

OF

BELLE MEADE TERRACE  
(A Condominium)

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

## ARTICLE I

## FORM OF APARTMENT ADMINISTRATION

SECTION 1. Apartment Unit Ownership. The property located at 116 Harding Place, Nashville, Davidson County, Tennessee, has been submitted to the provisions of Chapter 27 of Title 64 of Tennessee Code Annotated by a Master Deed recorded in the Register's Office of Davidson County, Tennessee, simultaneously herewith, to which these By-Laws are appended to and recorded with, and shall hereafter be known as Belle Meade Terrace, a condominium (hereinafter called the "Condominium").

SECTION 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein, shall include the land, the building, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are submitted to the provisions of said Chapter 27 of Title 64 of Tennessee Code Annotated.

SECTION 3. Application. These By-Laws and each change made in accordance herewith and pursuant to Tennessee Code Annotated, Sections 64-2711 and 64-2712 are and shall be covenants running with each apartment and binding on each successive co-owner, lessee or mortgagees, lessees and occupants of apartments and their employees, and any other persons who may use the facilities of the property in any manner are subject to these By-Laws, the Master Deed and the Rules and Regulations. The acceptance, whether from Developer or a co-owner, of a deed or conveyance, or mortgagee, or the entering into of a lease with the Developer or a co-owner, or the act of occupancy of an apartment shall constitute a covenant and an agreement by the grantees, conveyee, mortgagee, lessee or occupant that these By-Laws, the Rules and Regulations and the provisions of the Master Deed as they may be amended from time to time, are accepted, ratified, and will be complied with, and further, that they will make the provisions herein known to any subsequent purchaser, lessee or mortgagee.

SECTION 4. Office. The location of the office of the Condominium and of the Board of Managers shall be designated by the Board of Managers.

## ARTICLE II

### BOARD OF MANAGERS

SECTION 1. Number and Qualifications. The affairs of the Condominium shall be governed by a Board of Managers. Until all of the apartments shall have been initially sold by the Developer of the Condominium and shall have been paid for, and thereafter until their successors shall have been elected by the co-owners, the initial Board of Managers shall consist of the President of Athens Properties, Inc., and two other co-owners designated by Developer. The other members of the Board of Managers appointed by Developer shall each have one vote in determining matters by the Board of Managers. Thereafter, the Board of Managers shall be composed of five persons, one of whom shall be designated by the Developer, and four of whom shall be owners or spouses of owners of apartments; or, in the case of partnership owners, shall be members or employees of such partnership; or, in the case of corporate owners, shall be officers, stockholders or employees of such corporation; or, employees of such fiduciaries.

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

- (a) Operation, care, upkeep and maintenance of the common elements in accordance with the other provisions of these By-Laws.
- (b) Determination of the common expenses required for the affairs of the Condominium including, without limitation, the operation and maintenance of the property.
- (c) Collection of the common charges from the co-owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.
- (e) Adoption and amendments of rules and regulations covering the details of the operation and the use of the property.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all apartment owners, apartments offered for sale or lease or surrendered by their owners to the Board of Managers.
- (h) Purchasing of apartments at foreclosure or other judicial sales in the name of the Board of Managers, or its designee corporate or otherwise, on behalf of all co-owners.
- (i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with apartments acquired by and subleasing apartments leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all co-owners.
- (j) Easements and rights-of-way. To grant and convey to any third party, easements and rights-of-way in, on, over, or under the common care for the purposes of constructing, erecting, operating, or maintaining thereof, therein, or thereunder (1) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, and other purposes, (2) public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating, and gas lines or pipes, and (3) any similar public or quasi-public improvements or facilities.
- (k) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of apartments on behalf of all co-owners.
- (l) Leasing of laundry rooms and granting of licenses for vending machines.
- (m) Obtaining of insurance for the property, including the apartments, pursuant to the provisions of Article V, Section 2 hereof.
- (n) Making of repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

SECTION 3. Managing Agent and Manager. For a period of ten (10) years after the Board of Managers has been completely elected by the co-owners, the Developer shall continue as managing agent and/or manager and shall be entitled to reasonable compensation therefor. Thereafter, the Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to the duties listed in subdivision (a), (c), (l), (m) and (n) of Section 2 of this Article II. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f) and (k) of Section 2 of this Article II. A member of the Board of Managers may be manager and/or managing agent. The rights granted in this Section are distinct and separate from the rights granted the Developer under Article V, Section 19.

SECTION 4. Election and Term of Office. The first Board of Managers after the initial Board ceases management shall be elected at the first meeting of co-owners or, at the option of the initial Board, may be elected by ballots mailed to each co-owner at least twenty-five (25) days prior to the first meeting. The first ballot shall seek nominations of six (6) individuals for said Board. The second ballot shall constitute the actual vote based on the nominations and those individuals having the greatest number of votes, along with the other two individuals designated in Section 1 of this Article, shall constitute the Board of Managers. If elected by ballot, the ballots shall be mailed to each co-owner at the unit owned by him of record and the results of said ballot shall be announced at the first meeting of co-owners. The term of office of two members of the Board of Managers shall be fixed at three (3) years, the term of office of two members of the Board of Managers shall be fixed at two (2) years, and the term of office of one member of the Board of Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Managers, his successors shall be elected to serve for a term of three (3) years. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the co-owners.

SECTION 5. Removal of Members of the Board of Managers. After the term of office of the initial Board of Managers shall have terminated, as provided in Section 1 of this Article II, at any regular or special meeting of the co-owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the co-owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed to an assembly of co-owners shall be given an opportunity to be heard at the hearing.

SECTION 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by the co-owners shall be filled by a vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the co-owners.

SECTION 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the co-owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the newly elected Board of Managers shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

SECTION 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three (3) days (excluding Saturdays, Sundays and bank holidays recognized in Nashville, Tennessee), prior to the day named for each meeting.

SECTION 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers.

SECTION 10. Waiver of Notice. Any member of the Board of Managers may, at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board and execution of the minutes thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

SECTION 12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premium on such bonds shall constitute a common expense.

SECTION 13. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the co-owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The co-owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any co-owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder, as his interest in the common elements bears to the interests of all the co-owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers or the managing agent, or the manager, as the case may be, are acting only as agents for the council of co-owners and shall have no personal liability thereunder (except as co-owners), and that each co-owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all co-owners in the common elements.

SECTION 14. Rules and Regulations. The rules and regulations attached to these By-Laws as Exhibit "I" shall be the rules and regulations relating to the use of occupancy until such time as a majority of the Board of Managers, pursuant to the power stated in Section 2(e) of Article II hereof, shall amend them or adopt new ones.

SECTION 15. Proxy. The Board of Managers may meet by proxy provided at least a quorum sign the minutes of the meeting approving the actions reflected therein.

SECTION 16. Declaration of Default. Should a majority of the Board of Managers determine that any co-owner is in default in the performance of any co-owner's obligations contained in the Master Deed, these By-Laws, or if such co-owner should be in violation of any of the same or the Rules and Regulations established by the Board of Managers, then the Secretary of the Board of Managers shall send written notice of such default to such co-owner and if such default is not cured to the satisfaction of such Secretary within a reasonable time (not in excess of two weeks from the date of sending notice), then the Secretary shall proceed to enforce the remedies given herein and by law.

SECTION 17. Developer as Manager. The Developer or its designee may be employed as Manager of Managing Agent, and as such, shall be entitled to any profit which it may earn from its management and operation of the Condominium, as long as said profit is reasonable.

### ARTICLE III

#### CO-OWNERS

SECTION 1. Annual Meeting. When all of the apartments shall have been initially sold by the Developer and shall have been paid for or forty-eight (48) months from the effective date hereof, whichever event occurs first, the initial Board of Managers shall notify all co-owners and a meeting of the co-owners shall be held within thirty (30) days thereafter on a call issued by the President. Thereafter, the annual meetings of the co-owners shall be held on the 15th day of January of each succeeding year, unless such date shall occur on a Saturday or on a Sunday, in which event the meeting shall be held on the succeeding Monday. At such meetings, the members of the Board of Managers to be elected shall be elected by ballot of the co-owners in accordance with the requirements of Section 4 of Article II of these By-Laws. The co-owners may transact such other business at such meetings as may properly come before them in accordance with the provisions of this Article.

SECTION 2. Place of Meetings. Meetings of the co-owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the co-owners as may be designated by the Board of Managers.

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

SECTION 4. Notice of Meetings. It shall be the duty of the Secretary to mail a written notice of each annual or special meeting of the co-owners at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each co-owner of record, at the building or at such other address as such co-owner shall have designated by notice in writing to the Secretary. The mailing of such notice of meeting in the manner provided in this Section shall be considered service of notice.

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

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

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Board of Managers
- (f) Reports of committees
- (g) Election of Inspectors of Elections (when so required)
- (h) Election of member of the Board of Managers (when so required)
- (i) Unfinished business
- (j) New business



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

SECTION 8. Voting. The owner or owners of each apartment, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such apartment at all meetings of co-owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the co-owner or co-owners so designating. Any or all of such co-owners may be present at any meeting of the co-owners and (those constituting a group acting unanimously), may vote or take any other action as a co-owner either in person or by proxy. Each co-owner (including the Developer, if the Developer shall then own one or more apartments) shall be entitled to cast one vote at all meetings of the co-owners for each apartment owned. A fiduciary shall be the voting member with respect to any apartment owned in a fiduciary capacity. It is clearly understood that there shall be only one vote for each unit, and that the right to such a vote is not assignable.

SECTION 9. Majority of Co-Owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners present in person or by proxy and voting at any meeting of the co-owners determined in accordance with the provisions of Section 8 of this Article III.

SECTION 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of co-owners representing 40% of the total then existing apartments in the horizontal property regime shall constitute a quorum at all meetings of the co-owners.

SECTION 11. Majority Vote. The vote of a majority of the votes of the co-owners at a meeting at which a quorum shall be present shall be binding upon all co-owners for all purposes except where the laws of the State of Tennessee relating to horizontal property regimes, the Master Deed or these By-Laws require a higher percentage vote or a different method of voting.

SECTION 12. Restriction on Purchase or Lease of Apartments By Co-Owners and on Capital Improvements. While one (1) or more apartments is owned by the Developer without having been initially sold by him, no apartment may be purchased or leased by or for the Council of Co-owners and no capital addition, extension, alteration, added improvement, modification or additional embellishment of the property shall be authorized or made by the Council of Co-owners, without the prior written consent of the Developer, unless, by the unanimous vote of the Co-owners other than the Developer, the Developer is excused and saved harmless from contributing to

the purchase price or rental of such apartment or to the cost of such capital addition, extension, alteration, added improvement, modification or additional embellishment or any related series thereof. Nothing in the preceding sentence shall be construed to exempt any co-owner, including Developer, from contributing pro rata toward the expenses of administration and of maintenance and repair of the general common elements, and, in the proper case, of the limited common elements of the building./

SECTION 13. Co-Owners' Easements of Enjoyment. Every co-owner shall have a right and nonexclusive easement of enjoyment in and to all the common elements and a nonexclusive easement of ingress and egress over these common elements. Such easements shall be appurtenant to and shall pass with the title to every Building Site, subject to:

- (a) The right of the Board of Managers to limit the number of guests and to adopt rules regulating the use and enjoyment of the common elements;
- (b) The right of the Board of Managers, in accordance with its Charter and By-Laws to borrow money for the purpose of improving the common elements never shall be subject to any lien without the prior written permission of all First Mortgagees, other than liens for current taxes not yet due and payable;
- (c) The right of the Association to suspend a Co-owners right to vote for any period during which any Assessment against his apartment unit remains delinquent and for a period not to exceed thirty (30) days after notice and hearing, as provided for in the By-Laws, for any infraction of the rules set out by the Board of Managers;
- (d) The right of Board of Managers to dedicate or transfer all or part of the common elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Co-owners. No such dedication or transfer shall be effective unless an instrument sufficient to effect such dedication or transfer has been approved by 66-2/3% of the Co-owners.

SECTION 14. Delegation of Use. Any Co-owner may delegate his right to use and enjoy the common elements to the members of his single family, his tenants, invitees, or contract purchasers who reside on his apartment unit. The term "single family" shall mean a group of one or more persons related by blood, marriage, or legal adoption, or two persons not so related, together with their domestic employees, who maintain a common household in a dwelling upon an apartment unit.

SECTION 15. Title to Common Area. Developer hereby covenants for itself, its successors and assigns to convey fee simple title to the common elements to the Council of Co-Owners, free and clear of all encumbrances, except this instrument, the Master Deed, and easements and utility rights then of record, prior to the conveyance of the first apartment unit to an Owner other than Developer.

SECTION 16. Parking Rights. The use of any and all parking areas within the Common Area, together with the terms and conditions with regard to such use, shall be subject to and at all times governed by the Board of Managers Rules. The development will contain sufficient parking space to accommodate at least one automobile for each apartment unit.

SECTION 17. Maintenance of Interior. Each Co-Owner shall be responsible for the maintenance of, and shall maintain, the interior of his dwelling unit, including interior walls, windows, glass, ceilings, floors, doors, and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, reserving to each Owner, however, complete discretion as to choice of furniture, furnishings, and interior decorating. However, all window draperies exposed to or visible from the exterior of the building will be of a bone (off-white) color. The Board of Managers will have the exclusive right to determine what graduation of color is in compliance.

#### ARTICLE IV

#### OFFICERS

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

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

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

SECTION 4. President. The President shall be the chief executive officer of the Condominium. He/she shall preside at all meetings of the co-owners and of the Board of Managers. He/she shall have all of the powers and perform those duties vested in him/her by the Board of Managers.

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

SECTION 6. Secretary. The Secretary shall keep the Minutes of all meetings of the Council of Co-Owners and of the Board of Managers, he/she shall have the charge of such books and papers as the Board of Managers may direct; and he/she shall perform such other duties as the Board of Managers shall impose upon him/her and such functions as are generally performed by a Secretary of a business organization.

SECTION 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping in chronological order, full and accurate financial records and books of account showing all receipts and disbursements affecting the building, or buildings, if more than one, and their administration and specifying the maintenance and repair expenses of the common elements and any other expenses incurred and for the preparation of all required financial data. He/she shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he/she shall, in general perform all the duties incident to the office of Treasurer of a stock corporation and perform such other duties as the Board of Managers shall impose upon him/her, and such other functions as are generally performed by a Treasurer of a business organization.

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

## ARTICLE V

### OPERATION OF THE PROPERTY

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

SECTION 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) replacement cost fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire building (including all of the apartments and the bathroom and kitchen fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner of the builder of the buildings, but not necessarily including furniture, furnishings or other property supplied or installed by tenants or co-owners) together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Condominium, the Board of Managers and the Council of Co-Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation; each of such policies shall contain a Tennessee standard mortgagee clause in favor of each mortgagee of an apartment which will provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; such insurance policies shall contain a standard deductible clause of not less than \$100.00 or more than \$1,000.00 for each occurrence; (2) rent insurance covering the rents of the apartments or other areas owned by the Council of Co-Owners and which are rented, if any; (3) Workmen's Compensation insurance, if applicable; (4) boiler and machinery insurance, if applicable; (5) water damage; and (6) such other insurance as the Board of Managers may determine, including fidelity bonds (see Section 12 of Article II). All such policies shall provide that adjustments of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$20,000.00 or less, shall be payable to the Board of Managers and if more than \$20,000.00 the net proceeds shall be payable to the Insurance Trustee. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of apartments. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartments at least ten (10) days prior to expiration of the then current policies. The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance to the extent of \$300,000 for liability arising from a single incident, \$500,00 for multiple liability arising, and \$1,000,000 additional coverage over and above the coverage previously mentioned, covering each member of the Board of Managers, the managing agent, the manager, and each co-owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Co-Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any co-owner. Any mortgagee shall have the right, in addition to any other rights hereunder, to require that such additional insurance be carried by any applicable co-owner as will, in the opinion of said mortgagee, satisfactorily protect the interests if the mortgagee in the property of said co-owner, and no co-owner may decline to carry such additional insurance solely because of the availability of the insurance provided in this section, notwithstanding the fact that such co-owner may contribute to the payment of any premiums of said insurance.

SECTION 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any building as a result of fire or other casualty (unless more than 2/3rds of all buildings require reconstruction), the Board of Managers shall, as it in its sole and absolute discretion determines and without intervention of any co-owner arrange for the prompt repair and restoration of the Building or Buildings (including any damaged apartments and damaged kitchen and bathroom fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not including any wall, ceiling or floor decorations or covering or other furniture, furnishing, fixtures or equipment installed by tenants or co-owners in the apartments, unless insurance thereof is specifically provided for in the insurance policy obtained by the Board of Managers) and the Board of Managers or the Insurance Trustee, as the case may be, shall distribute the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the co-owners directly affected by the damage for such deficit as part of the common charges.

In the event that a majority of the Board of Managers decides not to proceed with repair or restoration or if two-thirds or more of all buildings are destroyed the property shall be sold; in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the co-owners in proportion to their respective common interests, after just paying out of the share of each co-owner the amount of any unpaid liens on his apartment, in order of priority of such liens. If there shall have been a repair or restoration pursuant to the first paragraph of Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall

be divided by the Board of Managers or the Insurance Trustee, as the case may be, among the co-owners in the same manner.

In the event that any portion of any apartment shall be destroyed or damaged by an insured peril at any time when the lien of a first mortgagee applied thereto, and in the event that the insurance proceeds are then received by either the Board of Managers or Insurance Trustee or both, and insofar as the funds thus received are not used to repair or replace damaged or destroyed premises, those funds, or any excess thereof over the actual cost of repair or replacement, shall be paid to the first mortgagee in satisfaction of all or part of the amount then due and owing, and said amount shall be applied by the first mortgagee according to the terms of its Deed of Trust. In no event shall those funds be paid to any other party or held for any other purpose, other than restoration of the premises by repair or replacement, without the expressed written consent of the first mortgagee.

SECTION 4. Payment of Common Charges. All co-owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine. No co-owner shall be liable for the payment of any part of the common charges assessed against his apartment, subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article VII of these By-Laws) of such apartment, together with the appurtenant interests, as defined in Section 3 of Article VII hereof. In addition, any co-owner may, subject to the terms and conditions specified in these By-Laws, provided that his apartment is free and clear of liens and encumbrances other than a permissible first mortgage and the statutory lien for unpaid common charges, convey his apartment, together with possession thereof and with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Council of Co-Owners, and in such event be exempt from common charges thereafter assessed. A purchaser of an apartment shall be liable for the payment of common charges assessed against such apartment prior to the acquisition by him of such apartment. With respect to a lending institution foreclosing the property under the terms of its security agreement, it is understood that the lien for unpaid common charges, which accrued before such foreclosure, is expressly waived, provided such foreclosure proceedings are held within ninety (90) days after the lender receives notice by the Association of default by the mortgagor co-owner in the payment of common charges.

SECTION 5. Collection of Assessments. The Board of Managers shall assess common charges against the co-owners from time to time and at least annually and shall take prompt action to collect any common charge due from any co-owner which remains unpaid for more than thirty (30) days from the date of payment thereof.



SECTION 6. Default In Payment of Common Charges. In the event of default by any co-owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such co-owner shall be obligated to pay interest at the highest contract rate now permissible by law on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such co-owner, or by foreclosure of the lien on such apartment granted by Section 64-2716 of the Tennessee Code Annotated, or both.

SECTION 7. Foreclosure Of Liens For Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on an apartment because of unpaid common charges, the co-owner shall be required to pay a reasonable rental but not less than \$17.00 per diem rent, from the date of the commencement of the foreclosure action for the use of his apartment and the complainant in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of the Council of Co-Owners, shall have the power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote and the votes appurtenant to, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

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

SECTION 9. Abatement and Enjoyment of Violations by Co-Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Master Deed shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the apartment in which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting co-owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

SECTION 10. Maintenance and Repair. Except as provided in Section 3 hereof: (a) all maintenance of and repairs to any apartment structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, mis-

\* use or neglect of the owner of such apartment), shall be made by the owner of such apartments. Each co-owner shall be responsible for all damages to any and all other apartments and/or to the common elements that his failure so to maintain and repair his apartment may engender. Each apartment owner shall be under a duty to report to the Board of Managers any condition with regard to the common elements within or adjacent to his apartment, which require maintenance or repair. The Board of Managers may make any repairs and maintain any co-owner's apartments and charge the cost of the same to the affected co-owner or co-owners. (b) all maintenance, repairs and replacements to the common elements, whether located inside or outside of the apartment units, (unless necessitated by the negligence, misuse, or neglect of a co-owner in which case such expense shall be charged to such co-owner), shall be made by the Board of Managers and be charged to all the co-owners as a common expense. (c) all maintenance, repairs and replacements to any limited common elements identified on the plat of record, the Master Deed, or otherwise herein (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of any owner of the abutting apartments, or by any agent, invitee, contractor or guest of any such owner) shall be made by the Board of Managers and be charged to the co-owners who abut such limited common element or who are directly affected by such limited common element, as a common expense allocable to such co-owners alone, unless already paid for by such affected co-owners.

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

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

- (a) Each of the apartments shall be used for single family residences only.
- (b) The common elements shall be used only for the furnishings of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of apartments.
- (c) No nuisances shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the property by its residents.

- (d) No immoral, improper, offensive, or unlawful use shall be made of the property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expenses of the respective co-owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the property.
- (e) No portion of any apartment (other than the entire apartment) may be rented and no transient tenants may be accommodated therein.
- (f) No sale of any kind shall be conducted on the premises except to sell the personal effects of a deceased co-owner or tenant or his or her spouse; provided, however, that such permitted sale shall be conducted for no longer than two consecutive days and between the hours of 9:00 A.M. and 5:00 P.M.

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

SECTION 14. Additions, Alterations or Improvements by Co-Owners. Any additions, alterations or improvements in or to his apartment shall not be made by co-owner without the prior written consent thereto of the Board of Managers. A lien for labor or materials shall attach to such co-owner's interest in the Condominium and not to the Condominium as a whole. The Board of Managers shall have the obligation to answer any written request by a co-owner for approval of a proposed structural addition, alteration or improvement in such co-owner's apartment, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the Government of Nashville, Davidson County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 14 shall not apply to apartments owned by the Developer until such apartment shall have been initially sold by the Developer and paid for.

SECTION 15. Use of Common Elements and Facilities. (a) A co-owner shall not place or cause to be placed in the common areas or common facilities, other than a terrace or yard to which such co-owner has sole access, and other than the areas designated by the Board of Managers, any furniture, packages or objects of any kind, except with the written consent of the Board of Managers of their agent. (b) Any limited common elements, which have been designated as herein and otherwise in the plat of record, shall be used only that or those apartments which abut directly thereon or have such limited elements assigned to them by deed, and the use thereof shall be limited to the use and occupancy of such abutting apartments or as otherwise restricted herein on the plat of record.

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

SECTION 17. Rules of Conduct. Rules and regulations concerning the use of the apartments and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each co-owner prior to the time when the same shall become effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Exhibit 1.

SECTION 18. Electricity, Water and Sewer Charges. Water shall not be supplied to all of the apartments and the common elements through one or more building meters and the Board of Managers shall pay, as a common expense, and for water consumed on the property, including the apartments, together with all related sewer charges arising therefrom, promptly after the bills for the same have been rendered. In the event of a proposed sale of an apartment by the owner thereof, the Board of Managers, on request of the selling co-owner shall execute and deliver to the purchaser of such apartment or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewage affecting the property as of the date of closing of title to such apartment, promptly after such charges shall have been billed by the proper billing agency. The Board of Managers may in their sole and absolute discretion allocate utility charges on a different basis than the allocation of other common charges. The allocation must be applied as uniformly as possible.

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

## ARTICLE VI

### MORTGAGES

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

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

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

SECTION 4. Examination of Books. Each co-owner and each mortgage of an apartment shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

SECTION 5. Interest of Valid First Mortgagee. The interest of a valid first mortgagee shall be superior to the interests of the Board of Managers in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated the terms of these By-Laws, the Master Deed and the contract in its Deed of Trust, then said first mortgagee may at its option declare a default in its Deed of Trust, by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the Deed of Trust notwithstanding any enforcement instituted by the Board of Managers.

SECTION 6. First Mortgagees Priority Rights. The lien of a valid first mortgagee shall be superior to any lien created by this instrument, or by the Master Deed, in favor of the Board of Managers, its predecessors or successors, for collection of any charge or assessment authorized by any of these instruments, unless said charge or assessment is due and owing at the time of the execution of the instruments creating the valid first mortgage lien. Any person or institution proposing to lend money upon the security of a mortgage lien on any unit of this development may request that the Board of Managers furnish it with a statement of all such unpaid charges or assessments which are purported to be a lien on the premises, and the failure of the Board of Managers to furnish said information when requested shall constitute a waiver of the priorities of any such lien for payment of any charges or assessments then due.

SECTION 7. Notification of Annual Meetings. A first mortgagee under a condominium unit at his request shall be entitled to written notification from the Board of Managers of the date of the Association's Annual Meeting and shall be entitled to receive a copy of the Minutes of said meeting.

## ARTICLE VII

### SALES, LEASE AND MORTGAGES OF UNITS

SECTION 1. Exclusive Sales or Leasing Agent. In order to maintain an orderly and efficient transition upon sale or lease by the co-owners for the benefit and protection of the Association, any co-owner, other than the Developer, who offers his apartment for sale shall name and appoint Athens Properties of Nashville, Tennessee, or its designee as his exclusive agent to sell or to lease such apartment for a period of ten (10) years after the recording of the Master Deed controlling this property, whichever the co-owner desires to do, for a period of ninety (90) days at a reasonable sales price or rental and shall pay to Athens Properties a commission on such sale or lease competitive with the rates then current in and around Davidson County, Tennessee. The said Athens Properties will make each new purchaser or lessee with which it transacts business fully aware of the basic contents of the By-Laws and Master Deed, especially as they deal with the maintenance fee and the duties of the new purchasers or lessees to the other co-owners and to the Association, and will further advise the Board of Managers of the names of the new purchasers or lessees and the date of said transaction.

SECTION 2. Consent of Co-Owners to Purchase or Lease of Apartments by Board of Managers. The Board of Managers shall not exercise any option to purchase or lease any apartment without the prior approval of seventy-five percent (75%) of the Board of Managers then in office, and without complying with the provisions of Section 12 of Article III hereof.

SECTION 3. No Severance of Ownership. The interest, rights and privileges to which a co-owner is entitled by reason of the ownership of an apartment are herein designated Appurtenant Interests and include, but are not limited to: an undivided interest in the common elements of the horizontal property regime, the rights and privileges to use and enjoy the common elements, the interest of a co-owner in an apartment or apartments acquired by the Board of Managers or its designee on behalf of all co-owners or the proceeds of the sale or lease thereof, if any, the right to attend and to vote at the meetings of co-owners and the interest of a co-owner in any other assets of the horizontal property regime. No co-owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his apartment without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any apartment may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all apartments.

SECTION 4. Financing of Purchase of Apartments by Board of Managers. Acquisition of apartments by the Board of Managers, or its designee, on behalf of the Council of Co-Owners may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each co-owner in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such apartment provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

SECTION 5. Waiver of Right of Participation With Respect To Such Apartments As Are Acquired By the Board of Managers, Or Its Designee, On Behalf of the Council of Co-Owners As Tenants In Common. In the event that an apartment or any common elements or any other property shall be acquired by the Board of Managers, or its designee, on behalf of the Council of Co-Owners, all co-owners, shall be deemed to have waived all rights of partition with respect to such apartment or property.

## ARTICLE VIII

## CONDEMNATION

SECTION 1. Condemnation. In the event of taking a condemnation or by eminent domain of a part of the common elements, the award made for such taking shall be payable to the Board of Managers for and on behalf of the council of co-owners, if such award amounts to \$20,000.00 or less, and to the insurance trustee if such award amounts to more than \$20,000.00. If a majority of the Board of Managers in their sole and absolute discretion approve the repair and restoration of such common elements the Board of Managers shall arrange for the repair and restoration of such common elements, and the Board of Managers or the insurance trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board of Managers or the insurance trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws.

Insofar as the taking of any part of the common elements by condemnation reduces the value of the security of any valid first mortgagee in the interests of any co-owner, then a pro-rata share of the proceeds of any condemnation award, insofar as the same is not used to repair or restore the damaged area, shall be paid to the first mortgagee for reduction of the mortgage indebtedness in accordance with the terms of the note and Deed of Trust, any provisions of the preceding paragraph to the contrary notwithstanding.

## ARTICLE IX

## RECORDS

SECTION 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the co-owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment which, among other things, shall contain the amount of each assessment of common charges against such apartment, the date when due, the amounts paid thereon, and expenditures of the Condominium shall be rendered by the Board of Managers to all co-owners at least annually. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board of Managers to all co-owners of apartments who have requested the same, promptly after the end of each fiscal year.



ARTICLE X  
MISCELLANEOUS

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SECTION 1. Notices. All United States mail notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the managing agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time by notice in writing to all co-owners and to all mortgagees of apartments. All notices to any co-owner shall be sent by registered or certified United States mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

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

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

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

SECTION 5. Waiver. No restriction, condition, obligations, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

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

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

SECTION 8. Exclusive Agent for Board of Managers. For an initial term of ten (10) years after the recording of the Master Deed by the Developer, and thereafter for two (2) periods of five (5) years each (upon the election of Developer to exercise his option hereunder in writing by notice mailed to the Board of Managers at least sixty (60) days prior to the expiration of the existing term), the Developer shall be the exclusive agent of the Board of Managers for the execution of the decisions of the Board of Managers herein with regard to management, maintenance, repair, administration and operation of the property. This right in Developer shall be assignable by it. The Developer or its assignee shall be entitled to a reasonable fee or profit for such services rendered to be in keeping with the customary charges of contractors or service companies in the Davidson County area, said profit to be above the actual costs expended by Developer.

ARTICLE XI

AMENDMENT TO BY-LAWS

SECTION 1. Amendment to By-Laws. These By-Laws may be modified or amended by the written consent or vote of seventy percent (70%) of all co-owners of the then existing apartments in the Condominium. However, due to the importance of proper repair and maintenance of Condominium properties to both the Developer and co-owners and the mutual benefits to both parties arising therefrom, the contractual rights set forth in Article X, Section 8, relating to the Developer as Exclusive Agent are not subject to modification or amendment, except for legal cause shown.

ARTICLE XII

CONFLICTS

SECTION 1. Conflicts. These By-Laws are set forth to comply with the requirements of Chapter 27 of Title 64, 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 these By-Laws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control. Terms which are not defined in the Master Deed and the Plan of record or in these By-Laws shall be deemed to be the same as defined in such Act.