shed or temporary structures shall be permitted in front of any unit unless screened from view of the adjoining units, streets and Open Areas, provided, however, that temporary buildings may be permitted during the construction period of units or as a temporary sales office for the Developer. No garage, outbuilding, trailer or other like construction shall be used for residential purposes, either temporarily or permanently.

8. No exposed concrete block will be permitted above ground level in the construction of any building, wall or fences.

9. No owner shall excavate or extract earth from any of the units subject to this Master Deed fro any business or commercial purpose. No elevation changes shall be permitted which will

materially affect the surface grade of surrounding unit except to the extent that fill may be required on certain units as shown on the Plat. All fill shall be subject to the approval of the Developer or Association, as to the nature of the fill employed and as to the manner and methods of installation.

10. No lumber, brick, stone, block, concrete or other building materials, nor any other thing used for building purposes shall be stored on any open area except for the purpose of construction on such unit, and then only for such length of time as is reasonably necessary for the construction of the approved improvements then in progress.

11. Outdoor television antennas may be installed, with the prior approval of the Developer or Association.

12. No exposed above ground tanks or receptacles shall be permitted for the storage or use of fuel, water, or any other substance, except for refuse produced through normal daily living and of a nature which is satisfactory for pick up through a regularly scheduled sanitation pick up service. All refuse containers of this type shall be screened from view from the street and adjoining units.

13. Outside lights at eaves and door entrances shall be permitted but no exterior flashing or high intensity lights, floodlights, or spotlights on the exterior of any building shall be permitted, except with the prior written approval of the Developer or the Association.

14. No livestock, poultry, fowl, swine or any other nuisances shall be permitted or kept upon the property.

Section Three. Maintenance.

1. All units, together with the exterior of all improvements located thereon, shall be maintained in a neat and attractive condition by the Association. Such maintenances shall include, but not be limited to, repairing, replacing and cleaning the roofs, gutters, downspouts, building surfaces, walkways, driveways, and other exterior improvements. To provide uniformity in the maintenance of the landscaping, the Developer may contract with one or more landscaping services to provide maintenance services for the Open Area and Common Elements for all units

ithin the development, excepting only enclosed courts and patios. The cost of such maintenance shall be treated as a Common Expense for all areas.

In the event any owner shall fail to maintain his unit and/or the improvements situated upon his or her unit in a manner satisfactory to the Association, and such owner fails to cure such condition within 30 days after written notice by Board of Directors, upon the vote of a majority of the Associations' Members in accordance with the provisions of Article III Section 10 of the By-Laws, the Association may enter upon said property and complete, repair, maintain or restore the grounds, exterior, or improvements erected thereon. The cost of such maintenance shall be added to and become a part of the assessment to which such unit is subject and the owner shall be personally liable for the cost of such maintenance so incurred and shall be collectible in the same manner as a maintenance assessment.

Section Four. Use of Premises.

Each unit shown on the Plat shall be used only for private residential purposes and not otherwise. Each owner shall refrain from any act or use of his unit which could reasonable cause embarrassment, discomfort, annoyance or nuisance to the neighborhood.

Section Five. Pets.

Household pets may be kept in any unit by the owner thereof in reasonable numbers for the sole pleasure and purposes of the occupants, but not for any commercial use or purposes. No pets shall be permitted in the Open Areas unless accompanied by their owners and unless on a leash or under the absolute control of their owners and owners shall be responsible to clean up the open areas after their pets.

Section Six. Parking of Automobiles. Ownership of each Unit shall entitle the owner or owners thereof to the use of not more than 2 automobile parking spaces, which shall be as near and convenient to said Unit as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association shall permanently assign 2 vehicles parking space for each dwelling.

Section Seven. Governmental Restrictions.

Each owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to his unit. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provisions of this Master Deed, the more restrictive shall apply.

Section Eight. Nuisances and Unsightly Materials.

No condominium shall be used for any business or commercial purpose. Each Owner shall refrain from any act or use of his unit which could reasonable cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. No noxious, offensive, or illegal activity shall be carried on upon any Lot. No motorcycle. motorbike, motor scooter, or any other unlicensed motorized vehicle shall be permitted to be operated on or in the streets or other Common Areas at Riverstone. No unit shall be used, in whole or in part, for the storage of rubbish of any character whatsoever; nor shall any substance, thing, or material be kept upon any unit which will emit foul or noxious odors or which will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. The foregoing shall not be construed to prohibit the temporary deposits of suitable trash and other debris for pick-up by garbage and trash removal service units.

Section Nine. Hobbies and Activities.

The pursuit of any inherently dangerous activity or hobby, including, without limitation, the assembly and disassembly of motor vehicles or other mechanical devices, the shooting of firearms, fireworks, or pyrotechnic devices of any type or size, and other such activities shall not be pursued or undertaken on any part of any unit or upon the Open Areas or Common Elements without the consent of the Association.

## ARTICLE VII

## EASEMENTS

Section One. General. Each Unit now or hereafter subjected to this Master Deed shall be subject to all easements shown or set forth on the Plat of survey upon which such Unit is shown. No

structure(s) of any type shall be erected or placed upon any part of a Unit or Open Area which will interfere with the rights and use of any and all easements shown on said recorded plat.

Section Two. Emergency. There is hereby reserved without further assent or permit, a general easement to all policemen and security guards employed by Developer, or such public officials, firemen, ambulance personnel and all similar persons to enter upon the properties or any portion thereof which is now or hereafter made subject to this Declaration in the performance of their respective duties.

Section Three. Open Areas. Perpetual easements are reserved in favor of all unit owners, their families, guests, and invitees for the use of all Open Areas as shown on the Plat and as described herein.

Section Four. Development and Construction. Developer hereby reserves an easement upon, over and across the streets, roads and other Open Areas for purposes of access, ingress and egress to Riverstone, during development hereof and construction of residences thereon.

## ARTICLE VIII

## GENERAL PROVISIONS

Section One. Exercise of Powers. Until such time as the Association is formed and its Board is elected, Developer shall exercise any of the powers, rights, duties and functions of the Association and/or its Board of Directors.

Section Two. Duration. The foregoing restrictions shall be construed to be covenants running with the land and shall be binding and effective until December 31, 2001, at which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by the vote of a majority in interest of the then Owners of the above described property to change, amend or revoke the restrictions in whole or in part. Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Master Deed, by acceptance of a deed or other conveyance therefor, thereby agrees that the covenants and restrictions of this Master Deed may be extended as provided in this Article.

Section Three. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years fro the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the unit owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the unit owners. Any amendment must be recorded with the Davidson County, Tennessee, Register of Deeds.

Section Four. Annexation. Additional residential property and common area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section Five. FHA/Va Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal HOusing Administration or the Veterans Administration: annexation of additional properties, dedication of common area, and amendment of this Master Deed.

Section Six. Enforcement. If any person, firm or corporation shall violate or attempt to violate any of these restrictions, it shall be lawful for any other person, firm or corporation owning any property within The Riverstone to bring an action against the violating party at law or in equity for any claim which these restrictions may create in such other owner or interested party either to prevent said person, firm or corporation from so doing such acts or to recover damages for such violation. The provisions of this section are in addition to and separate from the rights of the Association to collect Association fees. All costs of such action including reasonable attorney's fees shall be paid by the party or party whose conduct necessitated such legal action. Any failure by Developer or any property Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void nor the provisions so voided in circumstances or application other than

those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

Section Seven. Headings and Binding Effect. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Developer and all persons claiming by, through or under Developer.

Section Eight. Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Unit, the Developer or its successors reserves the right (by and with the mutual written consent of the Owner or Owners for the time being of such Unit) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular Unit.

IN WITNESS WHEREOF, the Development has caused this Restated Master Deed to be duly executed this 29 day of April, 1987.

Riley, Russell, Cahn & Associates

Patrick Riley

Joseph V. Russell

Paul R. Cahn by Joseph V. Russell Attorney-in-Fact 5/20/87

Paul R. Cahn

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned authority, a Notary Public, in and for the aforesaid state and county, Patrick Riley, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged to me that he executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal, at office in Nashville, Tennessee on this 29th day of April, 1987.

Linda White
Notary Public

My Commission Expires: July 17, 1988.

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Personally appeared before me, the undersigned authority, a Notary Public, in and for the aforesaid state and county, Joseph V. Russell, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who acknowledged to me that he executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal, at office in Nashville, Tennessee on this 18th day of May, 1987.

Linda White
Notary Public

My Commission Expires: July 17, 1988.

STATE OF TENNESSEE
COUNTY OF DAVIDSON

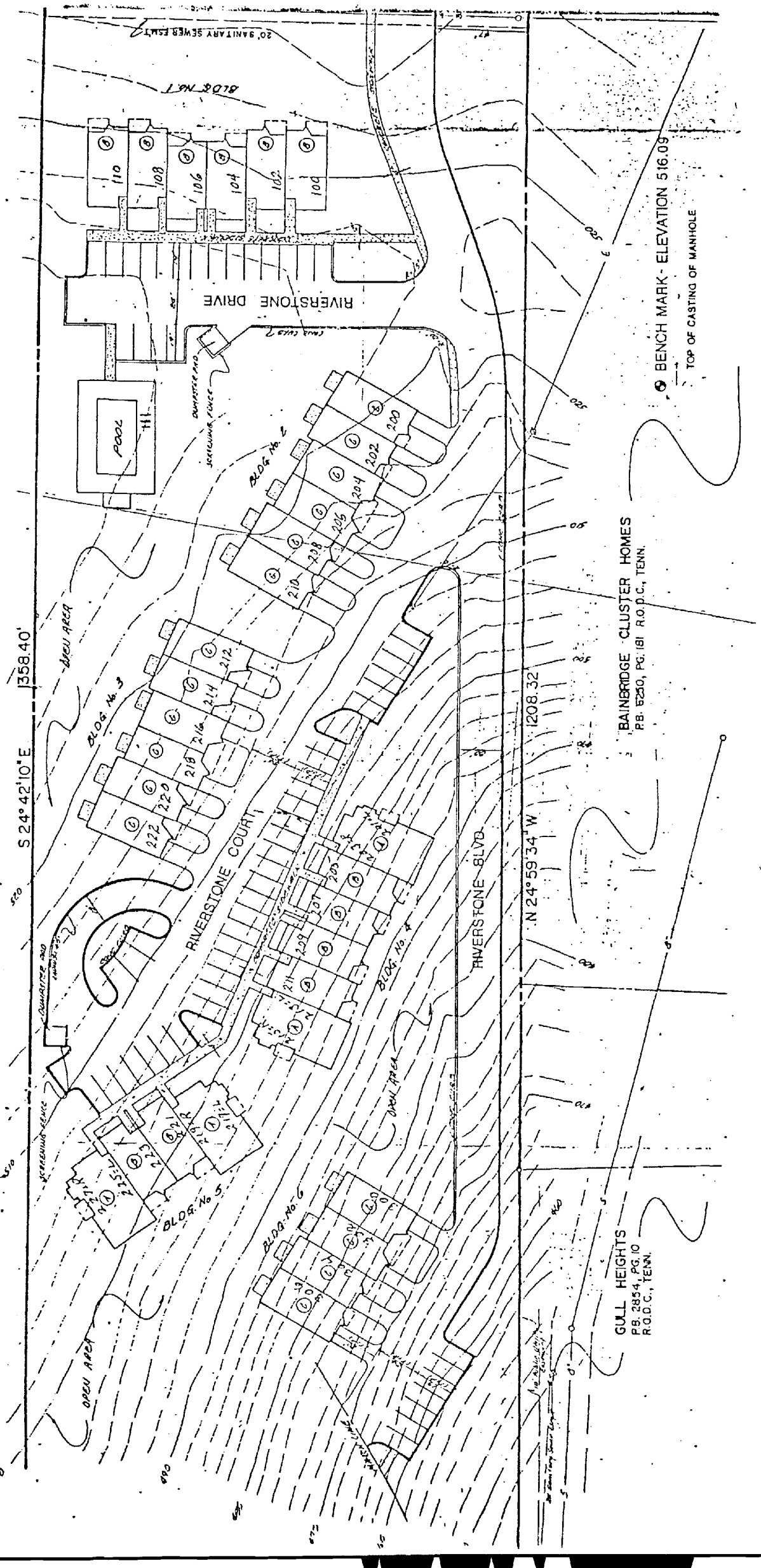
Personally appeared before me, the undersigned, a Notary Public, in and for the aforesaid state and county, the within named Joseph V. Russell, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who acknowledges that he executed the foregoing instrument as attorney-in-fact for Paul R. Cahn, said powers being of record in the Register's Office of Davidson County, Tennessee, Book 6906, Page 698, for the purposes therein contained.

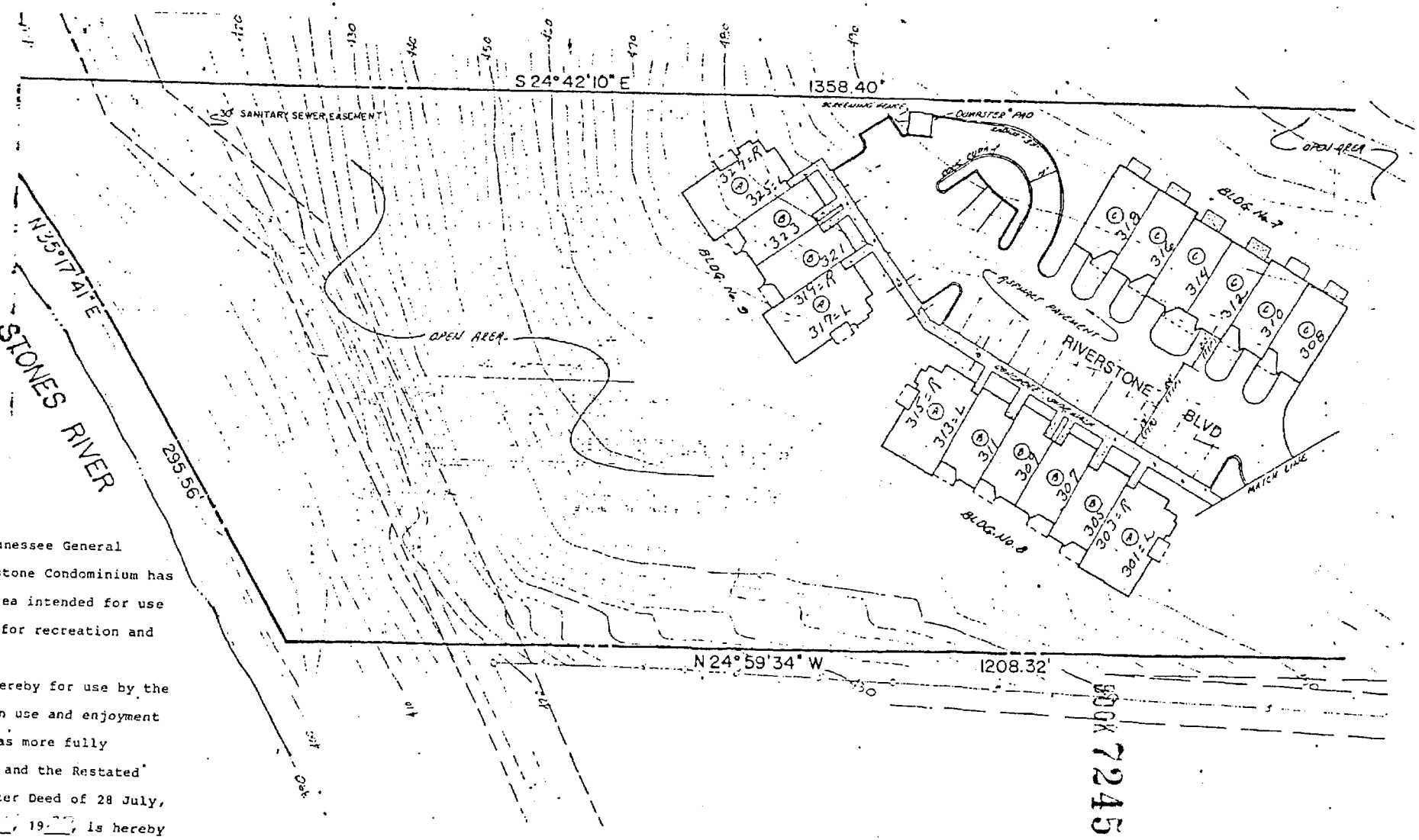
WITNESS my hand and official seal at Nashville, Tennessee on this 20th day of May, 1987.

Linda White
Notary Public

My Commission Expires: July 17, 1988.

EXHIBIT "A"


20' SANITARY SEWER ESMT.
RIVERSTONE DRIVE
POOL
BLDG No. 1
BLDG No. 3
BLDG No. 4
BLDG No. 5
BLDG No. 6
RIVERSTONE COURT
RIVERSTONE BLVD
OPEN AREA
SCREENING FENCE
DUMPSTER PAD
358.40'
S 24°42'10"E
N 24°59'34"W
208.32'
BENCH MARK - ELEVATION 516.09
TOP OF CASTING OF MANHOLE
BAINBRIDGE CLUSTER HOMES
P.B. 6250, PG. 181 R.O.D.C., TENN.
GULL HEIGHTS
P.B. 2854, PG. 10
R.O.D.C., TENN.




Riley, Russell, Cahn & Associates, a Tennessee General Partnership, in recording this plat of Riverstone Condominium has designated certain areas of land as common area intended for use by the homeowners in Riverstone Condominiums for recreation and other related activities.

The designated areas are not dedicated hereby for use by the general public but are dedicated to the common use and enjoyment of the homeowners in Riverstone Condominiums as more fully provided in the Master Deed of 28 July, 1986, and the Restated Master Deed dated [illegible], 19[illegible]. Said Master Deed of 28 July, 1986 and the Restated Master Deed of [illegible], 19[illegible], is hereby incocporated and made a part of this plat.

BOOK 7245 PAGE 24

EXHIBIT B

RESTATED

BYLAWS



OF

THE RIVERSTONE CONDOMINIUM

Davidson County, Tennessee

## ARTICLE I

## FORM OF CONDOMINIUM ADMINISTRATION

SECTION 1. Apartment Unit Ownership. The property located at Lebanon Road, Davidson County, Tennessee, has been submitted to the provisions of Chapter 27 of Title 66 of Tennessee Code Annotated by a Declaration of Covenants, Conditions and Restrictions recorded in the Register's Office of Davidson County, Tennessee, simultaneously herewith, to which these Bylaws are appended to and recorded with, and shall hereinafter be known as The Riverstone, a Condominium (hereinafter called the "Condominium").

SECTION 2. Application of Bylaws. The provisions of these Bylaws are applicable to the property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein, shall include the land, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are submitted to the provisions of said Chapter 27, Horizontal Property Act of Title 66 of Tennessee Code Annotated.

SECTION 3. Application. These Bylaws and each change made in accordance herewith and pursuant to Tennessee Code Annotated Section 66-27-111 and 66-27-112 are and shall be covenants running with each apartment and binding on each successive co-owner, lessee or mortgagee of each apartment in the Condominium. All present and future owners, mortgagees, lessees and occupants of apartments and their employees, and any other persons who may use the facilities of the property in any manner are subject to these Bylaws, the Master Deed and the Rules and Regulations. The acceptance, whether from the developer or a co-owner, of a deed or conveyance, or mortgage, or the entering into of a lease with the developer or a co-owner, or the act of occupancy of an apartment shall constitute a covenant and an agreement by the grantee, conveyee, mortgagee, lessee or occupant that these Bylaws, the Rules and Regulations and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified, and will be complied with.

## ARTICLE II

## BOARD OF DIRECTORS

SECTION 1. Number and Qualifications. The affairs of the Condominium shall be governed by The Riverstone Homeowners Association, a nonprofit corporation, hereinafter the "Association". Such Association shall be directed by a Board of Directors. The Board of Directors shall be composed of five persons, one of whom shall be designated by the mortgagee with the largest aggregate dollar amount of first mortgages on the Condominiums, and four of whom shall be owners or spouses of owners of apartments; or in the case of partnership owners, shall

be members of such partnership; or in the case of corporate owners, shall be officers, stockholders or employees of such corporations, or employees of such fiduciaries.

SECTION 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Master Deed or by these Bylaws may not be delegated to the Board of Directors by the co-owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, surveillance and maintenance of the buildings and common areas.

(b) Determination of the common expenses required for the affairs of the Condominium including, without limitation, the operation and maintenance of the property.

(c) Collection of the common charges from the co-owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas.

(e) Adoption and amendments of rules and regulations covering the details of the operation and use of the property.

(f) Call and summon co-owners to assembly.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required thereof.

(h) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease or surrendered by their owners to the Board of Directors.

(i) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all co-owners.

(j) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with units acquired by and subleasing units leased by the Board of Directors, or its designee, corporate or otherwise, on behalf of all co-owners.

(k) Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing of condominiums on behalf of all co-owners.

(l) Obtaining of insurance for the property, including the units, pursuant to the provisions of Article V, Section 2 hereof.

(m) Making repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

SECTION 3. Election and term of office. At the first annual meeting of the co-owners occuring after the initial Board of Directors ceases to be the Board of Directors, the term of office

of two members of the Board of Directors shall be fixed at three (3) years, the term of office of two members of the Board of Directors shall be fixed at two (2) years, and the term of office of one member of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successors shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors have been elected by the co-owners.

SECTION 4. Removal of Members of the Board. After the term of office of the initial Board shall have been terminated, as provided in Section 1 of this Article II, at any regular or special meeting of the co-owners, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the co-owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Provided, however, that if the member of the Board designated by the mortgagee with the largest aggregate dollar amount of first mortgages on the Condominium is removed, his successor shall not be elected by the co-owners but shall be designated by said mortgagee after notice of such removal.

SECTION 5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a member thereof by the co-owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at any such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board, or in the case of the mortgagee designated member until a successor shall be appointed by said mortgagee, until a successor shall be elected at the next annual meeting of the co-owners.

SECTION 6. Organization Meeting. The first meeting of the members of the Board following the annual meeting of the co-owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the co-owners at the meeting at which such Board shall have been elected, and no notice shall be necessary to the newly elected members of the Board in order legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

SECTION 7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board of Managers, by mail, at least five (5) days (excluding Saturdays, Sundays and bank holidays recognized in Nashville, Tennessee), prior to the day named for such meeting.

SECTION 8. Special Meetings. Special meetings of the Board may be called by the President upon three (3) business days' notice to each member of the Board, given by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board.

SECTION 9. Waiver of Notice. Any member of the Board may, at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by any member of the Board at any meeting of the Board or execution of the minutes thereof shall constitute a waiver of such notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 10. Quorum of Board of Managers. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

SECTION 11. Fidelity Bonds. The Board shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

SECTION 12. Liability of the Board. The members of the Board of Directors shall not be liable to the co-owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The co-owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these Bylaws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any co-owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder, as his interest in the common elements bears to the interests of all the co-owners in the common elements. Every agreement made by the Board or by the managing agent or by the manager on behalf of the Condominium shall prove that the members of the Board or the managing agent, or the manager, as the case may be, are acting only as agents for the Association and and shall have no personal liability thereunder (except as co-owners), and that each co-owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas bears to the interest of all co-owners in the common areas.

SECTION 13. Proxy. The Board may meet by proxy provided at least a quorum sign the minutes of the meeting approving the actions reflected therein.

SECTION 14. Declaration of Default. Should a majority of the Board determine that any co-owner is in default in the performance of any co-owner's obligations contained in the Master Deed or these Bylaws, or if such co-owner should be in violation of any of the same or the Rules and Regulations established by the Board, then the Secretary of the Board shall send written notice of such default to such co-owner and if such default is not cured to the satisfaction of such Secretary within a reasonable time (not in excess of two weeks from the date of sending notice), then the Secretary shall proceed to enforce the remedies given herein and by law.

SECTION 15. Parliamentary Procedure. The Board and the council of co-owners shall abide by Robert's Rules of Order in the conduct of all meetings.

## ARTICLE III

## CO-OWNERS

SECTION 1. Membership; Annual Meetings. The Riverstone Homeowners Association shall consist of an Association with each unit owner of each condominium unit being a member thereof. The annual meetings of the co-owners shall be held on the 15th day of January of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meetings, the members of the Board to be elected shall be elected by ballot of the co-owners in accordance with the requirements of Section 3 of Article II of these Bylaws. The co-owners may transact such business at such meetings as may properly come before them.

SECTION 2. Place of Meetings. Meetings of the co-owners shall be held at any suitable place convenient to the co-owners as may be designated by the Board.

SECTION 3. Special Meetings. It shall be the duty of the President to call a special meeting of the co-owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by co-owners representing at least 25% of the total then existing units in the planned unit development. The notice of any such meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 4. Notice of Meetings. It shall be the duty of the Secretary to mail a written notice of each annual or special meeting of the co-owners, at least ten but not more than twenty days prior to such meeting, state the purpose thereof, as well as the time and place where it is to be held, to each co-owner of record, at the building or at such other address as such co-owner shall have designated by notice in writing to the Secretary. The mailing of such notice of meeting in the manner provided in this Section shall be considered service of notice.

SECTION 5. Adjournment of Meetings. If any meetings of co-owners cannot be held because a quorum has not attended, a majority of the co-owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time approved by a majority of those present.

SECTION 6. Order of Business. The order of business at all meetings of the co-owners shall be as follows:

(a) Roll call

(b) Proof of notice of meeting

(c) Reading of minutes of preceeding meeting

(d) Reports of officers

(e) Report of Board

(f) Reports of Committees

(g) Election of member of the Board (when so required)

(h) Unfinished business

SECTION 7. Title to Units. Title to units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

SECTION 8. Voting Rights of Unit Owners. (a) The unit owner or owners collectively, of each condominium unit, shall be entitled to one vote per unit as to matters requiring a vote by unit owners. The owner or owners of each condominium unit, or some person designated by such unit owner or owners to act as proxy on his or their behalf and who need not be a unit owner, shall be entitled to cast the vote appurtenant to such unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary by the owner or owners so designating. Each unit owner shall be entitled to cast one vote at all meetings of the unit owners for each condominium unit owned regardless of the number of members owning that unit. Members shall decide among themselves how their one vote shall be cast. A fiduciary shall be the voting member with respect to any condominium unit owned in a fiduciary capacity.

(b) The vote for each condominium unit must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. 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 authority and consent of all other unit owners of the same unit. In the event more than one vote is cast for a particular unit, none of said votes shall be counted and said votes shall be deemed void.

(c) The voting rights of the Developer are fully described as Class B rights in the Declaration to which these Bylaws are appended.

SECTION 9. Majority of Co-owners. As used in these Bylaws the term of "majority of Co-owners" shall mean more than fifty percent (50%) of all of the co-owners entitled to vote, on any issue, determined in accordance with the provisions of Section 8 of this Article III.

SECTION 10. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of co-owners representing more than fifty percent (50%) of the total number of eligible votes of the co-owners shall constitute a quorum at all meetings of the co-owners. If any meeting cannot be organized because a quorum cannot be declared, the members who are present may adjourn the meeting for at least ten (10) days and adequate notice of the new date for a subsequent meeting shall be given in accordance with the notice provisions of these By-Laws and Master Deed. The persons present and entitled to vote at such reconvened meeting shall constitute a quorum regardless of the number.

SECTION 11. Majority Vote. The vote of a majority of the co-owners at a meeting at which a quorum shall be present shall be binding upon all co-owners for all purposes except where the laws of the State of Tennessee relating the Horizontal Property Act, the Master Deed or these Bylaws require a higher percentage vote or a different method of voting.

SECTION 12. Restriction of Purchase or Lease of Condominium by Co-owners and on Capital Improvements. While four (4) or more condominiums are owned by the Developer without having been initially sold by him, no condominium may be purchased or leased by or for the Council of Co-owners and no capital addition, extension, alteration, added improvement, modification or additional embellishment of the property shall be authorized or made by the Council of Co-owners, without the prior written consent of the Developer, unless, by the unanimous vote of the Co-owners other than the Developer, the Developer is excused and saved harmless from contributing to the purchase price or rental of such apartment or to the cost of such capital addition, extension, alteration, added improvement, modification or

additional embellishment or any related series thereof. Nothing in the preceeding sentence shall be construed to exempt any co-owner, including Developer, from contributing pro rata toward the expenses of administration and of maintenance and repair of the general common elements, and, in the proper case, of the limited common elements of the building.

## ARTICLE IV

## OFFICERS

SECTION 1. Designation of Officers. The principal officers of the Association, who shall all be members of the Association, shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. The Board may appoint a vice-president; an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President, but no other officer, must be a member of the Board. The offices of Secretary and Treasurer may be held by the same person under the designation of Secretary-Treasurer.

SECTION 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the first meeting of each fiscal year and shall hold office at the pleasure of the Board.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTON 4. President. The President shall be the chief executive officer of the Association. He or She shall preside at all meetings of the members and of the Board. He or She shall have all the powers and perform those duties vested in him/her by the Board.

SECTION 5. Vice-President. The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board or the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and the Board of Directors and shall record all resolutions passed at such meetings in the minute book of the condominium association. He/She shall have charge of such books and papers as the Board may direct, and he shall perform such other duties as the Board shall impose upon him and such functions as are generally performed by a Secretary of a business organization.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping in chronological order, full and accurate financial records and books of account showing all receipts and disbursements affecting the building, or buildings, if more than one, and their administration and specifying the maintenance and repair expenses of the common areas and any other expenses incurred and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board, or the Managing Agent, in such depositories as may from time to time be designated by the Board, and he shall, in general, perform all the duties incident to the office of Treasurer of a stock corporation and

perform such other duties as the Board shall impose upon him, and such other functions as are generally performed by a Treasurer of a business organization.

SECTION 8. Agreements, Contracts, Deeds, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board.

## ARTICLE V

## OPERATION OF THE PROPERTY

SECTION 1. Determination of Common Expenses and Fixing of Common Charges. The Board shall from time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges payable by the co-owners to meet the expenses of administration and of maintenance and repair of the general common areas and, in the proper case, of the limited common areas of the property and any other expenses lawfully agreed upon; and the Board shall allocate and assess such common charges among the co-owners according to the relationship of their square feet of floor area to the total square feet of floor area in all apartments as a general rule but the Board is not bound to make such allocation with respect to charges that would be unfairly allocated on such basis. The Board may determine different allocations. The allocations shall be applied uniformly to all owners of like situations. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee. The common expenses shall also include such amounts as the Board may deem proper for the operation and maintenance of the property, including, without limitation, an amount for working capital of the Association, for a general operating reserve; for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common charges may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all co-owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at foreclosure or other judicial sale, as well as the assessed cost to the Board with regard to any utilities (including, but not limited to, gas, electricity, water, sewers and the like), or other services serving the property which are not separately charged or metered on the property. The Board shall advise all co-owners, promptly in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all co-owners and their mortgages. The Developer as defined in the Master Deed of which these laws are appended shall commence receipt of payment of common charges within thirty (30) days of completion of each unit, said completion being evidenced by the issuance of a Use and Occupancy Permit.

SECTION 2. Insurance. The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (I) replacement cost fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire building (including all of the units and the bathroom and kitchen fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not necessarily including furniture, furnishings or other property supplied or installed by tenants or co-owners) together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Association, the Board

and the members and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation; each of such policies shall contain a Tennessee standard mortgagee clause in favor of each mortgagee of a unit which shall provide that the loss, if any, there under shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board and the Insurance Trustee hereinafter set forth; such insurance policies shall contain a standard deductible clause of not less than $100.00 or more than $1000.00 for each occurrence; (2) rent insurance covering the rents of the condominiums or other areas owned by the members and which are rented, if any; (3) Workman's Compensation insurance, if applicable; (4) boiler and machinery insurance, if applicable; (5) water damage; and (6) such other insurance as the Board may determine, including fidelity bonds (see Section 12 of Article II), and liability insurance for common areas. All such policies shall provide that adjustments of the loss shall be made by the Board with the approval of the Insurance Trustee, and that the net proceeds thereof, if $20,000.00 or less, shall be payable to the Board and if more than $20,000 the net proceeds shall be payable to the Insurance Trustee. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of apartments. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartments at least ten (10) days prior to expiration of the then current policies.

The Board shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board may from time to time determine, covering each member of the Board, the managing agent, the manager, and each co-owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Co-owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any co-owner.

SECTION 3. Repair or Reconstruction after Fire or other Casualty In the event of damage to or destruction of any buildings as a result of fire or other casualty (unless more than two-thirds of all buildings require reconstruction), the Board shall, unless other action is approved by the vote of at least fifty-one percent (51%) of the eligible holders of mortgages on condominium units, without intervention of any co-owner, arrange for the repair and restoration of the building or buildings in compliance with the original plans and specifications, (including any damaged units and damaged kitchen and bathroom fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not including any wall, ceiling or floor decorations or covering or other furniture, furnishings, fixtures or equipment installed by tenants or co-owners in the apartments, unless insurance thereof is specifically provided for in the insurance policy obtained by the Board) and the Board or the Insurance Trustee, as the case may be shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in apropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board may

assess all the co-owners directly affected by the damage for such deficit as part of the common charges.

If two-thirds or more of any building is destroyed as a result of fire or other casualty, the net proceeds of insurance policies shall be divided by the Board or the Insurance Trustees, as the case may be, among the co-owners of such buildings in proportion to their respective common interests after just payment out of the share of each co-owner of the amount of any unpaid liens in his unit, including mortgage indebtedness, in the order of priority of such liens. If there shall have been a repair or restoration pursuant to the first paragraph of Section 3 and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, the excess of such insurance proceeds shall be divided by the Board or the Insurance Trustee, as the case may be, among the co-owners in the same manner.

SECTON 4. Payment of Common Charges. All members shall be obligated to pay the common charges assessed by the Board pursuant to the provisions of Section 1 of this Article V at such time or times as the Board shall determine. No member shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article VII of these Bylaws) of such condominium, together with the appurtenant interests, as defined in Section I of Article VII hereof. In addition, any member may, subject to the terms and conditions specified in these Bylaws, provided that his condominium is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid common charges, convey his unit, together with possession thereof and with the "Appurtenant Interests" to the Board, or its designee, corporate or otherwise, on behalf of the members, and in such event be exempt from common charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that any purchaser of a unit pursuant to the foreclosure of a first mortgage shall not be liable for any assessments which become payable prior to such purchase at foreclosure. However, such a purchase pursuant to a first mortgage foreclosure shall not relieve the purchaser from liability for, nor the unit estate from the lien of, any assessments made thereafter.

SECTION 5. Collection of Assessments; Late Charges; Loss of Voting Rights. The Board shall assess common charges against the members from time to time and at least annually and shall take prompt action to collect any common charge due from any member which remains unpaid for more than thirty (30) days from the date of payment thereof. For any assessment not paid in full when due, the Board shall add such delinquent fee as it determines appropriate. Further a member delinquent in payment of any such assessment shall lose his/her voting rights for the period of delinquency.

SECTION 6. Default in Payment of Common Charges. In the event of default by any member in paying to the Board the common charges as determined by the Board, such member shall be obligated to pay interest at the maximum legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such member, or by foreclosure of the lien on such apartment granted by Section 66-27-116 of Tennessee Code Annotated, or both.

SECTION 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a unit because of unpaid common charges, the member shall be required to pay a reasonable rental but not less than $85.00, per diem rent, from the date of the commencement of the foreclosure action for the use of his apartment and the complainant in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes apurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 8. Statement of Common Charges. The Board shall promptly provide any member so requesting the same in writing, with a written statement of all unpaid common charges due from such member.

SECTION 9. Abatement and Enjoinment of Violations by Co-owners. The violation of any rule or regulation adopted by the Board or the breach of any Bylaws contained herein, or the breach of any provision of the Master Deed shall give to the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the apartment in 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 therein contrary to the intent and meaning of the provisions hereof, and the Board 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. The members of and any individual aggreived member shall have a similar right of action against the Association and the Board for any such violation.

SECTION 10. Maintenance and Repair. Except as provided in Section 3 hereof: (a) All maintenance of and repairs to any unit, structural or non-structural, ordinary or extra-ordinary, (other than the maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit), shall be made by the owner of such condominium. Each member shall be responsible for all damages to any and all other apartments and/or to the common areas that his failure so to maintain and repair his condominium may engender. Each owner shall be under a duty to report to the Board any conditions with regard to the common areas within or adjacent to his unit, which require maintenance or repair. The Board may make any repairs and maintain any units and charge the cost of the same to the affected co-owner or co-owners. Further, the Board may charge back to the unit owner the costs of any such repairs or improvements as deemed necessary by the Board, together with up to a twenty percent (20%) service charge.

(b) All maintenance, repairs and replacements to the common areas, whether located inside or outside of the units, (unless necessitated by the negligence, misuse or neglect of a member in which case such expense shall be charged to such member) shall be made by the Board and shall be charged to all the members as a common expense.

(c) All maintenance, repairs and replacements to any limited common elements (except terraces, storage areas and carports) identified on the recorded plan or otherwise herein (other than maintenance of and repairs to any common areas contained therein, and not necessitated by the negligence, misuse or neglect of any owner of the abutting units, or by any agent, invitee, contractor or guest of any such owner) shall be made by the Board and be charged to the members who abut such limited common area or who are directly affected by such limited common area, as a common expense allocable to such members alone, unless already paid for by such affected co-owners.

SECTION 11. Terraces, Storage Areas and Carports. A terrace, storage area and carport to which a unit has sole access, shall be for the exclusive use of the owner of said unit. The same shall be kept free and clean of snow, ice and any accumulation of water by the owner of such unit who shall make all repairs thereto in accordance with Section 10 hereof.

SECTION 12. Restrictions on Use of Units. In order to provide for congenial occupancy of the property and for the protection of the values of the units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) Each of the units shall be used for single family residences only.

(b) The common areas shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of units.

(c) No nuisances shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession proper use of the property by its residents.

(d) No immoral, improper, offensive, or unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be compiled with, by and at the sole expense of the respective members or the Board whichever shall have the obligation to maintain or repair such portion of the property.

(e) No transient tenants may be accommodated therein. All leases or rental agreements shall be in writing and must have a minimum initial term of not less than six (6) months. A copy of any lease must be filed with the President of the Homeowners Association and approved by the Board.

(f) No sale of any kind shall be conducted on the premises except to sell the personal effects of a deceased member or tenant or his or her spouse; provided, however, that such permitted sale shall be conducted for no longer than two (2) consecutive days and between the hours of 9:00 A.M. and 5:00 P.M.

SECTION 13. Additions, Alterations or Improvements by the Board. Whenever in the judgment of the Board the common areas shall require additions, alterations or improvements, and the making of such additions, alterations or improvements, shall have been approved by a majority of the members and the provisions of Section 12 of Article III hereof having been compiled with, the Board shall proceed with such additions, alterations, or improvements and shall assess all co-owners for the cost thereof as a common charge.

SECTION 14. Additions, Alterations or Improvements by Members. Any additions, alterations or improvements in or to his unit shall not be made by any member without prior written consent thereto of the Board. A lien for labor or materials shall attach to such members' interest in the Condominium and not to the Condominium as a whole. The Board shall have the obligation to answer any written request by a member for approval of a proposed structural addition, alteration or improvement in such co-owner's unit, within seventy-five (75) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement. Any application to any department of the Metropolitan Government of Nashville and Davidson County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment shall be executed by the Board only, without, however, incurring any liability on the part of the Board or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising

therefrom. The provisions of this Section 14 shall not apply to units owned by the Developer until such unit shall have been initially sold by the Developer and paid for.

SECTION 15. Use of Common Elements and Facilities.

(a) A member shall not place or cause to be placed in the common areas or facilities, other than a terrace or yard to which such co-owner has sole access, and other than the areas designated by the Board, any furniture, packages or objects of any kind, except with the written consent of the Board, or their agent.

(b) Any Limited Common Areas which have been designated as herein and otherwise in the Recorded Plan, shall be used only by that or those units which abut directly thereon, and the use thereof shall be limited only to that to which the same are reasonably suited and which are incident to the use and occupancy of such abutting units or as otherwise restricted herein or on the Recorded Plat.

SECTION 16. Right of Access. Co-owner shall grant a right of access to his unit to the manager and/or the managing agent and/or any other person authorized by the Board, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating or existing in his unit or threatening another unit or a common area, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas in his unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the member is present at the time or not.

SECTION 17. Rules of Conduct. Rules and regulations concerning the use of the units and the common areas may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each member prior to the time when the same shall become effective.

SECTION 18. Electricity, Water and Sewer Charges. Water shall be supplied to all of the units and the common areas through one or more building meters and the Board shall pay as a common expense, and for water consumed on the property, including the units, together with all related sewer charges arising therefrom, promptly after the bills for the same have been rendered. In the event of a proposed sale of a unit by the owner thereof, the Board, on request of the selling co-owner shall execute and deliver to the purchaser of such unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewerage affecting the property as of the date of closing of title to such unit, promptly after such charges shall have been billed by the proper billing agency. The Board may in their sole and absolute discretion allocate utility charges on a different basis than the allocation of the other common charges. The allocation must be applied as uniformly as possible.

SECTION 19. Special Assessments. In addition to the other common charges authorized herein, if either 51% of the members with the concurrence of the Board or 80% or more without the Board's approval decide upon and vote for the construction of additional recreational and other common facilities, or the alteration, remodeling, demolition or removal of existing recreational and other common facilities from time to time, then the cost of the said construction, et cetera, shall be financed by increasing the common charges paid by all the members upon the same basis as other common charges are paid and such increased common charges shall be paid monthly over a term of years if satisfactory financing can be obtained.

## ARTICLE VI

## MORTGAGES

SECTION 1. Notice to Board. A member who mortgages his unit shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board; the Board shall maintain such information in a book entitled "Mortgages of Units".

SECTION 2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgagee of an apartment, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged unit.

SECTION 3. Notice of Default. The Board, when giving notice to a member of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such apartment whose name and address has theretofore been furnished to the Board.

SECTION 4. Examination of Books. Each member, mortgagee, insuror or grantor of any first mortgage shall be permitted to examine current copies of the Master Deed, Bylaws, Rules and Regulations of the Condominium, the books, records and financial statements of the Association upon request at reasonable times during normal business hours on business days. However, each such individual shall be permitted such inspection only one (1) time during each calendar month.

SECTION 5. Notices of Action. The Board upon written request of the mortgagee, insuror or guarantor of any condominium unit shall give timely written notice of the following:

(a) Any condemnation loss or casualty loss which affects a material portion of the condominium project or any condominium unit on which there is a first mortgage held, insured or guaranteed by any such individual;

(b) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Homeowners Association;

(c) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as provided herein.

SECTION 6. Subordination of Assessments. All assessments for common expenses, special assessments, fees, late charges, fines or interest levied by the Homeowners Association through its Board shall be subordinated to any first mortgage indebtedness placed upon any individual condominum unit.

## ARTICLE VII

## SALES, LEASES AND MORTGAGES OF UNITS

SECTION 1. No Severance of Ownership. The interest, rights and privileges to which a co-owner is entitled by reason of the ownership of an apartment are herein designated Appurtenant Interests and include, but are not limited to: an undivided interest in the common areas of the horizontal property regime, the rights and privileges to use and enjoy the common areas, the interest of a member in a unit acquired by the Board or its designee on behalf of all co-owners or the proceeds of the sale or lease thereof, if any, the right to attend and to vote at the meetings of the members and the interest of a member in any other assets of the horizontal property regime. No member shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his unit without including therein the

Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all units.

SECTION 2. Financing of Purchase of Units by Board. Acquisition of units by the Board or its designee, on behalf of the Association may be made from the working capital and common charges in the hands of the Board, or if such funds are insufficient, the Board may levy an assessment against each in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V or the Board, in its discretion, may borrow money to finance the acquisition of such unit provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit, together with the Appurtenant Interests, so to be acquired by the Board.

SECTION 3. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board, or its Designee, on behalf of the Association as Tenants in Common. In the event that a unit or any common areas or any other property shall be acquired by the Board or its designee, on behalf of the Association, all members shall be deemed to have waived all rights of partition with respect to such apartment or property.

## ARTICLE VIII

## CONDEMNATION

SECTION 1. Condemnation. In the event of taking in condemnation or by eminent domain of a part of the common areas, the award made for such taking shall be payable to the Board for and on behalf of the Association, if such award amounts to $20,000.00 or less, and to the insurance trustee if such award amounts to more than $20,000.00. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such common areas the Board shall arrange for the repair and restoration of such common areas, and the Board or the insurance trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board does not duly and promptly approve the repair and restoration of such common elements, the Board or the insurance trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these Bylaws.

## ARTICLE IX

## RECORDS

SECTION 1. Records and Audits. The Board shall keep detailed records of the actions of the Board and the managing agent, if any, minutes of the meetings of the Board, minutes of the meetings of the members, and financial records and books of account of the Association, including a chronological listing of receipts and expenditures specifying the maintenance and repair expenses of the common areas and any other expenses incurred, as

well as a separate account for each unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be rendered by the Board to all members at least annually. In addition, an audited financial statement of the receipts and expenditures of the Association shall be rendered by the Board to all members and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

## ARTICLE X

## MISCELLANEOUS

SECTION 1. Notices. All United States mail notices hereunder shall be sent by registered or certified mail to the Board c/o the managing agent, or if there be no managing agent, to the office of the Board or to such other address as the Board may hereinafter designate from time to time by notice in writing to all members and to all mortgagees of units. All notices to any member shall be sent by registered or certified United States mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board. All notices to mortgagees of units shall be sent by registered or certified United States mail to their respective addresses, as designated by them from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

SECTION 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, the enforceability or effect of the balance of these Bylaws.

SECTION 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

SECTION 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

SECTION 5. Waiver. No restriction, condition, obligations, or provisions contained in these Bylaws 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.

SECTION 6. Insurance Trustee. The Insurance Trustee shall be Commerce Union Bank of Nashville, Tennessee unless and until it shall be replaced by a bank or trust company in Nashville, Tennessee, designated by the Board and having a capital surplus and undivided profits of $10,000,000.00 or more. In the event that the Insurance Trustee shall resign the new insurance trustee shall be a bank or trust company in Nashville, Tennessee, designated by the Board and having a capital surplus and undivided profits of $10,000,000.00 or more. The Board shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense of the Association.

SECTION 7. Proxy. Any act or approval in writing shall be binding upon the person approving same.

## ARTICLE XI

## AMENDMENTS TO BYLAWS

SECTION 1. Amendments to Bylaws. These Bylaws may be modified or amended by the written consent or vote of two-thirds (2/3) of all units of the then existing condominiums and by the written consent of at least fifty-one percent (51%) of the votes of eligible holders of first mortgages on condominium units, provided however that any eligible mortgage holder who receives a written request to approve such modification or amendment who does not deliver or post to the Board a negative response within thirty (30) days shall be deemed to have approved such request. All such modifications or amendments shall be effective upon recordation in the Register's Office for Davidson County, Tennessee.

## ARTICLE XII

## DEVELOPMENT OF ADJACENT SECTIONS OF LAND BY DEVELOPER

SECTION 1. Development of Adjacent Sections of Land by Developer. Developer reserves the right to develop in some fashion in the future land adjacent to the property controlled by these Bylaws is described in Exhibit "A" to the Master Deed. The Developer shall have the unrestricted right, at his sole expense, to relocate, expand, modify, reduce or extend existing sidewalks, driveways, parking areas and yard, and to construct, expand, enlarge or relocate sewers, utility lines or service connections, in order to serve existing buildings with its co-owners or tenants along with another building or buildings which might be constructed upon any section to be later developed on adjacent land. The developer shall have the unrestricted right at his sole expense to maintain facilities to market units. The rights of Developer herein shall be assignable by him, but they shall be void and unenforceable after seven (7) years from the date of recording the Declaration controlling these Bylaws.

## ARTICLE XIII

## CONFLICTS

SECTION 1. Conflicts. These Bylaws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated as it may be amended from time to time, and to allow the Bylaws to control in specific situations where such law allows. In case any of these Bylaws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Declaration, as the case may be, shall control. Terms which are not defined in the Master Deed and the Recorded Plat or in these Bylaws shall be deemed to be the same as defined in such Act.

EXHIBIT "C"



ARTICLES OF AMENDMENT

Pursuant to T.C.A. Section 48-303, these Articles of Amendment are delivered for filing in accordance with T.C.A. Section 48-1301.

1. The name of the corporation is Riverstone Condominium Homeowners Association, Inc.

2. The corporation has no members. The amendment adopted by resolution of Incorporator acting as the Board of Directors is as follows:

The Charter of Riverstone Condominium Homeowners Association, Inc., shall include the following full legal description of the property:

BEING a parcel of land situated in Nashville, Davidson County, Tennessee, said parcel being more particularly described by metes and bounds, according to the survey prepared by Dale and Associates, Inc., dated June 30, 1986 and revised July 24, 1986 and August 5, 1986, Job No. 86035-A (being also P.U.D. No. 298-84-U, Map 85-14, Parcel 19, as recorded in Plat Book 6200, page 466, Register's Office for Davidson County, Tennessee) as follows:

BEGINNING at a point situated in the northerly margin of Lebanon Pike, said point being the southwest corner of the C. O. Vantrease property as of record in Deed Book 954, page 453, R.O.D.C., Tennessee, said point also being the southeast corner of the property herein described; thence, along said road, S 53 52' 46" W, a distance of 249.85 feet to a point; thence leaving said road, along the easterly line of Brainbridge Cluster Homes, recorded in Plat Book 6250, page 181, and the easterly line of Guill Heights recorded in Plat Book 2854, page 10, R.O.D.C., Tennessee, N 36 66' 14" W, a distance of 1208.32 feet to a point; thence, N 23 21' 01" E, adjacent to the shore line of Stones River, a distance of 295.56 feet to a point; thence, along the westerly line of the C. O. Vantrease property, S 36 38' 50" E, a distance of 1358.40 feet to the point of beginning and containing 7.45 acres of land more or less. Included within this description is a five foot wide right-of-way dedication as of record by the recorded plat of Riverstone in Plat Book 6200, page 466, R.O.D.C., Tennessee, and is described by metes and bounds as follows:

BEGINNING at a point situated in the northerly margin of Lebanon Pike, said point being the southwest corner of the C. O. Vantrease property and the southeast corner of the five foot right-of-way dedication; thence, along said road S 63 52' 46" W, a distance of 249.85 feet to a point, thence, N 36 56' 14" W, a distance of 5.00 feet to a point; thence, N 53 52' 46" E, a distance of 249.98 feet to a point; thence S 36 38' 50" E, a distance of 5.00 feet to the point of beginning and containing 0.029 acres of land more or less.

BEING the same property conveyed to Joseph Russell, et al, by deed of record in Book 6529, page 46, said Register's Office, and being thereafter conveyed to Riley, Russell, Cahn & Associates by deed of record in Book 6908, page 752, said Register's Office.

3. The amendment was adopted on the 29 day of April, 1987.

Riverstone Condominium Homeowners Association, Inc.

By: _____
Incorporator