

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

