BOOK 7357 PAGE 380
66925

THIS INSTRUMENT PREPARED BY:

DENNEY, LACKEY & CHERNAU
P. O. Box 3429
218 Third Avenue, North
Nashville, Tennessee 37219-0429

IDENTIFICATION REFERENCE

SEP 21 12 06 PM '87

DAVIDSON COUNTY, TN

MASTER DEED

FOR

DARLINGTON CONDOMINIUMS

THIS MASTER DEED, made and entered into by Clairmont Investors - Darlington, a Tennessee joint venture composed of Medlin Wherry Building Co., Inc. and M.C.R. Development Corp. (hereinafter referred to as "Developer");

W I T N E S S E T H:

WHEREAS, Developer is the legal title holder of certain real property located in Davidson County, Tennessee, and more particularly described on Exhibit A hereto (the "Property"); and

WHEREAS, Developer desires to submit the Property described in Exhibit A, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and rights and privileges belonging or in anywise pertaining thereto the provisions of the Horizontal Property Act of the State of Tennessee; and

WHEREAS, Developer further 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 perfecting the value, desirability and attractiveness of the Property.

NOW, THEREFORE, Developer declares as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means the "Horizontal Property Act" of the State of Tennessee, as may be amended from time to time.

(b) "Association" means Darlington Homeowners' Association, Inc.

(c) "Board" means the Board of Directors of Darlington Homeowners' Association, Inc.

(d) "Building" means the buildings located on the Parcel and forming part of the Property and containing the Units. The "Buildings" are delineated on the Plat.

(e) "By-Laws" mean the By-Laws of Darlington Homeowners' Association, Inc. attached hereto as Exhibit D and made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration and maintenance of the Property shall be deemed to be part of the By-Laws.

(f) "Common Elements" mean all of the Property except for the Units, and, without limiting the generality of the foregoing, shall include those items defined as "General Common Elements" in the Act, including the following:

(1) Parcel;

(2) All foundations, bearing walls and columns, roofs, stairways, and entrances and exits or communication ways;

(3) All roofs, yards, and gardens, except as otherwise herein provided or stipulated;

(4) All compartments or installations of certain services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like;

(5) All garbage incinerators and dumpsters and, in general, all devices or installations existing for common use;

(6) All parking areas, roads, sewers, and all other services of a public nature not inside the walls of the individual Units;

(7) Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical

wiring and conduits situated entirely with a Unit and servicing only such Unit); and

(8) All other elements of the Buildings desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Master Deed.

(g) "Developer" means Clairmont Investors - Darlington, a Tennessee joint venture composed of Medlin Wherry Building Co., Inc. and M.C.R. Development Corp., its successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

(h) "Limited Common Elements" mean all Common Elements contiguous to and serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Master Deed, on the Plat, or by the Board. Limited Common Elements shall include, but shall not be limited to, the separate furnace, air conditioner and water heater located within or adjacent to a Unit and serving only such Unit or Units, any balconies and patios, and such portions of the perimeter walls, roofs, foundations, floors and ceilings, doors, vestibules, windows, screens, and entryways, and all associated fixtures and structures therein as lie outside the Unit boundaries.

(i) "Majority" or "majority of the Unit Owners" means the owners of more than fifty (50%) percent of the Units.

(j) "Master Deed" means this instrument, by which the Property is submitted to the provisions of the Act, as

hereinafter provided, and such Master Deed as amended from time to time.

(k) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(l) "Parcel" means the parcel or tract of real estate, described on Exhibit A attached to this Master Deed and submitted hereby to the provisions of the Act.

(m) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(n) "Plat" means the plat of survey of the Parcel submitted to the provisions of the Act showing the number of each Unit, expressing its area, location and other data necessary for identification, said Plat attached hereto as Exhibit B.

(o) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of Unit Owners, submitted to the provisions of the Act.

(p) "Record or Recording" refers to the record or recording in the Register's Office for Davidson County, Tennessee.

(q) "Rules and Regulations" refer to rules and regulations concerning the use of the Units and the Common Elements as adopted from time to time by the Board in accordance with the Master Deed and By-Laws.

(r) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Buildings, which enclosed space is not owned in common with Unit Owners of other Units. Each Unit is

numbered as shown on the Plat. The Boundaries of each Unit shall be and are the unfinished interior surfaces of its perimeter walls, floors and ceilings, and a Unit includes both the portion of the Buildings so described and the air space so encompassed, excepting Common Elements. It is intended that the term "Unit" as used in this Master Deed shall have the same meaning as the term "Apartment" as used in the Act.

(s) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, and shall be deemed the same as "co-owner" under the Act. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner hereunder. Unless specifically provided otherwise herein, Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

2. Submission of Property to the Act. Developer does hereby submit and subject the Parcel and the Property to the provisions of the Horizontal Property Act of the State of Tennessee, and does hereby establish a horizontal property regime to be known as Darlington Condominiums.

3. Plat. The Plat sets forth the number and location of each Unit and other data as required by the Act.

4. Units. The legal description of each Unit shall consist of the identifying number of each Unit as shown on the Plat. Every deed, estate, lease, mortgage, deed of trust, or other instrument shall legally describe a Unit by its identifying number as shown on the Plat and every description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided in the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

5. (a) Association of Unit Owners and Administration and Operation of the Property. There has been or will be formed an Association having the name "Darlington Homeowners' Association., Inc.," which Association shall be the governing body for all Unit Owners, and shall be operated to provide for the mainetnance, repair, replacement, administration and operation of the Property, as provided in the Act, and this Master Deed, and the By-Laws for the Association shall be the By-Laws attached to this Master Deed as Exhibit D 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 for 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. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. Each Unit shall have one vote.

(b) Management of Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, provided, however, that such contract shall not exceed a period of three (3) years,

and shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice. The Board shall require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in paragraph 11 hereof.

(c) 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. During the period of construction of any Units or development of any Common Elements, Developer shall have the right to keep and maintain on the Common Elements one or more trailers and storage facilities for use as construction offices and for the storage and maintenance of equipment and supplies, and shall have the right to store and maintain equipment and supplies in open and uncovered areas on the Common Elements, and in Units the possession of which have not been delivered to Purchasers.

(d) 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 provisions of Article VIII by the By-Laws.

6. 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.

7. Ownership of the Common Elements. Each Unit is hereby allocated an undivided interest in the Common Elements as set forth on Exhibit C attached hereto and made a part hereof as though fully set forth herein. The assigned percentages of interest set forth on Exhibit C shall remain constant unless hereafter changed by recorded amendment to this Master Deed consented to in writing by Unit Owners, in accordance with paragraph 21 hereof. The ownership of a Unit shall not be conveyed separate from the undivided ownership in the Common Elements appurtenant to such Unit. The undivided interest in the Common Elements 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 to the fee title to that Unit.

8. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited

Common Elements contiguous to and serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Master Deed, By-Laws, and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of this Master Deed and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions and regulations as the Board may adopt or prescribe.

9. Parking Space and Storage Areas. Parking spaces, carports, and storage areas on the Property, except those which are Limited Common Elements and such storage areas as are inside the Units, shall be part of the Common Elements, and may be allocated and reallocated, from time to time, to the respective Unit Owners, and shall be used by such Unit Owners subject to the rules and regulations of the Association, and parking spaces, carports, and storage areas not so used by Unit Owners may be rented or otherwise used in such manner as the Board may prescribe. The parking on the Property of all boats, vans, campers, recreational vehicles, motorcycles, and all other vehicles similarly shall be subject to such restrictions, rules, and regulations, including the prohibition thereof, as shall be prescribed by the Board.

10. (a) Common Expenses. Each Unit Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Master Deed and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair of the Property and any and all replacements and additions thereto. Except for its responsibilities as a Unit Owner, as provided herein, Developer shall not have any responsibility for the maintenance, repair or

replacement of any part of the Common Elements after the date this Master Deed is recorded; provided, however, in the event Developer expends any of its own funds for the repair, replacement or maintenance of any of the Common Elements, Developer shall be entitled to a credit for such sums against any common expenses Developer might be required to pay by virtue of being a Unit Owner. Each Unit Owner shall be responsible for paying an equal share of the common expenses. Assessments shall occur upon the conveyance by Developer of the first Unit. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver of enjoyment or non-use of the Common or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail to make such payment of assessments for common expenses when due, the amount thereof together with any reasonable late charges established by the Board, and together with interest at the highest lawful rate permitted when the assessment is due and payable shall constitute a continuing lien on the Unit against which the assessment is made, as provided in the Act. Each Unit owner shall be personally liable for his portion of each assessment made while he is the owner of a Unit. The sale or conveyance of a Unit shall in all cases be subject to all unpaid assessments against the Unit Owner, and if not paid prior to sale or conveyance, shall be a lien against the Unit and shall be paid by the new Owner.

(b) Mortgage and Deed of Trust Protection. The lien for assessments payable by a Unit Owner shall be subordinate to the lien of a recorded first Mortgage or Deed of Trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary thereunder

either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security), or forecloses its Mortgage or Deed of Trust. This subparagraph (b) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees and Beneficiaries of record.

11. Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to mortgage his Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or place a lien on the Property or any part thereof, except to the extent of his own Unit and its appurtenant interest in the Common Elements.

12. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for his Unit and its appurtenant interest in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership in the Common Elements, and, in said event, such taxes shall be a common expense.

13. Insurance. The Board shall obtain insurance for the Common Elements, except those Limited Common Elements for which insurance is to be provided by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Common Elements, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, or any part therof, to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board, as the trustee for the Unit Owners in proportion to the Unit Owners' respective percentages of ownership in the Common Elements, as set forth in this Master Deed, and for the holders of mortgages on the Units, if any. The policy of

insurance should also contain, if possible, a waiver of subrogation rights by the insurer against the Unit Owners. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to Unit Owners based upon their respective percentages of ownership in the Common Elements.

Each Unit Owner shall be responsible for obtaining his own insurance against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions on his Unit, the Limited Common Elements serving his Unit, as well as his additions and improvements thereto, and any other parts of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner, for the full insurable replacement cost thereof, to be payable to the Unit Owner, the Mortgagee, if any, and to the Board, and for the contents of his Unit and of the Limited Common Elements, decorations, furnishings, and personal property therein, and personal property stored elsewhere on the Property, if any, in such amounts as he may deem advisable. In the event any Unit Owner fails or refuses to obtain adequate insurance coverage on his Unit, the Limited Common Elements serving his Unit, or his additions and improvements thereto, the Board reserves the right to obtain such insurance for him and to charge the premium for such insurance to the Unit Owner. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss, or damage is covered by the liability insurance and insurance against loss or damage by fire and other such hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as provided herein, said Unit Owner may, at his option and expense, obtain additional insurance.

In the event of damage to or destruction of any Buildings or Common Elements as a result of fire or other casualty covered by insurance proceeds (unless more than 2/3 of all Buildings require reconstruction), the Board shall, in its sole and absolute discretion, determine and without intervention of any Unit Owner arrange for the

prompt repair and restoration of the damaged portions of all Units, Buildings and Common Elements substantially in accordance with the original plans and specifications therefor. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all Unit Owners with each Unit Owner to bear a proportion thereof based upon his percentage of ownership in the Common Elements. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering, or any other part of a Unit for which the responsibility of maintenance and repair is that of a Unit Owner, or for furniture, furhishings, fixtures, appliances or equipment installed in the Unit by a Unit Owner or Occupant unless insurance therefor is specifically provided for in the insurance policy obatined by the Board.

The Board also shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance in such amounts as it deems desirable, insuring each Unit Owner, mortgagee of record, the Association, its officers, directors and employees, Developer, and the Managing Agent, if any, from liability in connection with the Property. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner with each Unit Owner to bear a proportion thereof based upon his percentage of ownership in the Common Elements. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

The Board also shall obtain fidelity coverage covering officers, directors, and employees who handle or are responsible for handling Association funds. Such bonds shall be in such amounts as the Board may determine, but in no event less than three (3) months aggregate assessments on all Units plus reserve funds, and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

All insurance policies obtained by the Board shall provide that they may not be cancelled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage on a Unit.

The Board shall also obtain such other insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that said person is or was a director or officer of the Association, or a member of such a committee. The Board shall require such fidelity bond coverage as necessary for any person or Board member handling Association funds. The premiums for such insurance and bonds shall be a common expense.

In addition to the requirements of this Section 13, the Board and the Unit Owners shall have the right and option to obtain such other insurance or indemnity as it or they shall deem appropriate and desirable.

14. Maintenance, Repairs and Replacements. Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his Unit. Except to the extent hereinafter set forth, maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association, and the cost thereof shall be part of the common expense, subject to the By-Laws, and rules and regulations of the Association. The expenses for the maintenance, repair or replacement of a Unit's water heater, furnace, air conditioner, heating and air-conditioning ducts, and plumbing and electrical wiring serving only such Unit, shall be borne by the owner of the Unit to which such Limited Common Elements are appurtenant; and, at the discretion of the Board, maintenance of, repairs to, and replacements within the other Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby. Further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to, and replacements within

the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanic's or materialmen's lien claims that may arise therefrom; provided, however, that if, in order to maintain, repair, or replace the electrical wiring, plumbing, or other utilities of a Unit, it shall become necessary to gain entry to another Unit, it shall be the rseponsiblity of the Association to provide such maintenance, repair, or replacement, but the cost of such maintenance, repair, or replacement may be assessed to the Unit Owners benefited thereby, as hereinabove provided.

If, due to the act or neglect of a Unit Owner, or his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements are required which would otherwise be a common expense, then such Unit owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance.

The Authorized representatives of the Association, Board, or of the Managing Agent with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs to, or replacements within the Common Elements, Limited Common Elements, or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements, or to make any alteration required by any governmental authority.

15. Alterations, Additions or Improvements. Except as provided in Section 16 herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may

authorize and charge as common expenses alterations, additions, and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. Decorating. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Unit.

17. Encroachments. If any portion of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown on the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit

Owners involved, to the extent of such encroachments, so long as the same shall exist.

18. Lease of Unit. All leases or rental agreements for Units shall be in writing and shall be subject specifically to the requirements of this Master Deed and By-Laws. No Unit may be leased or rented for a period of less than six (6) months. A copy of every lease for a Unit, as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations under this Master Deed and the By-Laws of the Unit Owner making such lease and the Lease shall expressly so provide. The Unit Owner making such lease shall not be released thereby from any other said obligations. The Board shall have all the authority in its sole discretion to require at any time that any Unit Owner who is leasing his Unit place on deposit with the Board such sum as the Board may require and determine to be used as an indemnity against loss or damage to the Common Elements which might be caused by such Unit Owner's lessee. The terms of the indemnity shall be such terms as might be satisfactory to the Board. The Board shall furnish the Unit Owner a notice in writing which shall constitute that Unit Owner's notice to make such deposit. In the event the Unit Owner fails to comply with the terms of the notice within ten (10) days from the date the notice is mailed to him, the Board, at its option, may elect to terminate the subject lease. The Board shall give the Unit Owner and his lessee notice of such election in writing. Within ten (10) days after said notice is placed in the United States Mail addressed to the Unit Owner at his last known address or within ten (10) days after a written notice of such election is delivered to the residence of the lessee, whichever shall last occur, lessee shall forthwith and immediately vacate the subject Unit and the Unit Owner shall take such further action as may be necessary to insure that said lessee vacates said Unit.

19. Use and Occupancy Restrictions. Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed and as allowed by municipal zoning laws. Each Unit, or

any two or more adjoining Units used together, shall be used as a residence or such other use permitted by this Master Deed, and for no other purpose, except that professional and quasi-professional people may use their residence (not in violation of municipal zoning laws) as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units; provided, however, the laundry and utility areas, party rooms, storage areas, and recreational facilities, if any, and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

20. Remedies. In the event of any violation of the provisions of the Act, this Master Deed, By-Laws, or rules and regulations of the Association by any Unit Owner (either by his own conduct or by the conduct of any Occupant of his Unit), the Association, or its successors or assigns, and any aggrieved Unit Owner, shall have each and all of the rights and remedies which may be provided for in the Act, this Master Deed, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceeding against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages

or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided hereinafter in this paragraph 20, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of common expenses, upon the Unit, and its appurtenant interest in the Common Elements, of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit, to the extent hereinabove set forth in paragraph 10(b) hereof. In the event of any such default by any Unit Owner, the Board and the Manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Units.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Master Deed: (a) to enter (without liability to such Unit Owner for such entry) upon the Unit, or any portion of the Property upon which or as to which such violation or breach exists, and by appropriate proceedings to abate and remove, at

the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees, or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forceably without liability to such Unit Owner for such entry) of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate the Act, or any of the covenants or restrictions or provisions of this Master Deed, the By-Laws, or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Owner a notice in writing terminating the rights of said defaulting Owner to continue as a Unit Owner and to continue to occupy, use, or control his Unit, and thereupon an action in equity may be filed by the Board against said defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner in the Property shall be sold (subject to the lien on any existing deed of trust or mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Unit Owner in said decree. Any balance of the proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be

entitled to a deed of the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Master Deed.

21. Amendment. Unless otherwise provided in this Master Deed, the provisions of this Master Deed may be amended by an instrument in writing, setting forth such amendment, signed by Unit Owners owning not less than sixty (67%) percent of the Units; provided, however, that all lien holders of record have been notified by certified mail of such amendment, and an affidavit by the Secretary of the Association certifying to such mailing is made a part of such instrument.

However, if the Act, this Master Deed or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Master Deed, then any instrument amending any provision of this Master Deed with respect to such action shall be signed by all Unit Owners or all lien holders or both as required by the Act or this Master Deed. Further, without the prior written approval of sixty-seven (67%) percent of the first mortgages (based upon one vote for each first mortgage owned), there shall not be, by act or omission of the Association, any abandonment or termination of the horizontal property regime, or any abandonment, partition, subdivision, encumbrance, sale, or transfer of the Common Elements (other than the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements). Any amendment shall be effective upon the recording of such instrument in the Office of the Register of Davidson County, Tennessee; provided, however, that no provision in this Master Deed may be amended so as to conflict with the provisions of the Act.

22. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Master Deed shall be unlawful, void or voidable for violation of the rule against

perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendents of the Governor of Tennessee, Ned R. McWherter.

23. Rights and Obligations. Each Grantee of Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Master Deed. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Master Deed. Any restrictions or rules in the By-Laws which are more than administrative in nature such as, but not limited to, reservations and future rights of Developer are hereby incorporated into and made a part of this Master Deed by reference. All rights, benefits and privileges hereby imposed shall be deemed to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Master Deed were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Unit Owners and Occupants of a Unit shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith, pursuant to Tennessee Code Annotated, § 66-27-111, as they may be amended from time to time. The acceptance of a deed of conveyance, devise, or lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the By-Laws and any Rules and Regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Unit Owner or Occupant, and all of such provisions shall be deemed and taken to be covenants running with land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

The terms and conditions of the Master Deed, By-Laws, and Rules and Regulations of the Association may be incorporated by reference

in, and become part of, the agreement between any first mortgagee and any present or future Unit Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of this Master Deed, By-Laws, and Rules and Regulations may be considered by the first mortgagee as a default, whereupon said first mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Unit Owner.

24. Condemnation. In the event of a taking of part of the Common Elements in condemnation or by eminent domain, the award made for such taking shall be payable to the Association. If a majority of the Board in their sole and absolute discretion approve the repair and restortion of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board does not approve the repair and commence restoration of such Common Elements within one hundred twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of such Unit's percentage of ownership in the Common Elements. The Board shall represent the Association and the Unit Owner in any condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority for acquisition of the common areas, or a part thereof.

25. Rights Reserved. Unit Owner's rights of enjoyment in the Common Elements shall be subject to:

(a) The right of the Association, as provided in its By-Laws or Rules and Regulations to suspend the enjoyment of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published Rules and Regulations, except that there may be no restrictions on any Unit Owner's right of ingress and egress to and from his or her Unit;

(b) The right of the Association to charge reasonable fees for the use of any part or parts of the Common Elements;

(c) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution or dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless members of the Association entitled to cast ninety (90%) percent of the total votes of the Association have agreed to such dedication, transfer, purpose, or condition;

(d) The right of Developer, at its sole expense, to relocate, expand, modify, reduce, or extend existing driveways, parking areas and yard, and to construct, expand, enlarge or relocate sewers, utility liens or service connections, in order to serve the existing Buildings; and

(e) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the Units.

26. Protection for Mortgagees. In addition to any other provisions contained herein pertaining to mortgagees of Units, the following shall apply:

(a) Any mortgagee of a Unit and any insuror or guarantor thereof, at his or its request, is entitled to written notification from the Association of (1) any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under this Master Deed, By-Laws or any of the condominium documents, which is not cured within thirty (30) days, (2) any condemnation

loss or any casualty loss which affects a material portion of the property or any Unit as to which such mortgage applies, (3) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, (4) any proposed action which would require the consent of a specified percentage of mortgagees.

(b) Unless at least sixty-seven (67%) percent of the first mortgagees (based upon one vote for each mortgage owned) of Units have given their prior written approval, the Association shall not be entitled to:

(i) By act or ommission seek to abandon or terminate the condominium project;

(ii) Change the pro rata interest or obligations of any Unit for:

(a) Purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and for

(b) Determining the pro rata share of each Unit in appurtenant real estate and any improvements thereon, which are owned by Unit Owners in individual pro rata interests ("Common Elements");

(iii) Partition or subdivide any condominium unit;

(iv) Use hazard insurance proceeds for losses to the property (whether to Units or Common Elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by T.C.A. § 66-27-118 in case of substantial loss to the Units and/or Common Elements.

(c) The Board shall make available for inspection, on request during normal business hours, to Unit Owners, the holders of mortgages and Deeds of Trust on Units, and the insurors and guarantors of any first mortgage or deed of trust, copies of the Master Deed, By-Laws, Rules and Regulations of the Property, and the books, records and financial statements of the Association.

(d) An adequate reserve fund for the replacement of Common Elements will be established and funded by regular monthly payments rather than by special assessments.

(e) First mortgagees of Units may, jointly or separately, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, or such Common Elements, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(f) No Unit Owner, or any other party, shall have priority over any rights of the first mortgagees of Units in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or for a taking of Units and/or Common Elements.

(g) The interest of a first mortgagee in a mortgaged Unit shall be superior to the interests of any other person, group, partnership, corporation, or entity of any kind, including any interest the Association, the Developer, or any Unit Owner may have in any portion of the Property, regardless of the nature of the interest or the manner in which it is acquired.

27. Trustee as Unit Owner. In the event title to any Unit is conveyed to a land title-holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiaries, then the beneficiaries thereunder shall be

considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtnedness and for the performance of all agreements, covenants, and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation: The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Unit.

28. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association at: c/o Medlin Wherry Companies, 3818 Cleghorn Avenue, Nashville, Tennessee 37215, and to any Unit Owner at the address of the Unit, or at such other address as hereinafter provided. The Association may designate a different address or addresses for notices to it by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Master Deed to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

29. Severability. If any provision of this Master Deed or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Master Deed and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby, and

the remainder of this Master Deed or the By-Laws shall be construed as if such invalid part was never included therein.

30. Captions. The captions herein are inserted only as a matter of convenience, and in no way define, limit or describe the scope of these provisions or the intent of any provision hereof.

31. Gender. Words of any gender used in this Master Deed and in the By-Laws shall be deemed to include any other gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

IN WITNESS WHEREOF, Developer executed this Master Deed this 21ST day of SEPTEMBER, 1987.

Clairmont Investors - Darlington, a Tennessee joint venture composed of Medlin Wherry Building Co., Inc. and M.C.R. Development Corp.

By: Medlin Wherry Building Co., Inc., venturer

By: _____
Its: _____

By: M.C.R. Development Corp., venturer

By: _____
Its: VICE PRESIDENT

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, _____, Notary Public, _____, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the PRESIDENT of Medlin Wherry Building Co., Inc., the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent

being authorized by the maker, to execute this instrument on behalf of the maker.

WITNESS my hand, at office, this 21 day of Sept., 1987.

Notary Public

My commission expires:_____

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

Personally appeared before me, Terry Turnbow, Notary Public, Mary Nell, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the VICE-PRESIDENT of M.C.P. Development Corp., the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker.

WITNESS my hand, at office, this 21 day of Sept., 1987.

Notary Public

My commission expires:_____

EXHIBIT A

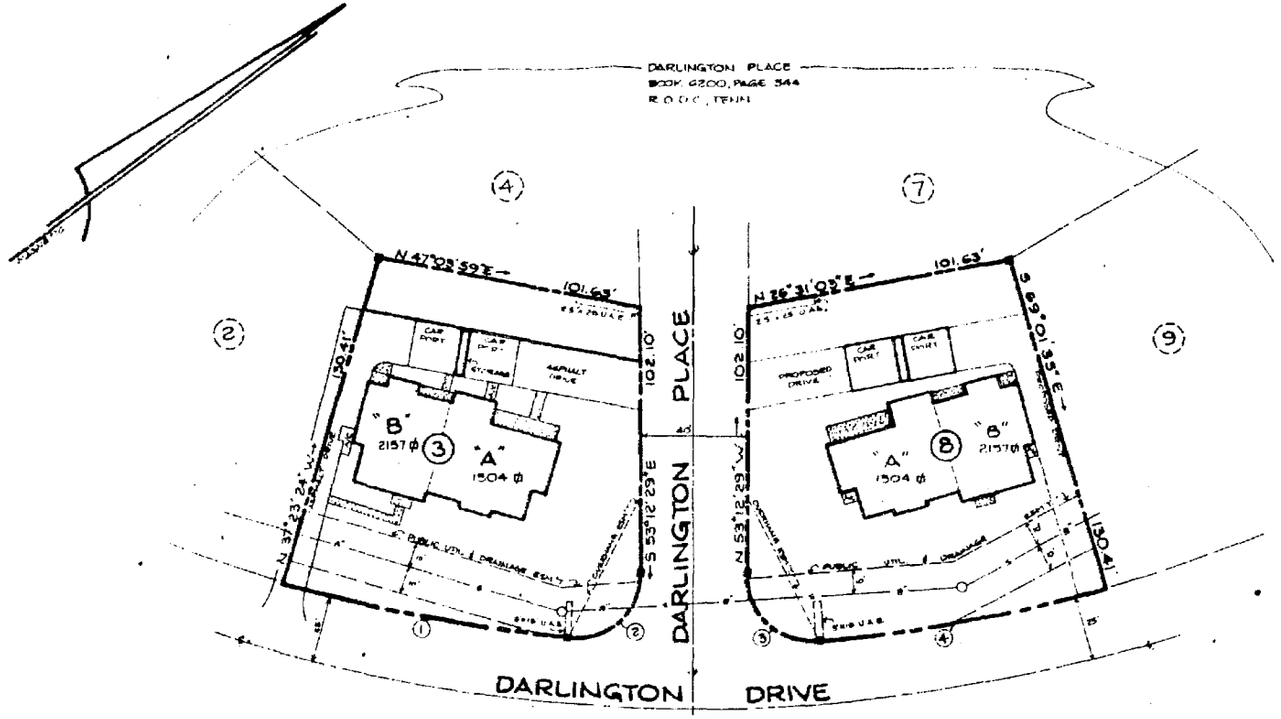
DESCRIPTION

Land in Davidson County, Tennessee, being Lots Nos. 3 and 8 on the Plan of Darlington Place, of record in Book 6200, page 544, Register's Office for Davidson County, Tennessee, to which plan reference is hereby made for a more complete description. Lots 3 and 8 each contain 15,534 square feet, for a total of 31,068 square feet.

Being part of the same property conveyed to Clairmont Investors - Darlington, a Tennessee joint venture by deed from The State of Tennessee of record in Book 6834, page 442, said Register's Office, as corrected by a Deed of Correction in Book 7185, page 601, said Register's Office.

CURVE DATA

No.	Δ	R	A	T	C	CB
C1	11°05'15"	570.68'	110.48'	55.39'	110.25'	S 47°03'29" W
C2	94°45'30"	25.00'	41.33'	27.19'	36.78'	S 31°30'55" E
C3	94°45'30"	25.00'	41.33'	27.19'	36.78'	S 73°15'25" W
C4	11°09'48"	570.68'	110.45'	55.39'	110.24'	S 58° 51' 05" W



AS-BUILT EXHIBIT PLAT

DARLINGTON CONDOMINIUMS

DATE: 9-18-87 · SCALE:

ANDERSON-DELK & ASSOCIATES, INC.
418 GRAMMERE PARK DRIVE · SUITE 4
NASHVILLE, TENNESSEE · 37211

EXHIBIT "B"

OFFICIAL RECORD

EXHIBIT C

PERCENTAGE OWNERSHIP OF COMMON ELEMENTS

UNIT NO.	PERCENTAGE OWNERSHIP
3a	25.0%
3b	25.0
8a	25.0
8b	25.0
TOTAL	100.0%

EXHIBIT D

BY-LAWS

OF

DARLINGTON HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

Members
(Unit Owners)

Section 1. Eligibility. The Members of Darlington Homeowners' Association, Inc. shall consist of the Unit Owners of the Property known as Darlington Condominiums, located at Darlington Place at Darlington Drive, Nashville, Davidson County, Tennessee (the "Property"). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner or beneficiary.

Section 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that the First Meeting shall be held no later than one hundred twenty (120) days after Developer has sold and delivered deeds for all the Units.

Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within fifteen (15) days of the anniversary of the First Meeting. All such meetings of Unit Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be

delivered to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meetings. Special meetings of Unit Owners may be called by the President or by a majority of the Directors of the Association, or by Unit Owners having at least two-fifths (2/5) of the votes entitled by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meeting. Notices of meetings shall be delivered either personally or by mail to Unit Owners at the addresses given to the Board by Unit Owners for such purpose, or to a Unit Owner's Unit if no separate address for such purpose has been given to the Board.

Section 6. Voting. Each Unit shall have one (1) vote. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided, but shall be exercised as if the Unit Owner consists of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote, such persons shall not be recognized, and such vote shall not be counted. Developer may exercise the voting rights with respect to Units owned by it.

No Unit Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote until he has cured such default. A Unit Owner shall be deemed to be in default if he has not paid his assessments to the Board, or its agent, within fifteen (15) days after the due date thereof. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of his protest to the Board.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administrators" and sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of the Association members by the vote of Unit Owners, except that until such time as the First Meeting of members is held, the Directors (hereinafter called "members of the First Board") shall be appointed by Developer. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for members of the First Board, shall hold office for the term of one (1) year and until his successor shall be elected and qualified. One member of the First Board shall hold office until the first regular annual meeting of Association members, one other member of the First Board shall hold office until the second regular annual meeting of Association members, and one other member of the First Board shall hold office until the third regular annual meeting of Association members. Unless otherwise agreed, if any members of the First Board are unwilling to serve beyond the first regular annual meeting of the Unit Owners, their uncompleted terms shall be filled by election at that meeting. The member of the Board elected at the first regular annual meeting receiving the highest number of votes will serve until the fourth regular annual meeting, the elected member, if any, and the elected members, if any, receiving the second and third highest number of votes will serve until the third and second regular annual meetings, respectively.

Section 2. Qualifications. Except for members of the First Board, each Director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a Director may be a beneficiary of such trust; and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner

or employee of such Unit Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board shall be filled by vote of the Unit Owners, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by Developer. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall consist of three (3) members appointed by the Board to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting, and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the annual meeting.

Section 5. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each Director, delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 6. Removal. Any Director may be removed from office with or without cause by the vote of two-thirds (2/3) of Unit Owners.

Section 7. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Unit Owners.

Section 8. Quorum. Two (2) Directors shall constitute a quorum.

Section 9. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association;

(b) to administer the affairs of the Association and the Property;

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;

(d) to formulate policies for the administration, management, and operation of the Property and the Common Elements;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or

other personnel who may be the employees of a Managing Agent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(j) to fix the estimated annual budget, and to provide the manner of assessing and collecting from Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to enter into any lease agreement for lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board may approve;

(l) to borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association

(m) to secure insurance policies as required by the Master Deed, or as deemed appropriate and desirable by the Board, and in this regard, annually to review the amounts of coverage afforded by such policies;

(n) unless otherwise provided herein or in the Master Deed to comply with the instructions of a majority of Unit Owners as expressed in resolutions duly adopted at any annual or special meeting of Unit Owners;

(o) to exercise all other powers and duties of Unit Owners, as a group referred to in the Horizontal Property Act of the State of Tennessee, or in the Master Deed or the By-Laws;

Section 10. Authority of Board to Act for Association. Whenever in these By-Laws the Association is given the power to take any action, it is the intention of these By-Laws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Unit Owners.

Section 11. Non-Delegation. Nothing in these By-Laws shall be considered to grant to the Board, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to Unit Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular annual meeting of the Board, the Directors present at such meeting shall elect the following officers of the Association by a majority vote.

(a) a President, who shall be a Director, who shall preside over meetings of the Board and of Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who may be the same person as the Secretary, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officer; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of

the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total memberhsip of the Board at a special meeting thereof.

Section 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by Unit Owners.

ARTICLE IV

Assessments

Section 1. Annual Budget. the Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and replacements, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly

assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or otherwise as directed by the Board. No Unit Owner shall be relieved of his obligation to pay any assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

Section 3. Partial Year or Month. For the first year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit, each Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that, during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article II, Section 9(c) hereof and expenditures and contracts specifically authorized by the Master Deed and By-Laws, the Board shall not approve any expenditure in an amount in excess of ten (10%) percent of the annual budget for the current year, unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the total ownership in the Common Elements.

Section 7. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses as provided in the Master Deed, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of assessments when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment shall also bear interest at the rate of ten (10%) percent per annum. Such delinquent payment, together with penalty and interest, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property.

The Association, or its successors and assigns, acting through the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees to be fixed by the court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses, and such Unit Owner withholds payment thereof after demand by the Association in writing setting forth the amount claimed, the Association shall have the right to possession of such Unit. The Association, acting through the Board, shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Master Deed, or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order

of its receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days written notice to the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of his account setting forth the amount of any unpaid assessment or other charges due and owing from such Unit Owner.

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

Section 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such ajustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in proportionate amounts.

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause

the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, shades of a customary nature and appearance, subject to the Rules and Regulations of the Association), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or satellite dishes, or C.B. radio transmitters, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accordance with the Board's direction. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearace on a patio which is a Limited Common Element appurtenant to his Unit. No Unit owner shall display, hang, store, or use any sign outside his Unit, in a hallway, or elsewhere, which may be visible from the outside of his Unit, without the prior written permission of the Managing Agent, acting in accordance with the Board's direction.

No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof.

Section 2. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time by Rules and Regulations of the Association.

Section 3. 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. In addition, Developer reserves the right to enter into, upon, over and under any Unit for a period of one (1) year after the date of sale of the Unit for such purposes as may be reasonably necessary for Developer or its agents to service any Unit. While Developer owns any of the Units and until each Unit sold by it is occupied by Purchasers, Developer and its employees may use and show one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith. During the period of construction of any Units or development of any Common Elements, Developer shall have the right to keep and maintain on the Common Elements one or more trailers and storage facilities for use as construction offices and for the storage and maintenance of equipment and supplies, and shall have the right to store and maintain equipment and supplies in open and uncovered areas on the Common Elements, and in Units the possession of which have not been delivered to Purchasers.

Section 4. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the Common Areas, except in any common storage area specifically designated for the respective Unit Owner by the Board or by the Managing Agent acting in accordance with the Board's direction. Storage of boats, trailers, campers, and motor homes on the Property shall be subject to the Rules and Regulations of the Association applicable thereto.

Section 5. Wiring. No Unit Owner shall overload the electrical wiring in any Building, or operate any machines, appliances, or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accesories or equipment to the heating or plumbing system without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accordance with the Board's direction.

Section 6. Rules and Regulations. Unit Owners shall be subject to such further restrictions as may be contained in Rules and

Regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time to time by the Board. All such Rules and Regulations shall be binding Rules and Regulations of the Association unless rejected by at least sixty (60%) percent of the votes of Unit Owners, and copies of such Rules and Regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

ARTICLE VI

Contractual Powers

No contract or other transaction between this Association and one or more of its Directors, or between the Association and any corporation, firm or association in which one or more of the Directors of the Association are Directors, or are financially interested, is void or voidable because such Director and Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

Amendments

Except as otherwise provided herein, these By-Laws may be amended or modified from time to time by action or approval of sixty-seven

(67%) percent of the Unit Owners. Such amendments shall be recorded in the Office of the Register of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

Sectin 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors and officers, each member or any committee appointed pursuant to these By-Laws, against all contractual and other liabilities to others arising out of contracts made by, or other acts of such Directors, officers, or committee members on behalf of Unit Owners, or arising out of their status as Directors, officers, or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such Director, officer, or committee member may be involved by virtue of such person's being or having been such Director, officer, or committee member, provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer, or committee member.

Section 2. Success on Merits. To the extent that a member of the Board, or an officer of the Association, or a member of any committee appointed pursuant to these By-Laws has been successful on the merits or otherwise in defense of any action, suit or proceeding

referred to in Section 1, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, officers, or members of such committees, or out of the aforesaid indemnity in favor of the Directors, officers, or members of such committees, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentge of interest bears to the total percentage interest of all Unit Owners in the Common Elements. Every agreement made by the Directors, officers, members of such committees, or the Managing Agent on behalf of the Unit Owners shall provide that the Directors, officers, members of such committee, or the Managing Agent as the case may be, are acting only as agents for Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association, or disinterested members of the Board or

otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board, officer of the Association, or a member of such committee and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX

Mortgages

Section 1. Notice to Board. A Unit Owner 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 deed of trust or mortgage with the Board; and 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 a Unit, 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 Unit Owner 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 Unit whose name and address has theretofore been furnished to the Board.

Section 4. Examination of Books, Condominium Documents, and Records. The Board shall make available for inspection, on request during normal business hours, to Unit Owners, the holders of mortgages and deeds of trust on Units, and the insurors and guarantors of any first mortgage or deed of trust, copies of the Master Deed, By-Laws, Rules and Regulations of the Property, and the books, records and financial statements of the Association.

Section 5. Interest of Valid First Mortgagee. The interest of a valid first mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated

the terms of these By-Laws and the Master Deed in its deed of trust, then said first mortgagee may, at its option, declare a default in its deed of trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the deed of trust notwithstanding any enforcement instituted by the Board.

ARTICLE X

Definition of Terms

The Terms used in these By-Laws, to the extent they are defined herein, shall have the same meaning as set forth in the Master Deed for Darlington Condominiums, of record in the Office of the Register for Davidson County, Tennessee.

The term "member" as used in these By-Laws, means "Unit Owner" as defined in the Master Deed.

ARTICLE XI

Conflicts

These By-Laws 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 By-Laws to control in specific situations where such law allows. In the event any of the By-Laws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.