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MASTER DEED

This Master Deed and the exhibits which are attached hereto and made a part hereof are made and executed in Blount County, Tennessee, this the 22nd day of May, 1986, by Turnberry, Inc., a Tennessee corporation with its principal office in Blount County, Tennessee, hereinafter called the "DECLARANT," for itself, its successors, grantees and assigns, pursuant to the provisions of the Tennessee Horizontal Property Act (Tennessee Code Annotated Section 64-2701 through 64-2722).

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of a certain parcel of land located in Blount County, Tennessee, hereinafter referred to as the "Land" and more particularly described in Exhibit A attached hereto; and

WHEREAS, the Declarant is the owner of certain buildings and other improvements now existing or to be constructed upon the Land, all of which are hereinafter called "Property," and it is the intention of the Declarant to submit the Property to a Horizontal Property Regime and sell and convey the same to various purchasers subject to the covenants, conditions and restrictions hereinafter reserved and set out; and

WHEREAS, simultaneously herewith the Declarant has filed for record in the office of the Register of Deeds of Blount County, Tennessee, a certain instrument entitled "Plat of Jamestown Village," hereinafter referred to as "Plat," which Plat indicates the buildings constructed or to be constructed on the Land; and

WHEREAS, the Declarant desires and intends by filing this Master Deed and Plat to submit the Property to the provisions of the Tennessee Horizontal Property Act as a condominium property and to impose upon said Property mutually beneficial restrictions under a general plan of improvement for the benefit of said Property and the Owners thereof.

NOW THEREFORE, for and in consideration of the premises, the Declarant does hereby publish and declare that all of the Property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said Property and the division thereof into condominiums and shall be deemed to run with the Land and shall run with the Land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the property, their grantees, successors, executors, administrators, devisees and assigns.

1. Definitions.

Certain terms as used in this Master Deed and exhibits attached hereto shall be defined as follows unless the context clearly indicates a different meaning.

A. "Board of Directors" shall mean the governing body of the Council of Co-Owners elected pursuant to the By-Laws.

B. "Buildings" shall mean all structures erected or to be erected upon the Land.

C. "By-Laws" shall mean the by-laws for the administration of the Property conveyed in Exhibit C attached hereto.

D. "Common Elements" shall mean the general common elements as defined in the Tennessee Horizontal Property Act and more fully described in Paragraph D of Section 3.

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*For Amend to Master Deed See Misc 98 pg 373
For Amend see Misc 87 pg 286
For Amend see Misc 81 p. 1142*

For Amendment to By-Laws See Misc 105 pg 2109 pg 1098 pg 380

E. "Common Expenses" shall mean and include: (1) all sums assessed against the Co-Owners by the Council of Co-Owners; (2) expenses of administration, maintenance, repair or replacement of the Common Elements; (3) expenses agreed upon as Common Expenses by the Council of Co-Owners; (4) expenses declared Common Expenses by the provisions of the Horizontal Property Act or by this Master Deed or the By-Laws.

F. "Common Expense Fund" shall mean the separate account to be kept in accordance with the provisions of paragraph A of Section 6 of the By-Laws.

G. "Condominium" shall mean the entire estate and the property owned by the Co-Owners, including an undivided interest in the Common Elements and the ownership of a separate interest in a Unit.

H. "Co-Owner" or "Owner" shall mean a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof having an ownership interest of record in a Unit within the Property.

I. "Council of Co-Owners" is defined in the Tennessee Horizontal Property Act and shall mean all of the Unit Co-Owners acting as a group in accordance with the Master Deed and By-Laws.

J. "Easements and Restrictions" shall mean all easements, rights of way and restrictions applicable to the entire parcel of real property referred to in this Master Deed and to be submitted to the Horizontal Property Regime.

K. "Limited Common Elements" shall mean all driveways, storage spaces, terraces, patios and certain yard space to which sole access is limited to the Unit of a Co-Owner, and each Co-Owner whose Unit has said sole access shall have an easement for the exclusive use thereof, and each such driveway, storage space, terrace, patio and certain yard space shall be a limited Common Element restricted to the sole use of said Co-Owner.

L. "Manager" shall mean the person or firm designated by the Board of Directors to manage the affairs of the Property.

M. "Master Deed" shall mean this document recording the property of the Horizontal Property Regime.

N. "Property" shall mean the entire parcel of real property referred to in this Master Deed to be divided into condominiums, including the land, the buildings, all improvements and structures thereon, all owned in fee-simple absolute, all easements, rights and appurtenances belonging thereto and all articles of personal property intended for common use in connection therewith and shall include all easements and restrictions as defined in Section J above.

O. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to Property.

P. "Unit" shall mean apartment as defined in the Tennessee Horizontal Property Act and shall not include the Common Elements. The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter bearing walls, lowermost floors, uppermost ceilings, windows and window frames, door and door frames and trim. Each Unit includes both the portions of the building within such boundary lines and the space so encompassed.

2. Name of the condominium.

The name by which this Horizontal Property Regime shall be known is "Jamestown Village."

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3. Description of the property.

A. Description of Land. The Land is located in Blount County, Tennessee, and contains three (3) acres, more or less. The Land is more particularly described in Exhibit A attached hereto.

B. Description of buildings. Jamestown Village will consist of fourteen (14) structures each containing one (1) unit located within the boundary of the Land as described in Exhibit A attached hereto.

C. Description of Units. The unit number, location and floor space of each Unit are set forth in Exhibit B attached hereto. Access to the Common Elements from each Unit is direct and by walkways in the Common Elements.

D. Description of Common Elements. The Common Elements consist of the entire property, including all part of the buildings other than the Units and including, without limitation, the following: the Land, all foundations, columns, girders, beams and supports, all roofs, all exterior walls of the buildings not including the portions thereof on the Unit side of the dry wall or paneling of such wall, all walls and partitions separating Units from mechanical equipment spaces and the portions between room walls where walls are within Units and all floors and ceilings. No Co-Owner shall be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors bounding his Unit, nor shall such Co-Owner be deemed to own the utilities running through his Unit which are utilized for or serve more than one Unit, except as a right in common to share the same with the other Co-Owners. A Co-Owner shall, however, be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, floors, ceilings, windows and doors bounding his Unit.

All open parking and driveway areas, sidewalks, all compartments or installations of central services such as power, light, telephone, gas, and hot water reservoirs, tanks, pumps, air conditioning, air handling equipment and all other mechanical installations and appurtenances thereto and spaces therefor, whether located in the common areas or in Units, all tanks pumps, motors, fans, compressors, air handling units and control equipment, storage spaces which are not in Units or defined as Limited Common Elements, all sewer pipes, all office space, pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements located inside of Units.

Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other Units and located in such Unit. The Board of Directors shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in any building.

E. The Declarant anticipates expansion of the condominium project and will record the appropriate description of units and property description by amendment to this Master Deed upon any expansion of the project. Any such amendment concerning expansion of the project may be done by the Declarant alone without following the amendment procedure as set out in this Master Deed.

4. Statement of Purposes, Use and Restrictions.

The Units, General Common Elements and Limited Common Elements shall be occupied and used as follows:

A. A Co-Owner shall not occupy or use his Unit, or permit the same or any part thereof to be occupied or used, for any purpose other than for the personal use for dwelling purposes by the Co-Owner and the Co-Owner's family or the Co-Owner's guests, and only as a single family residence.

B. No commercial business other than those associated with the operation of the condominium complex shall be permitted within the Property.

C. There shall be no obstruction of the Common Elements. Except in the case of designated storage areas, nothing shall be stored in the Common Elements without the prior written consent of the Board of Directors.

D. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Common Elements without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance of any Unit or any part of the Common Elements, or which would be in violation of any law. No waste will be committed of the Common Elements.

E. No sign of any kind shall be displayed to the view or from any Unit or from the Common Elements, without the prior written consent of the Board of Directors.

F. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that dogs, cats or other household pets may be kept in Units, subject to rules and regulations adopted by the Board of Directors.

G. No noxious or offensive activity shall be carried on in any Unit, or in the Common Elements, nor shall anything be done therein which may be or become any annoyance or nuisance to other Co-Owners.

H. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Directors.

I. The Board of Directors is authorized to adopt rules for the use of the Common Elements and said rules shall be furnished in writing to the Co-Owners. There shall be no violation of said rules.

J. None of the rights and obligations of the Co-Owners created herein, or by the Deeds conveying the Condominiums shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Co-Owner or Co-Owners if said encroachment occurred due to the willful conduct of said Co-Owner or Co-Owners.

K. Declarant, and persons it may select, shall have the right of ingress and egress over, upon and across the Common Elements and the right to store materials thereon and make such other use thereof as may be reasonably necessary incident to construction, development and sale of the Condominiums and operation of the Units and Common Elements and of other subsequent stages of the overall development of which the Property is a part.

5. Damage or Destruction; Sale.

In the event that any buildings and/or other improvements on the Land are damaged or destroyed by fire or other casualty or disaster, such Buildings and/or other improvements shall be promptly repaired, restored or reconstructed to the extent required to restore them to substantially the same

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condition in which they existed prior to occurrence of the damage or destruction, with each Unit and the Common Elements having the same vertical and horizontal boundaries as set forth in the Plat. Such repairs, restoration or reconstruction shall be paid for out of any insurance proceeds received on account of the damage or destruction; provided, however, that if the insurance proceeds are not sufficient for such purpose, the deficiency shall be assessed as a Common Expense.

Notwithstanding the foregoing, in the event that Buildings containing two-thirds (2/3rds) or more of the Units are destroyed and the Co-Owners, by an affirmative vote of at least seventy five percent (75%) of the total voting power, file notice with the Board of Directors within ninety (90) days after such destruction that they do not desire that the Buildings be reconstructed or restored, the Board of Directors shall record, with the Register of Deeds of Blount County, Tennessee, a notice setting forth such facts, and upon the recording of such notice:

A. The Property shall be deemed to be owned in common by the Co-Owners;

B. The undivided interest in the Property owned in common which shall appertain to each Co-Owner shall be the percentage of undivided interest previously owned by such Co-Owner in the Common Elements based on the square footage of the Unit;

C. Any liens affecting any of the Condominiums shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Co-Owner in the Property;

D. The Property shall be subject to an action for partition at the suit of any Co-Owner, in which event the net proceeds of sale (the Property not being susceptible of fair partition without depreciating the value thereof), together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Owners in proportion to their respective percentages of undivided interest in the Common Elements, after first paying out of the respective shares of the Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each Owner; and

E. Notwithstanding all other provisions of this Declaration, the Owners may, by an affirmative vote of one hundred percent (100%) of the total voting power at a meeting of the Council of Co-Owners duly called for such purpose, elect to sell or otherwise dispose of the Property. Such action shall be binding upon all Owners and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect the sale.

6. Subdivision or Combination.

Except as this Master Deed may be amended as provided herein and subject to the requirements of any applicable laws or regulations of governmental authorities, no subdivision or combination of any Unit or Units or of the Common Elements may be accomplished except pursuant to unanimous vote of the Co-Owners at a meeting called for the notified purpose of consideration thereof or upon receipt by the Board of Directors (or Manager) of the written consent of all Owners. If so approved, any such subdivision or combination shall be reflected in a recorded revised Master Deed and floor plan consistent therewith, and such subdivision or combination shall be ineffective for any purpose until recorded in compliance with all such laws and regulations. All expenses for such preparation and recording of the revised Master Deed shall be borne by the persons

requesting the same and shall not be a Common Expense of the Property.

7. By-Laws.

The By-Laws set forth in Exhibit C hereof may be amended by an instrument in writing signed and acknowledged by Owners holding sixty five percent (65%) of the total voting power, which amendment shall be effective upon recordation with the Register of Deeds of Blount County, Tennessee, as an amendment to the By-Laws.

8. Voting and Percentage of Ownership.

At any meeting of the Council of Co-Owners, each Owner, including Declarant, either in person or by proxy, shall be entitled to cast one vote for each Unit owned. For this purpose, each Unit shall be deemed to have a one-fourteenth (1/14th) undivided interest in the Common Elements. Where there is more than one (1) record Owner, any or all of such persons may attend any meeting of the Council of Co-Owners, but it shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. Declarant shall be entitled to vote with respect to any completed Condominium owned by Declarant.

9. Notices.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty four (24) hours after a copy of same has been deposited in the U. S. Postal Service, postage prepaid, addressed to each such person at the address given by such person to the Board of Directors or Manager for the purpose of service of such notice or to the Unit of such person if no address has been given to the Manager. Such address may be changed from time to time by notice in writing to the Board of Directors or the Manager.

10. Mortgage Protection.

Notwithstanding all other provisions hereof:

A. The liens created hereunder upon any Condominium shall be subject to, and shall not affect the rights of the holder of, the indebtedness secured by any recorded first Mortgage (meaning a Mortgage with first priority over other Mortgages) upon such Condominium made in good faith and for value, provided that after the foreclosure of any such Mortgage there may be a lien created pursuant to paragraph B of Section 6 of the By-Laws on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale;

B. No amendment to this Section shall affect the rights of the holder of any such Mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof;

C. By subordination agreement executed by a majority of the Board of Directors, the benefits of Section A and B above may be extended to Mortgagees not otherwise entitled thereto.

11. Exclusive Ownership and Possession by Owner.

Each Owner shall be entitled to exclusive ownership and possession of his Unit. In the event that an Owner thus surrenders his rights to exclusive ownership and possession, any subsequent transferee of such Unit shall take title thereto subject to such use of similar contract then in effect with respect to the management of the Common Elements. The percentage of undivided interest in the Common Elements shall not be

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separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Elements in accordance with the purposes for which they are intended, so long as he does not hinder or encroach upon the lawful rights of the other Owners.

An Owner shall not be deemed to own the undecorated and/or unfinished interior surface of the perimeter walls, floors, ceilings, windows and doors bounding his Unit, nor shall the Owner be deemed to own the utilities running through his Unit which are utilized for, or serve, more than one Unit, except as a tenant in common with the other Owners. Any Owner, however, shall be deemed to own the decorated and/or finished interior surface of the perimeter walls, floors, ceilings, windows, and doors bounding his Unit and shall have the obligations set forth in Section 12 hereof with respect thereto.

12. Certain Obligations of Owners.

Except for those portions (if any) which the Board of Directors is required to maintain and repair hereunder, each Co-Owner shall at the Co-Owner's expense keep the interior of his Unit, its equipment, furniture and furnishings, and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition to decorating and keeping the interior of the Unit in good repair, the Co-Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, air-conditioning equipment, lighting fixtures, dishwashers, disposals or ranges, range hoods and fans, cabinets, carpeting and other furniture and furnishings that may be in or connected with the Unit. The Co-Owner shall also, at the Co-Owner's expense keep his patio, courtyard, driveway, and trash and storage area in a clean and sanitary condition.

The Board of Directors and Manager shall not be responsible to the Owner for loss or damage by theft or otherwise of articles which may be stored by the Co-Owner in the patios, courtyard, storage area, or Unit.

The Owner shall promptly discharge any lien (other than Mortgage liens) which may hereafter be filed against his Condominium.

13. Prohibition Against Structural Changes by Owner.

The Co-Owner shall not, without first obtaining written consent of the Board of Directors, make or permit to be made any structural alteration, improvement or addition in or to his Unit or in or to the Common Elements. No Co-Owner shall do any act or work that will impair the structural soundness or integrity of the Buildings or safety of the Property or impair any easement or hereditament without the written consent of all Co-Owners. No Co-Owner shall paint or decorate any portion of the exterior of the Buildings or other Common Elements or any portion of any patio or storage area without first obtaining written consent of the Board of Directors.

14. Entry for Repairs.

The Board of Directors or the Manager and their respective agents may enter any Unit when necessary in connection with any maintenance, landscaping or construction for which the Board of Directors is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board of Directors out of the Common Expense Fund.

15. Failure to Insist on Strict Performance No Waiver.

The failure of the Council of Co-Owners, Board of Directors or Manager to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition, or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Board or Manager or any assessment from a Co-Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Board of Directors or Manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors or Manager.

16. Limitation of Board of Directors' Liability.

The Board of Directors shall not be liable for any failure of any service to be obtained and paid for by the Board of Directors hereunder, or for injury or damage to person or property caused by the elements or by another Co-Owner or person, or resulting from electricity, water or rain which may leak or flow from outside or from any parts of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place, unless caused by gross negligence of the Board of Directors. No diminution of Common Expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making repairs or improvements to the Common Elements or from any action taken to comply with any law, ordinance or order of a governmental authority.

17. Indemnification of Board of Directors Members.

Each member of the Board of Directors shall be indemnified by the Co-Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceedings to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Directors, or any settlement thereof, whether or not he is a member of the Board of Directors at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement as being for the best interests of Jamestown Village.

18. Insurance.

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in at least the amounts provided in the By-Laws and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium properties similar in construction, design and use to Jamestown Village. Such insurance shall be governed by the following provisions:

A. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in, and the proceeds thereof payable to, the Board of Directors or its authorized representative as insurance trustee;

B. In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Co-Owners or their Mortgagees;

C. Each Co-Owner may obtain additional insurance at his own expense; provided, however, that no Co-Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all of the Co-Owners, may realize under any insurance policy which the Board of Directors may have in force on the Property at any particular time;

D. Any Co-Owner who obtains individual insurance policies covering any portion of the Property, other than personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after purchase of such insurance;

E. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Board of Directors, the Manager, the Co-Owners and their respective servants, agents and guests;

(2) That the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Co-Owners;

(3) That the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or Manager without prior demand in writing that the Board of Directors or Manager cure the defect;

(4) That any "no other insurance" clause in the master policy on the Property exclude individual Co-Owners' policies from consideration; and

F. The annual insurance review which the Board of Directors is required to conduct as provided in paragraph E(2) of Section 2 of the By-Laws shall include an appraisal of the improvements in the Property by a representative of the insurance agent writing the master policy.

19. Parking.

If Property has or will have open parking areas, said areas shall be Common Elements not generally assigned to specific Units. Those areas designated "guest parking" are not to be used by Co-Owners for parking or storage of their vehicles. All maintenance and repairs of vehicles are to be performed in the Unit's garage. The Board of Directors is authorized to make such rules and regulations as may be required for the efficient and best use of such parking areas.

20. No Partition.

There shall be no judicial partition of the Property or any part thereof, nor shall Declarant or any person acquiring any interest in the Property or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Section 5 of this Master Deed in the case of damage or destruction or unless the Property has been removed from the provisions of the Condominium Act as provided in Section 64-2709 of that Act; provided, however, that if any Condominium shall be owned by two or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. Such partition shall not affect any other Condominium.

21. Pets.

Pets are not permitted on any of the Common Elements, except areas specifically designated for the walking and exercising of pets.

22. Termite Inspection.

Termite inspection and termite insurance shall be arranged for by the Board of Directors and shall be a Common Expense of each Unit.

23. Enforcement.

Each Co-Owner shall comply strictly with the provisions of this Master Deed, the By-Laws and the rules, regulations and decisions issued pursuant thereto and as the same may be lawfully amended from time to time. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Directors or Manager on behalf of the Co-Owners, or in a proper case, by an aggrieved Owner.

24. Personal Property.

A. The Board of Directors or Manager may acquire and hold, for the benefit of the Co-Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in such personal property shall be held by the Co-Owners in the same proportion as their respective undivided interests in the Common Elements, and shall not be transferable except with a transfer of a Condominium. A transfer of a Condominium shall vest in the transferee ownership or the transferor's beneficial interest in such personal property.

B. At the time when the first conveyances of Units are made by Declarant to the Co-Owners, Declarant shall execute and deliver a bill of sale to the Council of Co-Owners, transferring title to all items of personal property located on the Property and furnished by Declarant which personal property is intended for the common use and enjoyment of the Co-Owners.

25. Interpretation.

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium property.

26. Amendment.

Except as otherwise provided herein and except as prohibited by the Condominium Act, the provisions of this Master Deed may be amended by an instrument in writing signed and acknowledged by Co-Owners holding seventy five percent (75%) of the voting power, which amendment shall be effective upon recordation with the Register of Deeds of Blount County. Any amendment altering the percentage of undivided interest in the Common Elements or voting rights shall require the approval of all the Co-Owners.

27. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

28. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Master Deed or the intent of any provision hereof.

29. Law Controlling.

This Master Deed and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of Tennessee.

30. Acknowledgment.

Before the purchase of a Unit, the prospective purchaser shall sign a form provided by the Board of Directors acknowledging that he has received a copy of the Master Deed and By-Laws, and that he has reviewed and understands both.

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31. Effective Date.

This Master Deed shall take effect when recorded with the Register of Deeds of Blount County.

TURNBERRY, INC.

BY: Robert J. Murphy
President

ATTEST:

Robert J. Murphy
Secretary

STATE OF TENNESSEE |
 | SS
BLOUNT COUNTY |

Before me, the undersigned authority, a Notary Public of said state and county, personally appeared Robert J. Murphy, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the President of TURNBERRY, INC., the within named bargainor, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

Witness my hand and seal at office this 22nd day of May, 1986.

Michael J. Cannon
NOTARY PUBLIC



My Commission expires: 10-24-89

Received for record the 22 day of May 1986 at 2:15 P.M.

Howard L. Lunday

REGISTER OF DEEDS

EXHIBIT A TO MASTER DEED

DESCRIPTION OF PROPERTY

SITUATED, LYING AND BEING in the 19th Civil District of Blount County, Tennessee, and being more particularly described as follows:

BEGINNING at a point on the eastern edge of Montvale Station Road, corner to Montvue Subdivision; thence with a curve to the left having a radius of 1,577.88 feet, an arc distance of 128.58 feet, a chord bearing and distance of N. 11-13-40 E. 128.54 feet to a point; thence with a curve to the right having a radius of 20 feet, an arc distance of 32.96 feet, a chord bearing and distance of N. 56-04-05 E. 29.35 feet to a point; thence S. 76-43-40 E. 881.18 feet to a point, corner to Care Inns; thence S. 12-54-15 W. 150 feet to a point corner to Montvue Subdivision; thence with Montvue Subdivision, N. 76-43-40 W. 897.51 feet to the point of beginning, containing 3.09 acres, more or less, all as shown by survey of Charles Sterling, Registered Land Surveyor, dated August 13, 1985.

BEING part of the same property conveyed to Turnberry, Inc., by deed from R. D. King Company, dated August 29, 1985, of record in the Register's Office for Blount County, Tennessee, in Book of Deeds, Vol. 469, page 574.

DESCRIPTION OF UNITS IN JAMESTOWN VILLAGE

<u>Unit #</u>	<u>Location</u>	<u>Approx. Floor Space</u>
Unit #1	903 Jamestown Way	1,244 Square Feet
Unit #2	905 Jamestown Way	1,448 Square Feet
Unit #3	907 Jamestown Way	1,448 Square Feet
Unit #4	909 Jamestown Way	1,244 Square Feet
Unit #5	911 Jamestown Way	1,448 Square Feet
Unit #6	913 Jamestown Way	1,244 Square Feet
Unit #7	915 Jamestown Way	1,448 Square Feet
Unit #8	917 Jamestown Way	1,672 Square Feet
Unit #9	919 Jamestown Way	1,244 Square Feet
Unit #10	921 Jamestown Way	1,448 Square Feet
Unit #11	923 Jamestown Way	1,672 Square Feet
Unit #12	925 Jamestown Way	1,448 Square Feet
Unit #13	927 Jamestown Way	1,244 Square Feet
Unit #14	929 Jamestown Way	1,672 Square Feet

EXHIBIT C TO MASTER DEED
BY-LAWS
COUNCIL OF CO-OWNERS
JAMESTOWN VILLAGE

1. Application of By-Laws

All present and future Co-Owners, Mortgagees, lessees and occupants of Units and their employees, and any other person who may use the facilities of the Property in any manner, are subject to the Master Deed, these By-Laws, and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and fully recorded.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any Rules and Regulations made pursuant hereto) and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified, and will be complied with.

2. Board of Directors

The affairs of the Council of Co-Owners shall be conducted by a board of three (3) directors.

A. Election: At each annual meeting, subject to the provisions of Subparagraph B hereof, the Co-Owners shall elect a Board of Directors for the forthcoming year; provided, however, the first Board of Directors elected hereunder may be elected at a special meeting duly called, said Board of Directors to serve until the first annual meeting held thereafter. At least thirty (30) days prior to any annual meeting, the Board shall recommend to the annual meeting one nominee for each position on the Board of Directors to be filled at that particular annual meeting. Nominations for the Board of Directors may also be made from the floor at the annual meeting. Members of the Board of Directors shall not be required to be Unit Owners and at least one member of the Board shall be a resident of Tennessee.

B. Declarant Performs Functions: Until all Units have been sold, the rights, duties and functions of the Board of Directors shall at Declarant's option be exercised by Declarant. Declarant shall have the option at any time after the date of the recording of the Master Deed to turn over to the Council of Co-Owners the responsibility of electing all of the members of the Board of Directors.

C. Term: Members of the Board of Directors shall serve for a term of three (3) years, provided, however, that initially one (1) of the members of the first Board of Directors elected shall serve for a one (1) year term, another member of the first Board elected shall serve a two (2) year term, and the remaining member of the first Board elected shall serve a three (3) year term. At the expiration of the term of each initial Director, his successor shall serve for a three (3) year term and thereafter the term of one-third (1/3rd) of the Directors shall expire annually. The members of the Board of Directors shall serve until their respective terms expire and their successors are elected, or until their death, resignation or removal.

D. Resignation and Removal: Any member of the Board of Directors may resign at any time by giving written notice to the President, other Board members or Manager, and any member may be removed from membership on the Board of Directors by an affirmative vote of Co-Owners having two-thirds (2/3rds) of the total voting power. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation or removal, the present remaining Board of Directors shall appoint another Director to serve until the next annual meeting

of the Council of Co-Owners, at which time said vacancy shall be filled for the unexpired term.

E. Powers and Authority of the Board of Directors: The Board of Directors, for the benefit of the Council of Co-Owners, shall enforce the provisions of the Master Deed, By-Laws and Rules and Regulations governing the Property and shall acquire and shall pay for, out of the Common Expense Fund hereinafter provided for, the following:

(1) Water, sewer, electrical, telephone and gas and other necessary utility service for the Common Elements (and to the extent not separately metered or charged, for the Units); provided Declarant shall pay utility expenses for uncompleted and unsold Units;

(2) A policy or policies of fire and casualty insurance with extended coverage endorsements for the full insurable replacement value of the Units and Common Elements (such limits and coverage to be reviewed at least annually by the Board of Directors and increased in its discretion) or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Co-Owners and their Mortgagees, as their respective interests may appear. Insurance proceeds shall be payable and applicable as provided in Sections 5 and 18 of the Master Deed;

(3) A policy or policies of public liability insurance insuring the Board of Directors, the Co-Owners and the Manager against any liability to any person or persons incident to the ownership and/or use of the Property. Such policies shall be consistent with the provisions of Section 18 of the Master Deed. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for any one person injured, for any one accident, and shall not be less than One Hundred Thousand Dollars (\$100,000.00) for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

(4) Worker's Compensation Insurance to the extent necessary to comply with any applicable laws;

(5) The services of a Manager to manage its affairs as provided in Section 21 hereof to the extent deemed advisable by the Board of Directors as well as such other personnel as the Board of Directors shall determine shall be necessary or proper for the operation of the Common Elements, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager;

(6) Legal and accounting services necessary or proper in the operation of the Common Elements or the enforcement of the Master Deed;

(7) Termite inspection and termite insurance shall be arranged for by the Board of Directors and shall be a Common Expense of each Unit;

(8) A fidelity bond naming the Manager, and such other persons as may be designated by the Board of Directors as principals and the Co-Owners as obligees, in an amount determined by the Board of Directors;

(9) Painting, maintenance, repair and all landscaping of the Common Elements and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same for the Common Elements; provided, however, that the

interior surfaces of each Unit shall be painted, maintained and repaired by the Co-Owners thereof, all such maintenance to be at the sole cost and expense of that particular Co-Owner;

(10) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurances, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of the Master Deed or these By-Laws or which, in its opinion, shall be necessary or proper for the operation of the Common Elements or for the enforcement of the Master Deed, provided for particular Units, the cost thereof shall be specially assessed to the Co-Owners of such Units;

(11) Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or preserve the appearance and/or value of the Property, and the Co-Owner or Co-Owners of said Units have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board of Directors to said Co-Owner or Co-Owners, provided that the Board of Directors shall levy a special assessment against the Condominium of such Co-Owner or Co-Owners for the cost of said maintenance or repair;

(12) The Board of Directors shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Board of Directors from delegating such authority to the Manager as it deems proper.

F. Additional Powers of the Board of Directors: The Board of Directors shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Condominiums, in the Property as may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth in the Master Deed.

G. Meetings of the Board of Directors: Two members of the Board of Directors shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the Council of Co-Owners as set forth in Section 4 of these By-Laws. The meeting for the election of officers shall be held at a meeting of the Board of Directors to be called immediately following the annual meeting of the Council of Co-Owners.

H. Special Meetings: Special meetings of the Board of Directors may be called by or with the respect of the President or by any two Board Members. Such meetings may be held either within or without the State of Tennessee.

I. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; however, if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

J. Waiver of Notice: Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be

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deemed equivalent to the giving of such notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

K. Notice of Election: After the first election of the Board of Directors from among the Council of Co-Owners, Declarant shall enter in the minutes the names of all of the members of the Board of Directors. Thereafter, any person who is designated of record as being a member of the most recent Board of Directors (regardless of whether or not he shall still be a member) may execute, acknowledge and record an affidavit stating the names of all of the members of the then-current Board of Directors; provided, that in the event of the disability or other incapacity of two (2) such persons, the Manager shall be empowered to execute the aforesaid affidavit. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Directors and shall be conclusive thereof in favor of all persons who rely thereon in good faith.

L. Fiscal Year: The fiscal year shall be as determined by the Board of Directors.

3. Meetings of the Council of Co-Owners

The presence in person or by proxy at any meeting of the Council of Co-Owners of ten percent (10%) of Co-Owners in response to notice to all Co-Owners of record properly given in accordance with Section 9 of the Master Deed, shall constitute a quorum. Unless otherwise expressly provided in the Master Deed, any action may be taken at any meeting of the Council of Co-Owners upon the affirmative vote of a majority of the total voting power of the Co-Owners present and voting.

A. Annual Meeting: There shall be a meeting of the Council of Co-Owners on the last Monday of June of each year at 7:00 p.m. upon the Common Elements, or at such other time (not more than sixty (60) days before or after such date) or at such other convenient place in Blount County, Tennessee, as may be designated by written notice of the Board of Directors delivered to the Co-Owners not less than fifteen (15) days prior to the date fixed for said meeting. Thirty (30) days prior to the end of the fiscal year, the Board of Directors shall send to the Co-Owners a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the fiscal year with the allocation thereof to each Co-Owner. At the annual meeting, the Board of Directors shall present a statement of the Common Expenses and Profits, itemizing receipts and disbursements for the preceding fiscal year, together with the allocation thereof to each Co-Owner. Within thirty (30) days after the annual meeting, said statement shall be delivered to the Co-Owners not present at said meeting.

B. Special Meetings: Special meetings of the Council of Co-Owners may be called at any time for the purpose of considering matters which, by the terms of the Master Deed, require the approval of all or some of the Co-Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Board of Directors, or by the Co-Owners having one-third (1/3rd) of the total voting power and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date and time of the meeting and the matters to be considered. Such special meetings shall be held upon the Common Elements or at such other convenient place in Blount County, Tennessee.

C. Parliamentary Rules: Robert's Rules of Order (latest edition) shall govern the conduct of Council meetings when not in conflict with the Master Deed or these By-Laws.

4. Officers of Council

The officers of the Council of Co-Owners shall be a President, Vice-President, Secretary and Treasurer. Any two (2) offices of Vice-President, Secretary and Treasurer may, by vote of the Council of Co-Owners at any annual meeting, be combined as one (1) office. No officer shall be required to be a Co-Owner of a Condominium. The President must be a member of the Board of Directors. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage in favor of the Council of Co-Owners. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

A. President: The President shall preside at all meetings of the Council of Co-Owners and of the Board of Directors and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.

B. Vice-President: The Vice-President shall perform the functions of the President in the absence or inability of the President.

C. Secretary: The Secretary shall keep minutes of all proceedings of the Board of Directors and of the meetings of the Council of Co-Owners and shall keep such books and records as may be necessary and appropriate for the records of the Council and its Board of Directors.

D. Treasurer: The Treasurer shall be responsible for the fiscal affairs of the Council but may delegate the daily handling of income and expense payments to the authorized Manager employed by the Council.

5. Maintenance, Repair and Replacement of Common Elements

It shall be the responsibility of the Board of Directors to determine questions relating to the maintenance, repair and replacement of all Common Elements. There shall be no structural alterations, capital additions to, or capital improvements of the Common Elements requiring an expenditure in excess of Ten Thousand Dollars (\$10,000.00) without sixty (60) days prior notice to all Co-Owners. Unless within the aforementioned sixty (60) day period Co-Owners holding the majority of the total voting power of the Council of Co-Owners shall give notice of disapproval of such structural alterations, capital additions to, or capital improvements of the Common Elements, the Co-Owners shall be deemed to have approved the same.

6. Common Expenses

A. Assessments

(1) Within thirty (30) days prior to the annual meeting, the Board of Directors shall estimate the net charges to be paid during the following year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's operation). Said "Estimated Cash Requirement" shall be approved at the annual meeting and assessed to the Co-Owners. Declarant will be liable for the amount of any assessment against completed

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Units owned by Declarant. If said sum estimated proves inadequate for any reason, including nonpayment of any Co-Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Co-Owners in like proportions unless otherwise provided herein. Each Co-Owner shall be obligated to pay assessments made pursuant to this Section to the Board of Directors in equal monthly installments on or before the first day of each month during such year or in such other reasonable manner as the Board of Directors shall designate;

(2) The monthly payments made by Co-Owners shall be kept in a separate account known as the Common Expense Fund, which may also include such amounts as the Board of Directors may deem proper for general working capital, for a general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the Common Expenses for any prior year;

(3) The rights, duties and functions of the Board of Directors shall be exercised by Declarant for the period ending thirty (30) days after the election of the first Board of Directors from among the Council of Co-Owners hereunder;

(4) All funds collected hereunder shall be expended for the purposes designated herein;

(5) The omissions by the Board of Directors before the expiration of any year, to fix the Estimated Cash Requirement hereunder for that or the next year, shall not be deemed a waiver of modification in any respect to the provisions of the Master Deed and By-Laws or a release of the Co-Owners from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this Article shall be effective only upon unanimous written consent of the Co-Owners and their mortgagees. No Co-Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit;

(6) The Manager or Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by Co-Owners or their duly authorized representative at convenient hours of week days.

B. Default in Payment of Assessments

(1) Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Co-Owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. The Board of Directors shall have the right to impose a reasonable late charge for nonpayment of Common Expense assessment within fifteen (15) days of the date such assessments became due. Suit to recover a money judgment for unpaid Common Expense assessments shall be maintained without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Co-Owner of any Condominium plus interest at the highest legal rate permitted by Tennessee law, and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of lien by the Board of Directors.

(2) Upon payment of delinquent assessments and/or a pro rata share of unassessed Common Expenses concerning which such a notice of lien has been so recorded, or other

satisfaction thereof, the Board of Directors shall release such notice of lien.

7. Abatement and Enjoinment of Violations by Co-Owners

The violation of any Rules or Regulations adopted by the Board of Directors or the breach of any By-Law contained herein, or the breach of any provision of the Master Deed shall give the Board the right, in addition to any other rights set forth in these By-Laws:

A. To enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Co-Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

B. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

8. Maintenance and Repair

A. All maintenance of and repairs to any Unit, 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, misuse or neglect of the Owner of such Unit), shall be made by the Owner of such Unit. Each Co-Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements, that his failure so to maintain and repair his Unit may engender. Each Unit Owner shall be under a duty to report to the Board of Directors any condition with regard to the Common Elements within or adjacent to his Unit, which requires maintenance or repair. The Board of Directors may make any repairs and maintain any Co-Owner's Units 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 Units, (unless necessitated by the negligence, misuse or neglect of a Co-Owner in which case such expense shall be charge to such Co-Owner), shall be made by the Board of Directors and be charged to all the Co-Owners as a Common Expense.

C. All maintenance, repairs and replacements to any Limited Common Elements (except terraces, storage areas and driveways) identified on the plat of record 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 Unit, or by any agent, invitee, contractor or guest of any such Owner) shall be made by the Board of Directors and be charged to the Co-Owners who abut such limited Common Elements or who are directly affected by such limited Common Elements, as a Common Expense allocable to such Co-Owners alone, unless already paid for by such affected Co-Owners.

9. Terraces, Storage Areas and Driveways

A terrace, storage area and driveway to which a Unit has sole access, shall be for the exclusive use of the Owner of said Unit. The same shall be kept free and clean of snow, ice and any accumulation of water by the Owner of such Unit who shall also make all repairs thereto in accordance with Section 8 hereof except as Board provides.

10. Restrictions on Use of Units

In order to provide for congenial occupancy of the property and for the protection of the values of the Units, the use of the property shall be restricted to and shall be in accordance with the following provisions.

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A. Each of the Units shall be used for single family residences only.

B. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

C. No nuisances shall be allowed on the property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession 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 expense of the respective Co-Owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the property.

E. No portion of the Unit (other than the entire Unit) may be rented or leased.

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.

11. Additions, Alterations or Improvements by Board of Directors

Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements, the Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all Co-Owners for the cost thereof as a Common Expense.

12. Additions, Alterations or Improvements by Co-Owners

Any additions, alterations or improvements in or to his Unit shall not be made by any Co-Owner without the prior written consent thereto of the Board of Directors. A lien for labor or material shall attach to such Co-Owner's interest in the Condominium and not to the Condominium as a whole. The Board of Directors 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 Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any department of the City Government of Maryville and Blount County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialmen 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 12 shall not apply to Units owned by the Declarant until such Unit shall have been initially sold by the Declarant and paid for.

13. 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 Directors, any

furniture, packages or objects of any kind, except with the written consent of the Board of Directors, or their agent.

B. Any Limited Common Elements, which have been designated as herein and otherwise in the plat of record, shall be used only by that or those Units which abut directly thereon, and the use thereof shall be limited only to that to which the same are reasonably suited and which are incident to the use and occupancy of such abutting Units or as otherwise restricted herein on the plat of record.

14. Right of Access

Co-Owner shall grant a right of access to his Unit to the Manager and/or the Managing Agent and/or any other person authorized by the Board of Directors, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating or existing in his Unit or threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Co-Owner is present at the time or not.

15. Electricity, Water and Sewer Charges

The electricity, water and sewer used by each Unit will be billed to that Unit separately by the utility company. Utilities used in any Common Elements will be billed to all of the Co-Owners through the Common Expense Fund.

16. Special Assessments

In addition to the other Common Expenses authorized herein, if either fifty one percent (51%) of the Co-Owners with the concurrence of the Board of Directors 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 said construction, et cetera, shall be financed by increasing the Common Expenses paid by all of the Co-Owners upon the same basis as other Common Expenses are paid and such increased Common Expenses shall be paid monthly over a term of years if satisfactory financing can be obtained.

17. Notice to Board of Directors

A Co-Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors; the Board of Directors shall maintain such information in a book entitled "Mortgages on Units."

18. Notice of Unpaid Common Expenses

The Board of Directors whenever so requested in writing by a mortgagee of a Unit shall promptly report any then unpaid Common Expenses due from, or any other default by the Owner of the mortgaged Unit.

19. Notice of Default

The Board of Directors, when giving notice to a Co-Owner of a default in paying Common Expenses or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors.

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20. Examination of Books

Each mortgagee of a Unit 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.

21. Manager

The Board of Directors may delegate any of its duties, power or functions, including, but not limited to, the authority to record notice of lien provided for in paragraph B of Section 6 hereof and the authority to give subordination agreements provided for in Article 10 of the Master Deed, to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors.

22. Special Committees

The Board of Directors by resolution may designate one or more special committees, each committee to consist of two or more Co-Owners, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such Special Committee or Committees designated shall be appointed by the Board of Directors. The Board of Directors may appoint Owners to fill vacancies on each of said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

23. Grievance Procedure

Any grievance or complaint which a Co-Owner or Co-Owners shall have against any other Co-Owner or Co-Owners for violation of the provisions of the Master Deed, By-Laws, other Rules and Regulations or for any other reason shall be submitted to the Board of Directors for arbitration. All such grievances shall be submitted in writing to the Board of Directors outlining the Co-Owner or Co-Owners complaining, the Co-Owner or Co-Owners complained against, the nature of the complaint, the date of all relevant facts, and the specific violations, if any which are relied upon by the complaining party or parties. A hearing shall be held by the Board of Directors following submission of all complaints within thirty (30) days. If the Board of Directors decides adversely to the complaining party, or fails to act within thirty (30) days of submission of the complaint, the complaining party shall have the right to resort to any other legal remedies which may be available. The grievance procedure set out herein shall be the exclusive remedy for all grievances and complaints, and no Co-Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted. The Board of Directors shall have the authority in its absolute discretion to levy monetary fines or penalties against owners for such violations as stated herein not to exceed One Hundred Dollars (\$100.00), and these shall be added to the assessment for the Unit(s) of such Co-Owner(s). If unpaid, such fines shall constitute a lien against the Unit(s) or such Co-Owner(s).

24. Rules and Regulations

The Board of Directors shall have the right to adopt and amend rules, regulations, restrictions and requirements governing the details of the operation, use and maintenance of

Units, the Common Elements as authorized by the Condominium Act and the Master Deed. Copies of the Rules and Regulations shall be furnished to each Co-Owner prior to the time the same shall become effective.

25. Audit

Any Co-Owner may at any time at his own expense cause an audit or inspection to be made of the books and records of the Manager or Board of Directors. The Board of Directors, as a Common Expense, shall obtain an annual audit of all books and records pertaining to the Property and furnish copies thereof to the Co-Owners.

26. Terms

The terms used herein shall have the same meanings as provided in the Master Deed.

27. Amendment to By-Laws

These By-Laws may be amended by an instrument in writing signed and acknowledged by the record Co-Owners holding sixty five percent (65%) of the total voting power, which amendment shall be effective upon recording.

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

28. Interpretation

The provisions of these By-Laws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provisions or any other provision hereof.

29. Severability

The provisions hereof shall be deemed independent and severable, and the validity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any one provision hereof.

30. 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, wherever the context so requires.

31. Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit, or describe the scope of these By-Laws nor the intent of any provision hereof.

32. Effective Date

These By-Laws shall take effect upon recording of the Master Deed of which they are a part.

33. 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 Plat of record or in these By-Laws shall be deemed to be the same as defined in such Act.

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