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THIS DOCUMENT PREPARED BY:

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAUDERDALE PLACE CONDOMINIUMS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is hereby made and entered into by W & M Properties, LLC, a Tennessee limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, the Declarant is the legal title holder of certain unimproved real estate (the "Parcel") located in Davidson County, Tennessee, being Lot 39, Cherokee Park, Block C, Second Section, of record in Book 547, Page 175, Register's Office for Davidson County, Tennessee and more particularly described on the attached Exhibit A, which is incorporated herein by this reference; and

WHEREAS, the Declarant intends to and does hereby submit the Parcel together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto (the "Property") to the provisions of the Horizontal Property Act of the State of Tennessee for the express purpose of establishing thereon a horizontal property regime to be known as "Lauderdale Place Condominiums"; and

WHEREAS, the Declarant further desires to establish said horizontal property regime for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, deed of trust beneficiaries, and any other persons hereinafter acquiring any interest in the Property, shall hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property.

NOW, THEREFORE, the Declarant declares as follows:

1. Definitions. As used in this Declaration, the following terms shall have the meanings ascribed to them in this Section 1, such definitions being cumulative of those set forth elsewhere in this Declaration. In addition, all terms used in this Declaration which are defined in the Act shall have the meanings ascribed to them in the Act, unless other definitions are ascribed to them in this Declaration.

(a) "Act" means the Horizontal Property Act of the State of Tennessee, Section 66-27-101, et seq., Tenn. Code Ann., as the same may be amended from time to time.

(b) "Association" means the Lauderdale Place Condominiums Homeowners Association, Inc., a Tennessee nonprofit membership corporation.

(c) "Board" means the Board of Directors of the Association.

(d) "Buildings" means any buildings located on the Parcel which are designed primarily for human habitation.

(e) "By-Laws" means the By-Laws of the Association attached hereto as Exhibit B and made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Declaration dealing with the administration and maintenance of the Property shall be deemed to be a part of the By-Laws.

(f) "Common Elements" means all of the real and personal property within the Property except for the Units and the Private Elements, which are now or hereafter owned by the Association. The Common Elements are designated on the Site Plan and shall be held by the Association for the common use and enjoyment for the Unit Owners. The Common Elements shall include, without limiting the generality of the foregoing, the gravel driveway. "Common Elements" as used herein shall also mean "General Common Elements" as set forth in the Act.

(g) "Deed of Trust" shall include a mortgage, and "deed of trust beneficiary" shall include a mortgagee and a holder of a deed of trust.

(h) "Declarant" means W & M Properties, LLC, a Tennessee limited liability company, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein.

(i) "Limited Common Elements" means all Common Elements contiguous to and serving a single Unit or a certain number of Units to the exclusion of other 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 Declaration, on the Site Plan, or by later decision of all of the Unit Owners.

(g) "Majority" means the owners of more than fifty percent (50%) of the voting rights of the "Members", as defined in the By-Laws described in Section 5 below.

(k) "Declaration" means this instrument, as amended from time to time.

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

(m) "Parcel" means the parcel or tract of real estate, described on Exhibit A attached

to this Declaration.

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

(0) "Private Elements" means and includes the area upon which a Unit is located as shown on the Site Plan as being the Private Element designated for each unit depicted thereon *for* which fee simple ownership and exclusive use is reserved to that Unit only.

(P) "Property" means all the land and space comprising the Parcel, and all improvements and structures thereon, or to be constructed 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 the Unit Owners, submitted *to* the provisions of the Act.

(q) "Record" or recording" refers to the record or recording in the office of the Register of Deeds for Davidson County, Tennessee.

(r) "Site Plan" means the plat or 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. The Site Plan for Lauderdale Place Condominiums is attached hereto as Exhibit C.

(s) "Unit" means the freestanding improvements as shown on the Site Plan, which separate buildings are not owned in common with other Unit Owners. Each Unit is numbered as shown on the Site Plan, and the boundaries of each Unit shall be and are the exterior surfaces of its perimeter. Any Unit may be jointly or commonly owned by more than one Person. It is intended that the term "Unit" as used in this Declaration shall have the same meaning as the term "apartment" as used in the Act.

(t) "Unit Owner" or "Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and such Unit's Private Element, and of the undivided interest in the Common Elements appurtenant thereto, and shall be deemed the same as a "co-owner" under the Act. Unless specifically provided otherwise herein, the Declarant 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. The Declarant, by recording this Declaration, does hereby submit and subject the Parcel and the Property *to* the provisions of the Act and hereby establishes a horizontal property regime as authorized and described in the Act and to be hereafter known as "Lauderdale Place Condominiums."

3. Site Plan. The Site Plan sets forth the numbers, areas, locations, and other data relating to the Units as required by the Act.

4. Units. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Site Plan. Every deed, lease, mortgage, deed of trust, or

other instrument shall legally describe a Unit by its identifying number as shown on the Site Plan and every such description shall be deemed good and sufficient for all purposes, except as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause such Owner's Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Site Plan. Any vote or action to be taken under this Declaration by the Members shall be taken on a basis such that each Unit has one (1) vote and shall be taken in accordance with the By-Laws. If any Unit Owner consists of more than one (1) Person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) Person in accordance with the proxy or other designation made by Persons constituting such Unit Owner.

5. Association of Unit Owners and Administration and Operation of the Property.

(a) There has been or will be formed an Association having the name Lauderdale Place Condominiums Homeowners Association, Inc., a Tennessee nonprofit membership corporation, which Association shall be the governing body for all of the Unit Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation and care of the Property as provided in the Act, this Declaration and By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Declaration as Exhibit B and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board within the confines of applicable law, and may be changed from time to time as allowed by law 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 use and benefit of Unit Owners in accordance with the provisions of this Declaration and By-Laws. The Association, through its Board, shall represent the Unit Owners in any proceedings, negotiations, settlements and agreements affecting all or part of the Common Elements. Each Unit Owner shall be a "Member" of the Association so long as such Owner is a Unit Owner. A Unit Owner's membership shall automatically terminate when such Owner 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.

(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.

(c) Non-Liability of the Directors. Board. Officers and Designee. Neither the directors, Board, officers of the Association, nor the Designee (as defined in the By-Laws) shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers, or Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, and the Designee, and their respective heirs, personal and legal representatives, successors and assigns, or any of them, in accordance with, and as provided in, the By-Laws and Charter of the Association.

(d) Interest of Association in Common Elements. Ownership of the Common Elements

is allocated as described in Section 7 hereof. The Association shall have no ownership interest in the Common Elements.

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 Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, with each Unit being allocated a one-half (1\12) interest in the Common Elements. The percentages of ownership interest shall remain constant. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of Ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

8. Use of the Common Elements. Except as hereinafter set forth (particularly in Section 9), each Unit Owner shall have the right to use the Common Elements, except the Limited Common Elements, in common with all other Unit Owners, as may be required for permitted recreational uses and 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 to each Unit Owner, and such Owner's 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. Each Unit Owner shall have an unrestricted right of ingress and egress to his or her Unit. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, this Declaration, the By-Laws and any rules and regulations established by 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 other provisions of this Declaration and the By-Laws. Any income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe and as allowed by this Declaration and the By-Laws and Charter of the Association.

9. Storage Areas and Parking Spaces. No storage units or areas shall be permitted upon the Property outside of a unit, excepting only those storage areas or buildings controlled by the Association for the exclusive use by the Association. All parking of vehicles in the parking areas within the Parcel shall be conducted by the Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe.

10. Common Expenses.

(a) Each Unit Owner shall pay his or her proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Declaration and By. Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate share of the common expenses for such Unit Owner shall be in accordance with such Owner's percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by any contract for a sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of such Owner's proportionate share of the common expenses by waiver or non-use of enjoyment of the Common Elements or Limited Common Elements, or by abandonment of such Owner's Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof, together with interest thereon at the highest legal rate but not to exceed ten percent (10%) per annum, after said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act. Each assessment *for* common expenses against a *Unit* shall be the personal obligation of
the Owner of the Unit at the time the assessment is due. A successor in title to a Unit shall not be personally obligated to pay unpaid assessments *for* common expenses that have been levied against a Unit unless such successor in title expressly assumes the payment of the same; provided, however, any lien encumbering a *Unit* as above described shall not be affected by transfer of a Unit.

(b) Enforcement. In the event any Unit Owner fails to maintain such Owner's Unit, or the Limited Common Elements attributable to such Unit, or in the event any Unit Owner fails to pay such Owner's proportionate share of any common expense when such is due, then in any such event the Board may after ten (10) days' notice to the defaulting Unit Owner, have the Association perform such maintenance, advance and pay such sums, or do any other reasonable act necessary to cure such default. The Association shall have a lien against the Unit of the defaulting Unit Owner securing payment of the sums expended or advanced, and shall be entitled to enforce such lien by filing suit in a court of competent jurisdiction. In the event the Association is successful in such suit, it shall be entitled to recover attorneys' fees and costs incurred in such suit and enforcement of its rights.

(c) Deed of Trust Protection. The lien for common expenses payable by a Unit Owner shall be subordinate to the lien of a recorded deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses that become due and payable from and after the date on which the beneficiary thereunder takes possession of
the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses on its deed of trust, and except for pro rata assessments resulting from a pro rata reallocation to all Units of common expenses andlor assessments. This Subsection (c) shall not be amended, changed, modified or rescinded without the prior written consent of all deed of trust beneficiaries of record.

(d) Special Assessments. In addition to the annual assessments for common expenses authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon or as part of the Common Elements, including fixtures and personal property

related thereto.

11. Deeds of Trust. Each Unit Owner shall have the right, subject to the provisions herein, to make separate deeds of trust for such Owner's respective Unit, Private Element, and Limited Common Element, together with such Owner's respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create, or cause to be made or created, from the date hereof, any deed of trust or other lien on or affecting the Property or any part thereof, except only to the extent of such Owner's Unit, Private Element, Limited Common Element, and the respective percentage interest in the Common Elements corresponding thereto.

12. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for such Owner's Unit, Private Element, Limited Common Element and his corresponding percentage of ownership 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 such Owner's proportionate share thereof in accordance with such Owner's respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.

13. Insurance and Damage. The Board shall have the authority to and shall, upon the sale of any Unit, obtain insurance for the Property, including the Units, the Private Elements, and the Common Elements, exclusive of the additions within, improvements to and decorating of the Units 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 the Buildings, and against such other hazards and for such amounts as the Board may deem advisable. Such insurance shall, if possible, include all or any portion of all Limited Common Elements. Insurable replacement cost shall be deemed to be the cost of restoring the Buildings, Common Elements, and the Units or any part thereof 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 each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in this Declaration, and for the holders of deeds of trust on an Owner's Unit, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual 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 each Unit Owner for such Owner's Unit and such Owner's corresponding percentage of ownership in the Common Elements.

In the event of damage to or destruction of the Buildings, Common Elements or Units as a result of fire or other casualty covered by insurance proceeds, the Board shall, in its discretion, with the prior written approval of all of the first lien deed of trust beneficiaries of the Units affected, 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 directly damaged by the damage, in proportion to each Unit's 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 furniture, furnishings, fixtures, appliances or equipment installed in the Unit unless insurance therefor is specifically provided for in the insurance policy obtained by the Board.

Reconstruction shall not be compulsory where all the Buildings are destroyed or damaged by fire or other casualty, as determined by the Board. In such case, and unless otherwise unanimously agreed upon by the Unit Owners and their deed of trust beneficiaries, the insurance proceeds shall be delivered to the Unit Owners, or their deed of trust beneficiaries, as their interests may appear, in proportion to the respective interests of the Unit Owners, as computed by dividing the square footage of each Unit by the total square footage of all Units taken together; and the Board, as soon as reasonably possible and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Declaration which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale and the net proceeds of all insurance policies shall thereupon be distributed to the Unit Owners or their deed of trust beneficiaries as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Board, shall, or if they do not, any Unit Owner or deed of trust beneficiary may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Declaration, the prohibition against judicial partition provided for in this Declaration has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, this horizontal property regime shall terminate.

The Board shall also have authority to and shall obtain commercial public liability insurance, in such amounts as it deems desirable, and workers' compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, deed of trust beneficiaries of record, if any, the Association, its officers, directors, Board and employees, and the Declarant, from liability in connection with the Common Elements. 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 for such Owner's corresponding 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 shall also have authority to and may obtain such 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 officers of the Association from liability arising from the fact that said person is or was director or officer of the Association.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of such Owner's Unit, as well as additions and improvements thereto, decorations, furnishings and personal property therein, and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against such Owner's personal liability and loss or damage by fire or other hazards above and beyond the extent that such Owner's liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at such Owner's option and expense, obtain additional insurance.

14. Maintenance. Repairs and Replacements. Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs *to,* and replacements within such Owner's Unit; provided, however, the Board may choose to provide such maintenance and repairs as part of the common expense. Maintenance of repairs to and replacements within the Common Elements shall be the responsibility of, and shall be furnished by, the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. To the extent not covered by the Association's insurance, the expenses for the maintenance, repair or replacement of Limited Common Elements 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 benefitted thereby, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefitted Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

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

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

15. Alterations. Additions or Improvements. 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 the Unit of the Unit Owner 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 such Owner's expense, shall furnish and be responsible for all decorating within such Owner's Unit and Limited Common Elements serving such 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, floor and ceilings of his Unit, and such Unit Owner shall maintain said interior surfaces in good condition at such Owner's sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the reasonable rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as such Owner may see fit and at such Owner's sole expense. Decorating of the Common Elements and Limited Common Elements (other than interior surfaces within the Units as above provided) 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.

17. Encroachments and Easements. If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by the Site Plan, 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.

The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the horizontal property regime.

18. (Intentionally Deleted).

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 applicable zoning laws. Each Unit shall be used as a residence or for such other use permitted by this Declaration, and for no other purpose, except that professional and quasi-professional people may use their residence (not in violation of applicable 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 a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling 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. No Unit shall be leased or rented for less than ninety (90) days, and all leases of Units shall be in writing and subject to the requirements of this Declaration, the By-Laws and the rules and regulations of the Association.

The Common Elements shall be used only by the 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, that any 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, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of such Owner's Unit), the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies that may be provided for in the Act, Declaration, By-Laws, or said rules and regulations, or that 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 sell the Unit through judicial process as provided hereinbefore, 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 attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest legal rate but not to exceed ten (10%) percent per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of such Owner's respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of such Owner's additions and improvements thereto and upon all of such Owner's personal property in such Owner's Unit or located elsewhere on the Property, provided, however, that such lien shall subordinate to the lien of a recorded deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said deed of trust beneficiary either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security) or forecloses on its deed of trust. In the event of any such default by any Unit Owner, 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 Section 20 shall not be amended, changed, modified or rescinded without the prior consent of all deed of trust beneficiaries of record of 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, and its employees or agents under its direction, the right, in addition to any other rights provided for in this Declaration, (a) to enter (either peaceably or forcibly 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 to summarily 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 forcibly 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 such Owner's 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 Declaration 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 thirty (30) 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 the said defaulting Owner to continue as a Unit Owner and to continue to occupy, use or control such Owner's Unit, and thereupon an action in equity may be filed by the Board against said defaulting Owner for a decree of mandatory injunction against such defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in the Property shall be sold (subject to the lien of any existing deed of trust) 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 such Owner's interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to said defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to 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 possession or 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 Declaration.

In addition to the other remedies provided for herein, in the event of a default by a Unit Owner in the payment of such Unit Owner's respective share of the common expenses which default continues for a period of thirty (30) days, the Board shall have the power and authority to place such Unit Owner's name on a list of delinquent Unit Owners, which list may be posted at a place designated by the Board for notices.

Any aggrieved Unit Owner shall also have all rights of action available in law or equity should another Unit Owner, or the Association, fail to comply with the requirements of the Declaration, By-Laws, or rules and regulations of the Association.

21. Amendments. Except as specifically stated elsewhere herein, and except for this Section 21, any provisions of this Declaration may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by a majority of the Members and acknowledged and approved by a majority of the first lien deed of trust beneficiaries; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument.

However, if the Act requires the consent or agreement of all Members or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing,

modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all Members or all lien holders, or both, as required by the Act. The change, modification or rescission, whether accomplished under the provisions of the preceding paragraph, shall be effective upon recording of such instrument in the office of the Register of Deeds for Davidson County, Tennessee; provided, however, that no provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

Notwithstanding the above, the Declarant shall have the right to make and record any necessary amendment to this instrument for the express purpose of completion of development or as may be required to obtain FHA, FNMA and/or FHLMC approval for the development.

22. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed if to a Unit Owner, to the address of such Owner's Unit, and if to the Association or Board, as the case may be, in care of the Designee, or at such other address as may be hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, 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 acknowledgment of the receipt thereof.

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

23. Severability. If any provision of the Declaration 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 Declaration 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.

24. Perpetuities and Restraints on Alienation. If any of- the options, privileges, covenants or rights created by this Declaration 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 descendants of the President of the United States, George W. Bush.

25. Rights and Obligations. Each grantee of the Declarant, 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 Declaration. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. Any restrictions or rules in the By. Laws that are more than administrative in nature are hereby incorporated into and made a part of this Declaration by reference. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time an interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Unit Owners, tenants and Occupants shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the said 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, tenant or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in 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 this Declaration, By-Laws and rules and regulations may be incorporated by reference in, and become part of, the agreement between any deed of trust beneficiary and any present or future Unit Owner who enters into such an agreement with a deed of trust beneficiary. When so incorporated, any default in the terms and conditions of this Declaration, the By-Laws or rules and regulations may be considered as a default by the Unit Owner, whereupon said deed of trust beneficiary, 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.

26. 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 beneficiary or 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 indebtedness 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 holder 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.

27. Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, the award made for such taking shall be payable to the Board for and on behalf of the Association and all deed of trust beneficiaries affected. If a majority of the Board in their discretion, with written consent of a majority of the deed of trust beneficiaries affected, approve the repair and restoration of such Common Elements, then 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 that the Board and the deed of trust beneficiaries do not approve the repair and commence restoration of such Common Elements within one hundred eighty (180) 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 to the Unit Owners and the deed of trust beneficiaries as their interests may appear.

28. Rights Reserved. The Unit Owner's right of enjoyment in the property commonly owned by the Association as herein created shall be subject to:

(a) The right of the Association, as provided in its By-Laws, to suspend the enjoyment

rights of any Unit Owner 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; and

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

(c) 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 individual Units.

29. Declaration of Easement.

(a) Access. Ingress and Egress Easements. Declarant, as owner of the Parcel and Property, does hereby grant to itself, its successors and assigns, and unto such owners' and occupants' agents, servants, tenants, family members, customers, invitees and licensees, a nonexclusive and perpetual easement in and over the Parcel and Property for vehicular and pedestrian ingress, egress, and passage to, from, and over said Parcel and Property, and to, from, and between all adjoining public streets and the Parcel and the Property. The easements granted in this Section 29 shall be limited to those non-landscaped portions of the Parcel and Property as are paved or covered with sidewalks, and all such additional portions of said Parcel and Property as hereafter may be established, designated, or permitted by the Declarant, the Association, or their successors and assigns, as to the Parcel and Property for use by any person as sidewalks, driveways, roads, parking areas, similar facilities, or otherwise for any other purposes referenced in this Section 29 (hereinafter referred to as the "Easement Area").

(b) Reservation of Rights.

(i) Declarant hereby retains for itself, the Association, all present and future Unit Owners or other occupants of the Parcel and Property and their successors and assigns, the right to use the Easement Area for ingress and egress, and service, and for all other uses, provided such other uses shall not unreasonably interfere with the use of the Easement Area by the parties referenced in Subsection (a) above. Declarant hereby retains for itself, the Association and their successors and assigns, the right to install, connect, and maintain, from time to time, in the Easement Area, sewer, gas, water, and electric lines and pipes, telephone lines and conduits, poles and wires, and all utility lines and mains, and to use the Easement Area for all other purposes, provided such uses for other purposes shall not unreasonably interfere with the use of the Easement Area by the parties referenced in Subsection (a) above.

(ii) Declarant hereby reserves for itself, the Association and their successors and assigns, the right to eject lawfully from the Parcel and Property any person not hereby or otherwise authorized to use said Parcel and Property.

(iii) Declarant, the Association and their successors and assigns shall have the right to create reasonable rules pertaining to ingress, egress, vehicular and pedestrian use of the Parcel and Property.

(c) Relocation. Declarant reserves to itself, the Association and their successors and assigns, the right, from time to time, to relocate all or a portion of the Easement Area as same may exist, from time to time, and to widen all or a portion of the Easement Area.

(d) Other Uses. Declarant retains for itself, the Association and their successors and assigns, the right, from time to time, to:

(i) Utilize the Easement Area, as the same may exist from time to time, for purposes of beautification of the surrounding areas, and other properties owned by Declarant, the Association or their successors and assigns; and

(ii) Utilize the Easement Area, as the same may exist from time to time, for installation thereof of directional signs, and for promenades, landscaped and grassed areas, street lighting, and other like improvements, as the same may be constructed or placed thereupon, from time to time, in the sole discretion of Declarant, the Association or their successors and assigns.

Provided, however, that the exercise of the rights reserved by Declarant and the Association shall not unreasonably interfere with the use of the Easement Area by the parties entitled to the use thereof.

(e) Enforcement. Declarant, the Association, their successors and assigns, and the beneficiaries of this Declaration of Easement, as the case may be, may enforce the obligations of the parties under this Declaration of Easement by a suit or judicial proceeding for injunctive relief, specific performance or damages, as may be appropriate and shall recover all costs, expenses, including attorneys' fees, other fees and expenses together with interest thereon at the highest legal rate but not to exceed ten percent (10%).

(f) Miscellaneous.

(i) This Declaration of Easement shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

(ii) The covenants, easements, rights, privileges, agreements, promises and duties of all parties set forth herein shall run with the land and shall inure to the benefit of and be binding on the successors and assigns of said parties.

(iii) This Declaration of Easement and the rights of the beneficiaries of said easement referenced in Subsection (a) above, to the use of the Easement Area shall at all times be subordinate to the rights and interests of any deed of trust beneficiary of record against the Parcel or Property.

30. Conflicts. In the event of any conflict with the provisions of this Declaration, the Act, the By-Laws or any rules or regulations adopted by the Association, the provisions of the Act or of this Declaration, as the case may be, shall control.

31. Miscellaneous. The captions used herein are for reference purposes only and shall not

limit or broaden the meaning of any section. When used herein, the singular shall include the plural, the plural the singular, and the use of one gender shall apply to any gender.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on this the 30th day of March, 2007.

W & M PROPERTIES, LLC

By: _____

Its: CHIEF MANAGER

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Ward J. Mallory, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be Chief Manager of W & M Properties, LLC, a Tennessee limited liability company, and that he as such Chief Manager being duly authorized, executed the foregoing instrument ro the purposes therein contained by signing the name of the company by himself as such Chief Manager.

Witness my hand at office, on this 30th day of March, 2007.

_____
Notary Public

ANNE T. McLAURIN
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.

My Commission Expires:

5/22/2010

EXHIBIT" A"

Property Description

A certain tract or parcel of land in Davidson County, Tennessee described as follows:

Lot 39, Cherokee Park, Block C, Second Section, as shown on the plat of record in Plat Book 547, page 175 in the Register's Office for Davidson County, Tennessee, to which plat reference in hereby made for a more particular description of said property.

Being the same property conveyed to W & M Properties, LLC by deed from Nell W. Wilson, of record in Instrument No. 20060929-0120659, said Register's Office.

EXHIBIT "B"

BY-LAWS

OF

LAUDERDALE PLACE CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Members (Unit Owners; Designee)

Section 1.1. Eligibility. The Members of the Lauderdale Place Condominiums Homeowners Association, Inc., a Tennessee nonprofit corporation (the "Association"), shall consist of:

(a) the respective Unit Owners, and

(b) one (1) third party "Designee", which initially shall be W & M Properties, LLC (the "Original Designee", the term "Designee", as used herein, shall include the Original Designee),

Capitalized terms not specifically defined in these By-Laws shall have the meanings ascribed to such terms in the Declaration of Covenants, Conditions and Restrictions (the "Declaration") for Lauderdale Place Condominiums, which Declaration is recorded in the Register's Office for Davidson County, Tennessee. If a Unit Owner is 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 beneficiary, then the Member shall be said beneficiary of such trust.

Notwithstanding any provision contained in these By-Laws or in the Declaration, it is understood that the Designee defined in Section 1.1 (b) above and further discussed in Section 2.16 below is a Member of the Association strictly for voting purposes, as the Property consists of only two (2) Units. The Designee shall have no ownership or other equity rights in the Property by virtue of its membership in the Association as the Designee, and shall not be liable for the payment of any assessments or any other of the financial responsibilities of the Unit Owners, as set forth and described in these By-Laws and in the Declaration.

The foregoing shall not apply to the Original Designee in its capacity as a Unit Owner, however. So long as the Original Designee is a Unit Owner, it shall have the same rights, obligations, duties and liabilities of any other Unit Owner, as set forth and described in these ByLaws and the Declaration. Therefore, if the Original Designee is also a Unit Owner, it shall have one (1) vote in its capacity as such Unit Owner (and two (2) votes ifit owns both Units), and one (1) vote in its capacity as the Designee.

Section 1.2. Succession. The membership of each Unit Owner shall terminate when such Owner ceases to be a Unit Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 1.3. Annual Meetings. The annual meeting of the Members shall be held at the time and place specified in the notice of such meeting, but such place shall be within five (5) miles of the Property. The annual meeting of the Members shall be held on the sixtieth (60th) day following the end of the Association's fiscal year of each and every year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day not a legal holiday. At the annual meeting, the Members shall elect Directors, receive reports on the activities and financial condition of the Association, and transact such other business as may properly come before the meeting.

Section 1.4. Special Meetings. The Association shall hold a special meeting of its Members upon the call of a majority of the Members or the President. Any call or demand for a special meeting shall describe the purpose(s) for which the special meeting is to be held. Only business within the purpose(s) described in the meeting notice for the special meeting may be conducted at such meeting.

Section 1.5. Notice of Meetings. The Association shall notify its Members of the date, time and place of each annual and special meeting of the Members no fewer than ten (10), nor more than forty-five (45), days before the meeting date. The notice of a meeting shall also contain such other information which may be required by these By-Laws.

Section 1.6. Waiver of Notice. A Member's attendance at a meeting:

(a) Waives objection to lack of notice or defective notice of the meeting unless the Member at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and

(b) Waives objection to consideration ofa particular matter at the meeting that is not within the purpose(s) described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 1.7. Voting. The Property consists of two (2) Units. Each Unit Owner shall be allocated one (1) vote for its respective Unit, and the Designee shall have one (1) vote, for a total of three (3) votes. If any Unit Owner consists of more than one (1) person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. A "majority of the Members" means the holders of more than fifty percent (50%) of the voting rights of the Members. Ownership of the Association, however, shall be vested solely in the Unit Owners, in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners.

Notwithstanding the foregoing, no Unit Owner who is in default in the payment of assessments hereunder shall be entitled to exercise the right to vote until the Unit Owner has cured such default. A Unit Owner shall be deemed to be in default if such Owner has not paid his or her assessments to the Board, or their agent, within ten (10) days after the date such assessments are due, or is otherwise in default as described in the Declaration. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

Section 1.8. Quorum. Unless otherwise required by law, a majority *of* the votes entitled to be cast by the Members must be represented at any meeting *of* the Members to constitute a quorum on that matter. If, however, such quorum is not represented at any such meeting, the Members present at the meeting in person or represented by proxy shall have the power to adjourn from time to time without notice other than announcement at the meeting, until the requisite quorum is present or represented, when any business may be transacted which might have been transacted at the meeting as provided in the original notice.

Section 1.9. Voting Requirements. Except as otherwise provided in these By-Laws, the Declaration or the Horizontal Property Act, action on any matter voted upon at a meeting of the Members is approved if a majority *of* the Members vote in favor *of* the action.

Section 1.10. Action by Written Consent. Action that is required *or* permitted to be taken at a meeting *of* the Members may be taken without such a meeting if all Members entitled to vote on the action consent to taking such action without a meeting. If all *of* such Members so consent, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act *of* the Members, except as otherwise provided in these By-Laws. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be signed by each Member entitled to vote *on* the action, indicate each signing Member's vote *or* abstention on the action, and be delivered to the Secretary *of* the Association and included in the minutes or Association records.

Section 1.11. Action by Written Ballot. Any action that may be taken at any annual or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote *for* or against each proposed action. Approval by written ballot shall be valid only when the number *of* votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number *of* votes cast by ballot. All solicitations for votes by written ballot shall:

(a) Indicate the number of responses needed to meet the quorum requirements;

(b) State the percentage of approvals necessary to approve each matter other than election *of* Directors; and

(c) Specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE II

Board of Directors

Section 2.1. Number. Election and Term of Office. Prior to the sale of the first Unit by the Original Designee, Original Designee shall appoint the initial Directors and may limit the initial Board to one Director. Following the sale of the first Unit by the Original Designee, the Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administration," and sometimes referred to herein as the "Board") shall consist of three (3) natural persons (hereinafter referred to as "Directors"). Two (2) of the Directors shall be elected at the annual meeting of the Association's Members by the vote of the Members as hereinafter provided, which annual meeting shall be held within ninety (90) days of the sale of the first Unit by Original Designee. The third director shall be appointed by the Designee (the "Designated Director"). The Designated Director shall be a natural person, and shall not be a member of any Unit Owner's immediate family. At the first meeting after the sale of the Units to the Unit Owners, the Members shall, among other business, elect two (2) members of the first Board of Directors ("First Board") in addition to the Designated Director. 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. Directors, except for the Designated Director, shall hold office for the term of two (2) years and until his or her successor shall be elected and qualified. The Designated Director shall serve at the behest of the Designee, and may be removed and replaced by Designee with or without cause at any time.

Section 2.2. Qualification. Except for the Designated Director, 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, such Director shall cease to be a Director and his or her place on the Board shall be deemed vacant.

Section 2.3. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be called by any of the Directors.

Section 2.5. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded

by at least two (2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in anyone (l) adjournment.

Section 2.6. Waiver of Notice. If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 2.7. Quorum and Voting. A quorum of the Board of Directors consists of a majority (except in the event of a sole Director as appointed by Original Designee pursuant to Section I hereof) of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, except as otherwise provided in these By-Laws.

Section 2.8. Vacancy. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or a vacancy resulting from a removal of a Director with or without cause:

(a) The Board of Directors may fill the vacancy; or

(b) If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all Directors remaining in office.

Any Director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director succeeded.

Section 2.9. Removal of Directors. The Members may remove anyone (1) or more Directors, with or without cause, at any special meeting that is specifically called for that purpose, provided that the Designated Director shall never be subject to such removal.

Section 2.10. Action Without Meeting. Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these By-Laws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes filed with the Association's records.

Section 2.11. Indemnification. With respect to claims or liabilities arising out of service as

a Director of the Association, the Association shall indemnify and advance expenses to each present and future Director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 2.12. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Association.

Section 2.13. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Members.

Section 2.14. Powers and Duties. The Board shall have the following powers and duties:

(a) To elect and remove the officers of the Association as hereinafter provided;

(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 of the 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 thereof;

(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 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;

(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, but only as allowed by law;

G) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;

(1) To resolve or mediate disputes, conflicts or problems between Unit Owners;

(m) When necessary, to interpret the rules and regulations of the Association and the Declaration;

(n) To exercise all other powers and duties of a board of administration as referred to in the Horizontal Property Act of the State of Tennessee and all powers and duties of the Board of Directors referred to in the Declaration or these By-Laws.

Section 2.15. Non-Delegation. Nothing in this Article or elsewhere 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 the Members.

Section 2.16. Designee. Any Designee may, at any time, transfer and assign all its rights, duties and obligations under these By-Laws and the Declaration to a third party successor designee willing to assume and perform the same, who shall then become the "Designee" hereunder, provided that any such successor Designee may not be a Unit Owner or a member of any Unit Owner's immediate family. All such transfers shall be evidenced in writing, which shall include the new Designee's address, facsimile and telephone number for contact purposes, together with the written agreement by the new Designee to assume the Designee's rights, duties, and obligations under these By-Laws and the Declaration. All such transfers must be provided to the Board and entered into the Association's minute book in order to be effective. From and after any such transfer, the transferring Designee shall have no further rights, duties or obligations hereunder or under the Declaration. With respect to claims or liabilities arising out of Designee's performance of its obligations as set forth in these By-Laws and in the Declaration, the Association shall indemnify and hold the Designee harmless to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.
Without limiting the foregoing, to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each Designee shall be immune from suit arising from the conduct of the affairs of the Association.

Section 2.17. Refusal of Designee to Serve. Should the Designee abandon its role as the Designee, or should the Designee send written notice to the Association of its intention to relinquish its duties as the Designee hereunder, the Directors shall, within twenty (20) days of such abandonment or receipt of such written notice, elect a successor Designee by unanimous vote, which party shall assume the role of the Designee hereunder. The Designee shall be deemed to have abandoned its role as Designee in the event it fails to either attend any annual meeting of the Association or submit a proxy therefor, or fails to perform any duty or obligation set forth in these By-Laws or in the Declaration within thirty (30) days of written notice to the Designee of such failure to perform.

ARTICLE III

Officers

Section 3.1. Election. At each regular meeting after the sale of the first Unit, the Directors present at said meeting shall elect the following officers of the Association by a majority vote, provided a quorum exists:

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

(b) A Secretary, who shall keep the minutes of all meetings of the Board and of the Members, 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 shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

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

The same person may serve in multiple offices; however, the President and Secretary may not be the same person.

Section 3.2. Powers. The respective officers shall have the general powers usually vested in such officers; 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 3.3. Term of Office. Each officer shall hold office for the term of one (1) year and until a successor shall have been appointed or elected and qualified.

Section 3.4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining Directors 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 succeeded.

Section 3.5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Members.

Section 3.6. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 3.7. Indemnification. With respect to claims or liabilities arising out of service as an officer of the Association, the Association shall indemnify and advance expenses to each present and future officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

ARTICLE IV

Assessments

Section 4.1. 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 the 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 any 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 a reserve for replacements, in reasonable amounts as determined by the Board.

Section 4.2. 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 first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as such Owner's respective monthly assessment for the common expenses, one-twelfth (1/12) of such Owner's proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with such Owner's respective ownership interest in the Common Elements as set forth in the Declaration. 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 such Owner's respective monthly assessment as last determined. Each Unit Owner shall pay such Owner's monthly assessment on or before the first day of each month to the Managing Agent (if there is a Managing Agent) or as may be otherwise directed by the Board. No Unit Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Unit and/or Private Element, the Common Elements, or the Limited Common Elements. All Units shall be allocated their appropriate full assessments no later than 120 days after

the first Unit is conveyed. Original Designee shall be responsible for all assessments on Units it owns in its capacity as a Unit Owner, provided that no successor Designee shall be assessed or allocated any assessment by virtue solely of its membership in the Association as the Designee.

Section 4.3. Partial Year or Month. For the first fiscal year and thereafter until the First Board is elected, the annual budget shall be approved by the Board as appointed by the Original Designee. 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. Each Unit Owner shall pay such Owner's assessment for the following month or fraction of a month, which assessment shall be in proportion to the Owner's 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 4.4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Member, a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 4.5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determines in accordance with the estimated common expenses and limited common expenses for the remainder of such year will be inadequate, 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 Member, and thereupon a supplemental assessment shall be made to each Unit Owner for such Owner's proportionate share of such supplemental budget.

Section 4.6. (Intentionally Omitted).

Section 4.7. Lien. It shall be the duty of every Unit Owner to pay such Owner's proportionate share of the common expenses and limited common expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses or limited common expenses when due, the amount thereof, together with interest thereon at the highest legal rate of interest not to exceed ten percent (10%) per annum after said common expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, provided. however, that such lien shall be subordinate to the lien of a recorded deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses and limited common expenses which are due and payable from and after the date on which such deed of trust beneficiary either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose on its deed of trust.

The Association or its successors and assigns. and the Board or its agents, shall have the right to enforce the lien as provided in the Declaration, and there shall be added to the amount due the costs of any suit maintained to enforce the lien and other fees and expenses, together with legal interest and attorneys' fees. Furthermore, if any Unit Owner shall fail or refuse to pay when due such Owner's proportionate share of the common expenses or limited common expenses and such Unit Owner withholds possession of such Owner's Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit as provided in and in accordance with Section 20 of the Declaration. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Declaration or these By-Laws. or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 4.8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in a book in chronological order of the receipts and expenditures affecting the Common Elements. specifying and itemizing the common expenses and limited common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. Said book and the vouchers shall be available for examination by all Unit Owners at convenient hours on working days which shall be set and announced for general knowledge.

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

Section 4.9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance that in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit ownership. When fewer 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 attorneys' fees, incurred by reason of such lien.

Section 4.10. 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 adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners.

Section 4.11. Association Records. The Association shall keep as permanent records minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members and the Board of Directors without a meeting and all appropriate accounting records.

Section 4.12. Records at Principal Office. The Association shall keep at all times a copy of the following records at its principal office:

(a) Its Charter or Restated Charter and all amendments thereto;

(b) These By-Laws and all amendments thereto;

(c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Members or any class or category of Members;

(d) The minutes of all meetings of Members and the records of all actions taken by Members without a meeting for the past three (3) years;

(e) All written communications to Members generally within the past three (3) years, including the past three (3) years' annual financial statements;

(f) A list of the names and business or home addresses of its current Directors and officers;

(g) The most recent annual report delivered to the Tennessee Secretary of State; and

(h) Its Declaration and all amendments thereto.

Section 4.13. Annual Financial Statements. The Association shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act.

ARTICLE V

Use and Occupancy Restrictions

Section 5.1. 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 that shall constitute a nuisance or that shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Unit Owner shall maintain such Owner's Unit in good condition and in good order and repair, at such Owner's expense, and shall not do or allow anything to be done in such Owners Unit that 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 such Owner's Unit, or which may be visible *from* the outside of such Owner's Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board) or paint or decorate or adorn the outside of such Owner's Unit, or install outside such Owner's Unit any canopy or awning, or outside radio or television antenna, or Citizens Band radio transmitters, or other equipment, fixtures or items of any kind,

including but not limited to satellite dishes or gas and charcoal grills, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's discretion. 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 appearance on a patio that is a Limited Common Element appurtenant to such Owners Unit. No Owner of a Unit shall display, hang, store or use any sign outside such Owner's Unit, in a hallway or elsewhere, or that may be visible from the outside of such Owner's Unit without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's discretion.

No structure of a temporary character, trailer, motor home, boat, tent, shack, garage, bam, 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 5.2. Animals. No animals shall be raised, bred, or kept in any Unit, except for dogs, household cats and small birds owned as household pets by a Unit Owner subject to the consent of the Board, provided that said pet is not kept for any commercial purpose, and provided that said pet shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that said pet shall not in the judgment of the Board constitute a nuisance to others.

All dogs owned by Unit Owners and kept in a Unit shall be on leash while outside the Unit. All such dogs shall be exercised by the Owner at places on the Property that do not interfere with the use and enjoyment of the same by other Owners. An Owner shall be responsible for all damage to Common Elements caused by said Owner's dog.

The Unit Owner shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animals.

Section 5.3. 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 in rules and regulations of the Board.

Section 5.4. Use by Original Designee. During the period of sale by the Original Designee of any Units, the Original Designee, and the Original Designee'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 said sale of Units. While the Original Designee owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Original Designee and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

Section 5.5. 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 common areas. Storage of boats, trailers, campers, and motor homes on the Property shall not be permitted.

Section 5.6. Wiring. No Unit Owner shall overload the electrical wiring in a Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories 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 accord with the Board's direction.

ARTICLE VI

Contractual Powers

No contract or other transaction between the 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 or 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 corporation 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

These By-Laws may be amended or modified from time to time by action or approval of a majority of the Members. Such amendment(s) shall not be operative until they are recorded in the office of the Register of Deeds for Davidson County, Tennessee. These By-Laws may not be amended by the Board of Directors.

ARTICLE VIII

Deeds of Trust

Section 8.1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of the deed of trust beneficiary and shall file a copy of the note and deed of trust with the Board. The Board shall maintain such information in a book entitled "Deeds of Trust on Units."

Section 8.2. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a deed of trust beneficiary of a Unit, shall promptly report any then unpaid assessments, fees or common charges due from, or any default by, the Owner of the mortgaged Unit.

Section 8.3. 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 deed of trust beneficiary of record covering such Unit whose name and address has theretofore been furnished to the Board and which has requested in writing to be sent a copy of such notice(s).

Section 8.4. Examination of Books. Each Unit Owner, and others as specified in the Declaration, shall be permitted to examine the books and records of the Association, current copies of the Declaration and By-Laws, and rules and regulations of the Association during normal business hours and upon request.

Section 8.5. Interest of Valid First Lien Deed of Trust. The interest of a valid first lien deed of trust 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 lien deed of trust has incorporated the terms of these By-Laws, the Declaration and the contract in its deed of trust, then said first lien deed of trust 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 IX

Definition of Terms

The terms used in these By-Laws, to the extent they are defined herein, shall have the same definition as set forth in the Declaration for the horizontal property regime known as "Lauderdale Place Condominiums" as such may be amended from time to time, which Declaration is recorded in the office of the Register for Deeds of Davidson County, Tennessee.

The term "Member," as used in these By-Laws, generally means the "Designee", as defined in these By-Laws, and "Unit Owner", as defined in the Declaration. "Deed of trust," as used herein, includes a mortgage; and "deed of trust beneficiary" includes a mortgagee and a holder of a deed of trust.

ARTICLE X

Miscellaneous Provisions

Section 10.1. No Seal. The Association shall have no seal.

Section 10.2. Notices. Whenever notice is required to be given to Unit Owners, Directors or officers, unless otherwise provided by law, the Declaration, the Charter or these ByLaws, such notice may be given in person or by telephone, telegraph, mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Corporation. Written notice sent by mail to Unit Owners shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following:

(a)When received;

(b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or

(c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Section 10.3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, or of the Declaration, the Charter or these By-Laws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Association and included in the minutes or corporate records, shall be deemed equivalent thereto.

Section 10.4. Negotiable Instruments. All checks, drafts, notes or other obligations of the Association shall be signed by such of the officers of the Association or by such other person(s), as may be authorized by the Board of Directors.

Section 10.5. Deposits. The monies of the Association may be deposited in the name of the Association in such bank(s) or financial institution(s) as the Board of Directors shall designate from time to time and shall be drawn out by check signed by the officer(s) or person(s) designated by resolution adopted by the Board of Directors.

Section 10.6. Original Designee. With respect to claims or liabilities arising out of service as an agent of the Association, the Association shall indemnify and advance expenses to the Original Designee (its officers, employees and successors) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect or as hereafter adopted or amended.

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 case any of the By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

The undersigned hereby certifies that the foregoing By-Laws were duly adopted as the By-Laws of Lauderdale Place Condominiums Homeowners Association, Inc.

DATED this 30th day of March, 2007.

Ward Mallory, Incorporator of Lauderdale Place Homeowners Association, Inc.

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Ward Mallory, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Incorporator of Lauderdale Place Condominiums Homeowners Association, Inc., a Tennessee nonprofit corporation, and that he as such Incorporator, executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal at office, on this the 30th day of March, 2007.

Notary Public

ANNE T. McLAURIN
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.

My Commission Expires:

5/22/2010

KOHL
a division of The Schneider Corporation

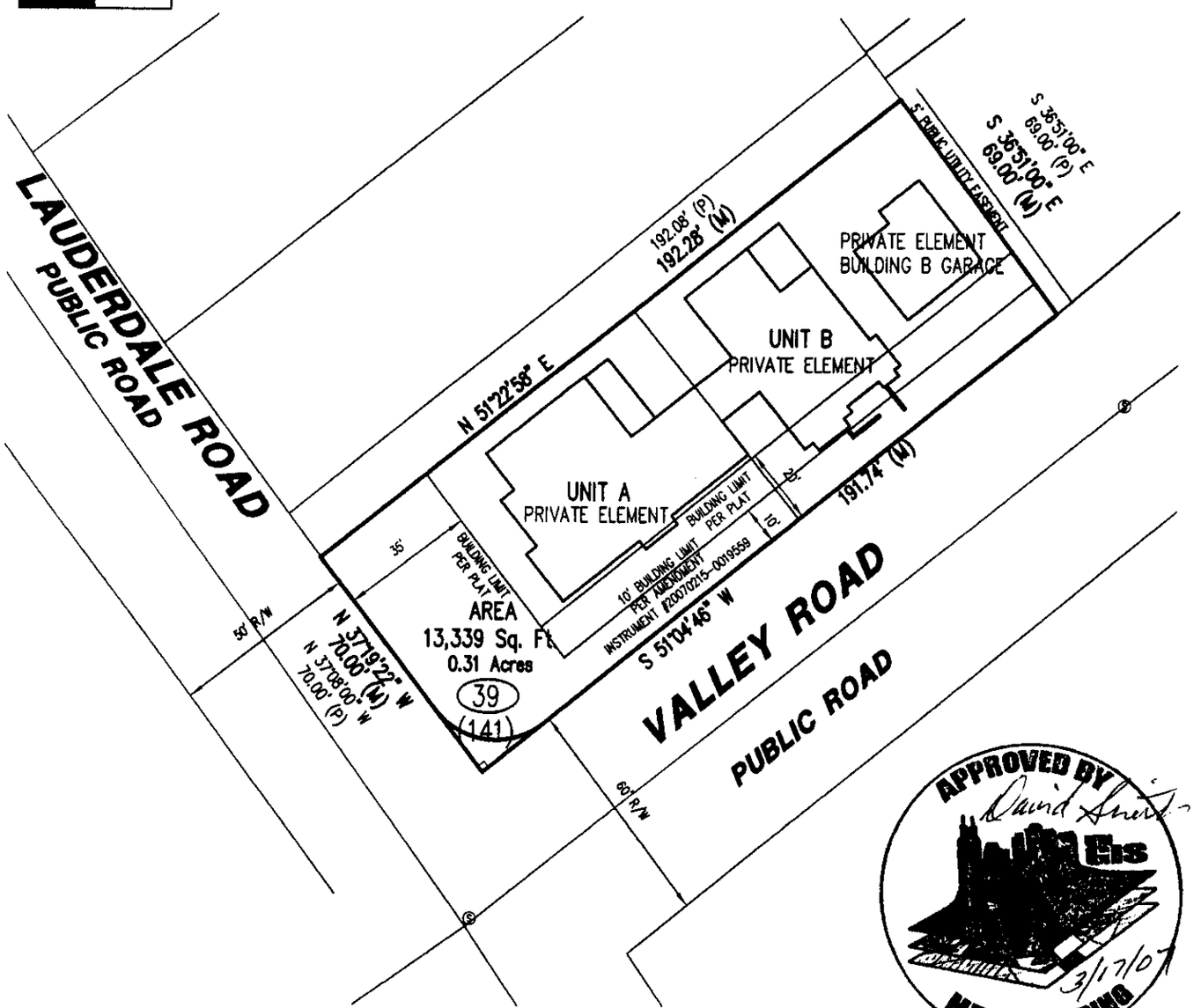
John Kohl and Company
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400 7th Avenue South
Nashville, TN 37203
Telephone: 615.255.3535
Fax: 615.254.7000
www.schneidercorp.com

Schneider Locations
- Indiana
  - Indianapolis
  - Lafayette
  - Carmel
  - Avon
  - Merrillville
- Iowa
  - Ames
- North Carolina
  - Charlotte
- Tennessee
  - Nashville

EXHIBIT "C"

ASSUMED NORTH
SCALE 1" = 40'
0 20 40

BUILDING LOCATIONS ARE PER SURVEY
MAP 103_12



APPROVED BY
David Smith
3/17/07
METRO MAPPING

HORIZONTAL PROPERTY REGIME
SHOWING "LAUDERDALE CONDOMINIUMS"

This HORIZONTAL PROPERTY REGIME should not be represented to be a general property survey as defined under Rule 0820-3-.07. It is a limited nonmonumented survey done under the authority of TCA 62-18-126. It should not be relied upon for the construction of fences or for establishing the exact location of property lines. No corners were set or reset at the time
SIGNED: JOHN KOHL, a Division of the Schneider Corporation

PATRICK S. COODE
REGISTERED LAND SURVEYOR
XVI
AGRICULTURE
TENNESSEE NO. 855

BY: Patrick S. Coode

OWNER: W & M PROPERTIES, LLC
PROPERTY LOCATED: 200 LAUDERDALE ROAD
NASHVILLE, DAVIDSON COUNTY, TENNESSEE, 37205
PROPERTY: LOT 39 ON THE MAP OF CHEROKEE PARK - BLOCK "C" - SECOND SECTION RECORDED IN BOOK 547 - PAGE 175 & 176 REGISTER'S OFFICE FOR DAVIDSON COUNTY

M:\6K\6324\001\DWGS\6324001B.DWG JRF 03\12\07
VIEWTAB (HPR Sheet) SHEET 1 OF 1