

MASTER DEED FOR
EXECUTIVE HOUSE CONDOMINIUM

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MASTER DEED FOR
EXECUTIVE HOUSE COMDOMINIUMS

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MASTER DEED FOR
EXECUTIVE HOUSE CONDOMINIUM

va. 358 01

THIS MASTER DEED, made this the 1st day of FEBRUARY,
1979, by FREEMAN WEBB DEVELOPERS, INC., hereinafter referred to as
"Owner" for itself, its successors, grantees, and assigns,

W I T N E S S E T H:

1. SUBMISSION TO CONDOMINIUM OWNERSHIP.

(a) The purpose of this Master Deed is to submit the
land hereinafter described in Exhibit A, and the improvements
constructed thereon, to the condominium form of ownership and use, in
the manner provided under the provisions of Tennessee Code Annotated,
Section 64-2701, et seq. as amended, known as "The Horizontal
Property Act," which may hereinafter be referred to as the
"Condominium Act."

(b) The name by which this condominium is to be
identified is "Executive House Condominium," hereinafter called the
"Condominium."

(c) The address of the Condominium is 613 Hillsboro
Road, Franklin, Tennessee 37064.

(d) The land, which is hereby submitted to the condo-
minium form of ownership, is fully described in Exhibit A hereto,
which, by reference, is made a part hereof as fully as if copied
herein. The improvements located on such land include, but are not
limited to, four (4) apartment buildings containing twenty-four (24)
one bedroom apartment units, forty (40) two bedroom apartment units,
swimming pool, laundry room, party room, storage areas, television
antenna, outdoor lights and paved parking areas. This land as more
particularly described in Exhibit A and the improvements located
thereon shall hereinafter be referred to as the "Land".

(c) The description and identification of the separate Apartment Units is shown on the plat of Executive House Condominium of record in Book 7, page 87, Register's Office for Williamson County, Tennessee, which is hereby incorporated by reference and hereinafter referred to as the "Plat."

2. DEFINITIONS.

The terms used herein and in the By-Laws, which are attached hereto as Exhibit B, shall have the meanings stated in the Condominium Act, and as follows:

(a) Apartment Unit or Unit shall mean the fee simple estate within each apartment building, as such area is identified, located and described on the Plat and as hereinafter set forth.

(1) The boundaries of each Unit shall be as follows:

(i) The upper boundary shall be its highest ceiling,

(ii) The lower boundary shall be the upper unfinished surface of its floor (i.e. that surface directly beneath the carpeting or other floor covering),

(iii) The vertical boundaries (measuring the horizontal area of an Apartment Unit) shall be the perimeter walls.

(2) Notwithstanding the definition of the boundaries of a Unit contained in subparagraph (1) above, in order to more precisely define the boundaries of a Unit, the following shall govern in determining whether an item is part of the Unit, a Limited Common Element, or a portion of the Common Elements.

(i) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of the upper, lower and vertical boundaries are part of the Unit, and all other portions of the walls, floors, or ceilings constituting part of such boundaries are a part of the Common Elements.

(ii) If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

(iii) Subject to the provisions of the immediately preceding subparagraph (ii), all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

(iv) Any window boxes, doorsteps, stoops, porches, balconies, exterior doors, all windows, and all other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. If a balcony is designed for access by more than one Unit, then such balcony is a Limited Common Element allocated exclusively to the Units it was designed to serve, with each such Unit possessing the right to use all of such balcony to the exclusion of all other Units except the other Unit such balcony was designed to serve. In the event there is any question as to the allocation of any Limited Common Element, Owner retains the right to make such designation for a term of three (3) years or until Owner assigns such right to the Association, whichever event first occurs.

(v) Notwithstanding subparagraphs (i), (ii), (iii) and (iv) above, the window airconditioning units are part of the Unit served by such airconditioning unit.

(b) Apartment Owner means the person or persons holding title in fee simple to an Apartment Unit.

(c) Assessment means a share of the funds required for the payment of expenses and charges which from time to time may be assessed against each Apartment Owner.

(d) Association means the Executive House Condominium Association, Inc., a Tennessee corporation, not for profit, being the

entity responsible for the operation of the Condominium and its successors. Copies of the By-Laws and Articles of Incorporation of the Association are attached hereto, and made a part hereof as Exhibit B and C, respectively.

(e) Common Elements means all of the real property, improvements, and facilities of the Condominium, other than the Apartment Units, as the same are heretofore defined, which definition shall include, but not be limited to, the following:

- (1) Land;
- (2) All foundations, exterior walls, all other main walls, roofs, columns, girders, beams and supports;
- (3) All gardens, plants, trees, yards and landscaping;
- (4) Swimming pool, swimming pool equipment room, and all other recreational facilities;
- (5) All parking area lights and parking areas;
- (6) Laundry room, storage room, party room and other space designed to serve the condominium as a whole;
- (7) All corridors, hallways, entrance areas and stairs located in each apartment building and all fixtures located therein;
- (8) All pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within one Apartment Unit and serving only such Apartment Unit);
- (9) All personal property held and maintained for the joint use and enjoyment of all the Apartment Owners, including but not limited to any lawn equipment, pool equipment, all furniture and furnishings located in common areas, and all assignable leases of personal property, including but not limited to laundry equipment, and all assignable service contracts pertaining to the maintenance of the Common Elements;
- (10) Easements through the Apartment Units and any Limited Common Elements allocated to any Apartment Unit for conduits,

ducts, plumbing, wiring and other facilities for the furnishing or repair of utility service to Apartment Units and Common Elements;

(11) Easements of support in every portion of an Apartment Unit which contribute to the support of an apartment building, including easements for access to and repair of such elements of support;

(12) Easements or encroachments by the perimeter walls, ceilings and floors surrounding each Apartment Unit caused by the settlement of the building or by minor inaccuracies in the plan of the building as recorded, or rebuilding of any part of the building, whether such encroachments now exist or hereafter may exist, all such easements shall continue until such encroachments shall cease to exist.

(13) All other elements and improvements of the Land rationally of common use or necessary to the existence, upkeep and safety of the Condominium established by this Master Deed;

(f) Common Expenses means the following:

(1) Expenses of administration, expenses of maintenance, operation, repair, or replacement of the Common Elements, and Limited Common Elements,

(2) Utility Services,

(3) Expenses declared Common Expenses by provisions of this Master Deed or by the By-Laws, and

(4) Any valid charge against the Condominium as a whole.

(g) Limited Common Elements means a portion of the Common Elements allocated by this Master Deed for the exclusive use of one or more but fewer than all the Apartment Units. In addition to the Limited Common Elements allocated by subparagraphs (ii) and (iv) of Paragraph 2 (a)(2), the following are also hereby declared to be Limited Common Elements and are allocated as follows:

(1) Designated storage areas, the exclusive use of which is assigned by Owner, its successors and assigns, to the Apartment Owners of a particular Apartment Unit.

(2) Owner agrees to assign its right to make the assignments of the storage areas to the Association within three (3) years from the date of this instrument and in the absence of any such specific assignment the Association shall be deemed to have the right to make such assignments upon the expiration of three (3) years from the date of this instrument.

(h) Owner means Freeman Webb Developers, Inc., its successors and assigns, provided such successors and assigns are designated in writing by Owner as a successor or assign of the rights of Owner set forth herein.

(i) Utility Services shall include, but not be limited to, water, sewer, garbage collection, electricity required to operate the lights and other elements deemed to be Common Elements by this Master Deed, and other utility services provided the Condominium as a whole.

3. OWNERSHIP OF COMMON ELEMENTS AND COMMON EXPENSE LIABILITY.

(a) Each Apartment Owner shall own a share in the Common Elements, and shall be liable for Common Expenses to that percentage of the undivided interest in the Common Elements appertaining to each Unit as set forth in Exhibit A-1; provided, however, that the liability for Common Expenses incurred with respect to Limited Common Elements shall be as set forth in Paragraph 6.

(b) Any conveyance of an individual Apartment Unit shall be deemed to also convey the undivided interest of the Apartment Owner in the Common Elements and Limited Common Elements appertaining to said Apartment Unit without specifically or particularly referring to the same.

4. MAINTENANCE AND ALTERATION OF APARTMENT UNITS.

(a) The Association shall maintain, repair and replace the following with respect to Apartment Units:

(1) Such portions of an Apartment Unit which contribute to the support of an apartment building of which the Apartment Unit is a part, which portions shall include, but not be limited to, the outside walls of the apartment building and all fixtures on the exterior thereof, boundary walls of Apartment Units (but expressly excluding interior non-load-bearing partitions), and load-bearing columns and load-bearing walls;

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of Utility Services which are contained in the portions of an Apartment Unit maintained by the Association, and all such facilities contained within an Apartment Unit which service part or parts of the Condominium other than the Apartment Unit within which contained.

(b) The Association is hereby granted all necessary easements of access for such maintenance and repair to Apartment Units. All incidental damage caused to an Apartment Unit by such work shall be promptly repaired at the expense of the Association.

(c) The responsibilities of the Apartment Owner with respect to maintenance of his Apartment Unit shall be:

(1) To maintain, repair, and replace at his expense all portions of his Unit except the portions to be maintained, repaired, and replaced by the Association, including, but not limited to all built-in features, carpets, wall finishings, all appliances, pipes, plumbing, fixtures, wires and conduits serving only his Apartment Unit.

(2) Not to paint, or otherwise decorate, or make any structural changes in, or otherwise change the appearance of, any portion of the building constituting the exterior walls of his or her Apartment Unit or the Limited Common Elements allocated to such Unit except the balcony floor surface which may be decorated by the Apartment Owner pursuant to such rules and regulations which may be made by the Association. Apartment Owners shall not decorate the glass windows of their Units or otherwise change the appearance of the windows as viewed from the exterior of the Unit. The replacement

of window airconditioners shall be subject to rules and regulations adopted by the Association with respect to installation, size, color, electrical requirements and general appearance.

(3) If an Apartment Owner is allocated the exclusive use of a balcony, or portion thereof, such Apartment Owner shall maintain the upper surface of the balcony and shall keep the entire balcony allocated to Apartment Owner in an orderly and clean condition.

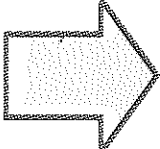
(4) To promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

(5) To comply with the requirements set forth in Paragraph 14 of this Master Deed with respect to the removal or reconstruction of partition walls between adjacent Apartment Units to be used or previously used as a single Unit.

(d) An easement is granted to each Apartment Owner for the maintenance, repair and replacement of those items to be maintained by him which may be located outside his Apartment Unit.

(e) Except as elsewhere reserved to the Owner, neither an Apartment Owner nor the Association shall make any alteration in the portions of an Apartment Unit or the Condominium which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the Condominium, or impair any easement, without first obtaining approval in writing of the owners of all Units in which such work is to be done, and the written approval of the Board of Directors of the Association. A copy of plans for all of such work prepared by an architect, licensed to practice in this state, shall be filed with the Association prior to the start of the work, unless such requirement is waived in writing by the Directors of the Association. The time of performance of such work must be approved, in advance, by the Directors of the Association, or their agent.

5. MAINTENANCE AND ALTERATIONS OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS



(a) The maintenance, operation and repair of the Common Elements and Limited Common Elements shall be the responsibility and the expense of the Association, except as set forth in Paragraph 4(c)(3).

(b) There shall be no alteration or further improvement of the Land constituting a part of the Common Elements without prior approval in writing by the Owners of not less than seventy-five percent (75%) of the votes of the Association, except as provided by the By-Laws, and any such alteration or improvement, if undertaken, shall not interfere with the rights of any mortgagee or Apartment Owner. The shares of any cost of such alteration or improvement shall be assessed to the Apartment Owner in accordance with his interest in the Common Elements. There shall be no change in the shares and rights of an Apartment Owner in the Common Elements which are altered or further improved, whether or not the Apartment Owner contributes to the cost thereof.

6. ASSESSMENTS.

(a) Assessments against Apartment Owners for Common Expenses shall be made pursuant to the By-Laws and shall be allocated as set forth in Paragraph 3 of this Master Deed, except any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed in equal shares against the Units to which that Limited Common Element was assigned at the time the expense was incurred.

(b) Assessments, and installments thereon, paid on or before ten days after the date when due shall not bear interest, but all sums not paid on or before ten days after the date when due shall bear interest at the rate of interest determined by the Association. All payments upon account shall be first applied to interest and then to the assessment payment first due.

(c) The lien for unpaid assessments provided by the Condominium Act and this Master Deed shall also secure reasonable

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attorney's fees and all costs of collection incurred by the Association incident to the collection of such assessment or enforcement of such lien.

(d) In any foreclosure of a lien for assessments the Owner of the Apartment Unit subject to the lien shall be required to pay a reasonable rental for the Apartment Unit after foreclosure proceedings are commenced, and the Association shall be entitled to the appointment of a receiver to collect such rental.

(e) The Apartment Owner and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance, but without prejudice to the rights of the grantees to recover from the grantor the amounts paid by the grantee therefor. Such liability may not be avoided by a waiver of the use of enjoyment of any Common Element or by the abandonment of the Apartment Unit, for which the assessments are made. The Association shall have the right to sue for and collect any such unpaid assessments, or to act by foreclosure of the liens securing the assessments or by any other competent proceeding. In either event the Association shall be entitled to recover in the same action the payments which are delinquent at the time of the judgment or decree, together with interest as set forth above, in sub-paragraph (b) of this Paragraph 6, and all costs of the action, including reasonable attorney's fees.

(f) A purchaser of an Apartment Unit at a foreclosure sale upon a first deed of trust shall be liable only for assessments coming due after such sale and for the portion of due assessments prorated for the period after the date of such sale.

7. POWER OF SALE TO ENFORCE ASSESSMENT LIEN.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the Limited Common Elements, the assumption of the obligations of Apartment Owners set forth in this Master Deed by transferees as required hereunder, the receipt of which is hereby acknowledged, and

to secure the payment of assessments for Common Expenses, and other assessments, assessed against an Apartment Owner by the Association as provided in this Master Deed and By-Laws, interest, and attorney fees as provided herein, hereinafter collectively referred to as the "Secured Charges," a lien is expressly retained by the Association on each and every Apartment Owner's Unit and prorata interest in the Common Elements, hereinafter referred to in this Paragraph 7 as "property".

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the said Apartment Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto Stephen C. Baker, Trustee, his successors and assigns, the property hereinbefore described, with the appurtenances, estate, title and interest thereto belonging upon the uses and trusts set forth in this Paragraph 7.

(c) Trustors agree to (i) pay the Secured Charges when due, as provided in this Master Deed; (ii) upon demand, of said Trustee or the Association, to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against said property and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to keep the improvements on said property in good repair and preservation; and (iv) in case the Trustee or his successors or the Association shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, said property, or the lien of this instrument, or appear in any court to prove the Secured Charges, all the costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed, and be payable by Trustors upon demand of the Trustee or the Association. If Trustors fail to do any of these things, then said Trustee, or the Association

may do any or all of these things, and the amounts so paid shall bear interest at the highest rate allowed under applicable laws in effect from time to time from the date of payment and shall become a part of the Secured Charges secured hereby.

(d) If Trustors shall pay the Secured Charges when due, then this trust conveyance shall be of no further force or effect. But if the Secured Charges are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty days notice by three publications in any newspaper, daily or weekly, published in Williamson County, Tennessee, to sell said property at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, homestead, dower and all exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of the Secured Charges, enter and take possession of said property, and shall only account for the net rents actually received by him. It is further agreed that, in the event the Trustee fails, before selling said property, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorney's fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid on said premises;

(3) Third, to the payment of all unpaid Secured Charges;

(4) Fourth, the residue, if any, will be paid to Trustors, their order, representatives or assigns.

(e) In the case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the Association is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument in writing to be recorded in the Register's Office for Williamson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

8. RIGHTS OF MORTGAGE HOLDERS IN RELATION TO ASSESSMENTS.

(a) The liens as hereinabove set out for the enforcement of assessments shall in all respects be subordinate to holders of first mortgage liens on the individual Apartment Units.

(b) The holder of such a first mortgage, upon request, shall be notified by the Association in writing of any default by the mortgagor of an Apartment Unit in the performance of such a mortgagor's obligations under the condominium documents which is not cured within sixty (60) days.

(c) Where a first mortgagee obtains title to an Apartment Unit by reason of foreclosure of a mortgage covering a Unit, or by a deed in lieu of foreclosure, such mortgagee, its successors, or assigns, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such mortgagee comes into possession of the Unit (except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units including the mortgaged Unit), it being understood, however, that the above shall not be construed to prevent the Association from filing and claiming liens for such assessments and enforcing same as provided by law, against the prior Apartment Owner;

9. ASSOCIATION. The operation of the Condominium shall be by the Executive House Condominium Association, Inc., herein called the Association, a corporation, not for profit, under the laws of Tennessee, which shall be organized and shall fulfill its functions pursuant to the following provisions:

(a) The members of the Association shall be the Apartment Owners, as set forth in the attached By-Laws.

(b) The Association shall be incorporated under Articles of Incorporation in the form attached as Exhibit "C."

(c) The By-Laws of the Association shall be in the form attached as Exhibit "B."

(d) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his Apartment Unit.

(e) Whenever the decision of an Apartment Owner is required under any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such Owner if in an Association meeting, unless the joinder of record Owners is specifically required by this Master Deed.

10. INSURANCE.

(a) Multi-Peril, all risk insurance policies shall be purchased by the Association for the use and benefit of individual Apartment Owners and their mortgagees. The Association shall issue certificates of insurance to each Apartment Owner showing and describing the insurance coverage for the interest of each such Apartment Owner, and shall develop procedures for the issuance of a certified copy of the policy together with standard mortgagee endorsement clauses to the mortgagees of Apartment Owners. Such policies shall waive rights of subrogation as between Apartment Owners. To the extent that such Apartment Owners are covered by such multi-peril all risk insurance policies as are purchased by the Association, or themselves, they shall not be liable for damage

caused by their acts, or negligent acts which cause damage to the Common Elements, Limited Common Elements, or another Apartment Unit.

(b) Insurance Coverage.

(1) The entire Condominium, all buildings, all improvements upon the Land, (excluding all improvements, additions and contents of the Apartment Units) and all personal property included in the Common Elements and Limited Common Elements shall be insured in an amount as may be determined annually by the Association, but such amount shall be equal to the maximum insurable replacement value, and in any event, such multi-peril all risk policy as is purchased by the Association shall cover the entire Condominium Property and provide a minimum property and fire and extended coverage insurance on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy, but such policy or policies shall not be less than one hundred percent (100%) of the insurable value (based upon replacement cost). Such insurance coverages may exclude foundation and excavation costs, but shall afford protection against loss or damage as is commonly covered by a multi-peril all risk type policy with fire and extended coverage endorsement, and such other risks as are customarily covered with respect to buildings similar to the buildings and improvements on the Land, such as vandalism and malicious mischief;

(2) Public Liability Insurance shall be secured in such amounts, and with such coverage, as shall be determined by the Board of Directors of the Association but such policy or policies shall be in an amount not less than One Million Dollars (\$1,000,000) per occurrence, including, but not limited to, hired automobile and non-owned automobile, with cross-liability endorsement to cover liabilities of the Apartment Owners as a group to individual Apartment Owners;

(3) Workman's Compensation as required by law;

(4) Directors and officers liability insurance in an amount determined by the Board of Directors, but not less than \$250,000 per occurrence.

(5) Such other insurance as the Association shall determine from time to time to be desirable and in the best interest of Apartment Owners;

(6) All policies of insurance shall show the named insured, in form and substance, similar to the following:

"Executive House Condominium Association, Inc., for use and benefit of the individual Apartment Owners." Such policy shall contain, or have issued in connection therewith, a loss payable clause which shall be endorsed to provide that any proceeds due shall be paid to the Insurance Trustee, as hereinafter defined, subject to the provisions of this Master Deed for the use and benefit of Metropolitan Life Insurance Company, the holder of a first deed of trust on all of the Land, of record in Trust Deed Book 135, page 374, Register's Office for Williamson County, Tennessee, the mortgagees of individual Apartment Units, if any, and Apartment Owners as their interests may appear. All hazard insurance policies shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of A-9 or better.

(c) Premiums upon insurance policies purchased by the Association shall be paid by the Association and the costs thereof included in common charges made to individual Apartment Owners.

(d) The Association is hereby irrevocably appointed agent for each Apartment Owner to purchase any other insurance as described and set forth in (b), (1), (2), (3), (4) above and to adjust all claims arising under insurance policies purchased by the Association with the consent of mortgagees holding liens on the Condominium Property and with the consent of such mortgagees to execute and deliver releases upon the payment of claims. However all insurance drafts notices, policies and invoices, and other necessary documents shall be delivered, after settlement, directly to the affected mortgagee or its servicer.

11. RESPONSIBILITIES OF INSURANCE TRUSTEE.

(a) All insurance policies purchased by the Association shall provide that proceeds covering property losses shall be paid to

any bank in Tennessee which is selected by the Association as a Trustee, which bank is herein referred to as the Insurance Trustee. The Insurance Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of policies, or for the failure to collect any insurance proceeds.

(b) The duty of the Insurance Trustee shall be to receive such proceeds as are paid, and to hold them in trust for the benefit of Metropolitan Life Insurance Company, the holder of a first deed of trust on all of the Land, of record in Trust Deed Book 135, page 374, Register's Office for Williamson County, Tennessee, the mortgagees of individual Apartment Units, if any, and Apartment Owners as their interests may appear. An undivided share of such proceeds on account of damages to Common Elements shall be allocated to the Apartment Owners according to their shares of the Common Elements set forth in Paragraph 3. In the event a mortgagee endorsement has been issued as to an Apartment Unit, the share of the Apartment Owner shall be held in trust for the named mortgagees and the Apartment Owner as their interests may appear.

(c) Expenses and fees of the Insurance Trustee shall be paid by the Association and costs thereof included in Common Expenses assessed to individual Apartment Owners.

(d) Proceeds of insurance policies received by the Insurance Trustee shall be distributed as follows:

(1) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be expended as provided in Paragraph 13. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, with remittances to Apartment Owners and mortgagees of individual units being payable jointly to them. This is a covenant for the benefit of any mortgagee of an individual Apartment Unit and may be enforced by such mortgagee.

(2) If it is determined, as provided in Paragraph 12, that the damage for which the proceeds are paid shall not be

reconstructed or repaired, the proceeds shall be distributed to Metropolitan Life Insurance Company, the holder of a first deed of trust on all of the Land, of record in Trust Deed Book 135, page 374, Register's Office for Williamson County, Tennessee, the mortgagees of individual Apartment Units, if any, and Apartment Owners as their interests may appear. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

(3) In making distributions to Apartment Owners and mortgagees, the Insurance Trustee shall rely upon a certificate executed (i) by the Association as to the names of the Apartment Owners, and (ii) by each of the mortgagees as to their respective shares of the distribution.

12. WHEN DAMAGED PROPERTY IS TO BE RECONSTRUCTED OR REPAIRED.

(a) If Common Elements are damaged, they shall be reconstructed or repaired, unless it is determined under Paragraph 21 that the Condominium shall be terminated.

(b) If the damaged property is the apartment buildings, and if Apartment Units with more than one-third (1/3) of the Common Elements appurtenant thereto are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired, unless, within sixty (60) days after the casualty, it is determined under Paragraph 21 that the Condominium shall be terminated.

(c) If the damaged property is the apartment buildings, and if Apartment Units with up to two-thirds (2/3) of the Common Elements appurtenant thereto are found by the Board of Directors of the Association not to be tenantable, the damaged property will not be reconstructed or repaired, and the Condominium will be terminated under Paragraph 21, unless, within sixty days after the casualty, the Owners of the Apartment Units with three-fourths (3/4) of the Common Elements appurtenant thereto agree in writing to such reconstruction or repair.

(d) Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings or if not, then according to plans and specifications approved by the Board of Directors of the Association, and by the Owners of the Apartment Units with three-fourths (3/4) of the Common Elements appurtenant thereto, including the Owners of all damaged Apartment Units, which approval shall not be unreasonably withheld.

13. RESPONSIBILITIES AND PROCEDURES AS TO PAYMENT FOR REPAIRS.

(a) If damage occurs only to those parts of an Apartment Unit for which the responsibility of maintenance and repair is that of the Apartment Owner, then the Apartment Owner shall be responsible for the prompt reconstruction and repair after the casualty. In all other instances the responsibility of reconstruction and repair after the casualty shall be that of the Association. In the event the Apartment Owner fails to make such repairs or reconstruction promptly, the Association reserves the right to make such repairs and to assess the Apartment Owner therefor, plus fifteen percent (15%) of all sums expended in repair or reconstruction as a fee for the Association's services.

(b) Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair the damaged property to a condition as good as that existing immediately before the casualty.

(c) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the Apartment Owners who own the damaged property, and against all Apartment Owners in the case of damage to Common Elements, in sufficient amounts to provide funds to pay the estimated costs. Additional assessments may be made at any time during, or following the completion of construction. Such assessments against Apartment Owners for damage to Apartment Units shall be

in proportion to the cost of reconstruction and repair of their respective Apartment Units. Such assessments on account of damage to Common Elements shall be in proportion to the Apartment Owner's share in the Common Elements.

(d) If the amount of the estimated costs of reconstruction and repairs for which the Association is responsible is more than Thirty Thousand Dollars (\$30,000.00) in excess of the amount of insurance proceeds available for such reconstruction or repair, the assessments paid to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair.

(e) The proceeds from assessments and insurance received by the Insurance Trustee shall be disbursed as follows:

(1) The portion of insurance proceeds representing damage, reconstruction, and repair which is the responsibility of the Apartment Owner, shall be paid by the Insurance Trustee to the Apartment Owner, for repair, or if there is a mortgagee endorsement, then to the Apartment Owner and the mortgagee jointly.

(2) The portion of insurance proceeds representing damage, the reconstruction and repair which is the responsibility of the Association, shall be disbursed in payment of the costs of such repair and reconstruction in the manner required by the Board of Directors of the Association.

14. USE RESTRICTIONS.

The use of the Condominium shall be in accordance with the following provisions:

(a) Each of the Apartment Units shall be occupied only by a family or individual, and guests, as a residence, and for no other purpose. No Apartment Unit may be divided or subdivided into a smaller unit, nor any portion thereof sold or otherwise transferred.

(b) Two or more adjoining Apartment Units may be used as a single unit subject to the use restrictions of this Paragraph

14. That portion of the Common Elements located between and separating two or more adjacent Units used together may be altered or removed to afford ingress and egress to and from such Units to enhance the use of such Units as a single Unit. The Apartment Owner's right to use this portion of the Common Elements shall be pursuant to a license agreement with the Association subject to the following conditions:

(1) the expense of making such alterations shall be paid in full by the Apartment Owner or Owners making such alterations;

(2) in the event such Units shall cease to be used as a single Unit, the Apartment Owner or Owners shall pay the full expense of restoring such Common Elements to their condition prior to such alterations; and

(3) the Apartment Owner must comply with the requirements of Paragraph 4, subparagraph (e) of this Master Deed for the construction or removal of the Common Elements separating such Apartment Units.

(c) The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Apartment Units.

(d) No use or practice shall be permitted on the Condominium which is the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the Condominium by its residents. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No Apartment Owner shall permit any use of his Apartment Unit, or of the Common Elements, which will increase the rate of insurance upon the Condominium. No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies

which require maintenance, modification, or repair of the Condominium shall be the responsibility of the person or entity responsible for the maintenance and repair of the property concerned. No rooms may be rented to transient guests.

(e) Reasonable rules and regulations concerning the use of the Condominium property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and By-Laws. Copies of such regulations and amendments thereto shall be furnished by the Association to all Apartment Owners and residents of the Condominium upon request.

15. OWNER'S UNITS AND PRIVILEGES.

(a) The Owner (Freeman Webb Developers, Inc.) is irrevocably empowered, notwithstanding anything herein to the contrary, to sell, lease, or rent Apartment Units to any person approved by it. Said Owner shall have the right to transact, on the Condominium property, any business necessary to consummate the sale or lease of Units, including, but not limited to, the right to have signs, employees in a sales office, use the Common Elements and to show Apartment Units. Signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Owner.

(b) Until the Owner shall have sold all of the Owner's Apartment Units, neither the Apartment Owners, nor the Association, nor the use of the Condominium property, shall interfere with the sale of Apartment Units, and, so long as there are unsold Apartment Units, the Owner shall have the right to be Owner thereof, under the same terms and conditions as other Apartment Owners, save for this right to sell, rent or lease as contained in this paragraph, including the privilege to vote and the duty to pay assessments on the Apartment Units so held.

16. MORTGAGING OF APARTMENTS.

No Apartment Owner may mortgage his Apartment Unit or any interest therein without the approval of the Association, except

to a bank, a real estate investment trust, life insurance company, or a federal or state savings and loan association, or the Tennessee Housing Development Agency, or any other entity of the State of Tennessee or the United States qualified to make mortgage loans on condominiums. Additionally, any individual Apartment Owner may retain a vendor's lien, whether such be by mortgage, deed of trust, or installment deed, upon the sale of an Apartment Unit by such Apartment Owner to a subsequent purchaser. The approval of any other mortgage shall be subject to conditions determined by the Association.

17. NOTICE OF MORTGAGE LIEN OR SUIT.

(a) An Apartment Owner shall give notice to the Association of every lien upon his Apartment Unit, other than for mortgages as set out in Paragraph 16 above, taxes, and special assessments, within ten (10) days after the attaching of the lien.

(b) Notice shall be given to the Association of every suit or other proceeding which may affect the title to his Apartment Unit within five (5) days after the Apartment Owner receives knowledge thereof.

(c) Those mortgages described in Paragraph 16 above shall be reported to the Association by the Apartment Owner within thirty (30) days of their becoming a valid encumbrance on the Apartment Unit.

(d) Failure to comply with this Paragraph 17 will not affect the validity of any mortgage instrument or the enforcement thereof at public sale or at any judicial sale to enforce the liens considered herein.

18. COMPLIANCE, DEFAULT AND REMEDIES.

(a) Each Apartment Owner shall be governed by, and shall comply with, the terms of this Master Deed, the Articles of Incorporation, By-Laws, and rules and regulations adopted pursuant thereto, and by such documents and regulations as they may be amended

from time to time. A default shall entitle the Association to the relief described in sub-paragraph (b) and (c) of this paragraph 18 in addition to the remedies provided by the Condominium Act. A default shall entitle the Apartment Owner to the relief described in sub-paragraph (b) of this paragraph 18.

(b) An Apartment Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment, of an Apartment Unit, or its appurtenances. In any proceeding arising because of an alleged default by an Apartment Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

(c) In the event of any violation of the provisions of the Act, this Master Deed, By-Laws, or rules and regulations of the Association by any Apartment Owner (either by his own conduct or by the conduct of any occupant of his Unit), the Association, or its successors or assigns, shall have each and all of the rights and remedies which may be provided for in the Condominium Act, this Master Deed, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Apartment Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Apartment Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided hereinafter in this subparagraph (c), or for any combination of remedies, or for any other relief. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's

fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the highest rate allowed by applicable law, until paid, shall be charged to and assessed against such defaulting Apartment Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Association shall have a lien for all of the same, as well as for nonpayment of Common Expenses, upon the Unit, and its appurtenant interest in the Common Elements, of such defaulting Apartment Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Land; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit, to the extent hereinabove set forth in Paragraph 8 hereof. In the event of any such default by any Apartment Owner, the Board of Directors and the Manager or Managing Agent, if so authorized by the Board of Directors shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Apartment Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board of Directors.

(d) The violation of any restriction or condition or regulation adopted by the Board of Directors, or the breach of any covenant or provision herein contained, shall give the Board of Directors the right, in addition to any other rights provided for in this Master Deed:

(1) to enter (either peaceably or forcefully without liability to such Apartment Owner for such entry) upon the Unit, or any portion of the Land upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Apartment Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board of Directors, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or

(2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or

(3) to take possession (either peaceably or forceably without liability to such Unit Owner for such entry) of such Apartment Owner's interest in the Land and to maintain an action for possession of such Unit in the manner provided by law.

(e) If any Apartment Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate the Condominium Act, or any of the covenants or restrictions or provisions of this Master Deed, the By-Laws, or the regulations adopted by the Board of Directors, and if such default or violation shall continue for ten (10) days after notice to the Apartment Owner in writing from the Board of Directors, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board of Directors, then the Board of Directors shall have the power to issue to said defaulting Apartment Owner a notice in writing terminating the rights of said defaulting Apartment Owner to continue as an Apartment Owner and to continue to occupy, use, or control his Unit, and thereupon an action in equity may be filed by the Board of Directors against said defaulting Apartment Owner for a decree of mandatory injunction against such defaulting Apartment Owner or occupant, or in the alternative, for a decree declaring the termination of said defaulting Apartment Owner's right to occupy, use, or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Owner in such Unit and his interest in the Common Elements be sold (subject to the lien of any existing deed of trust or mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Apartment Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the

proceeding and sale, and all such items shall be taxed against said defaulting Apartment Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder, or any liens, shall be paid to said defaulting Apartment Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Apartment Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in such Unit and the Common Elements subject to this Master Deed.

(f) The failure of the Association or any Apartment Owner to enforce any covenant, restriction, or other provision of the Condominium Act, this Master Deed, the Articles of Incorporation, the By-Laws, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

19. TRANSFER OF A UNIT.

(a) Unrestricted Transfers. Subject to subparagraph (b) below, an Apartment Owner may, without restriction under this Paragraph 19 of this Master Deed, sell, give, devise, lease, or otherwise transfer his Unit, or any interest therein, to his spouse, or to his child, parent, brother, sister, grandchild or descendant or to any one or more of them, or to any trustee of a trust, the sole beneficiary of which is Apartment Owner or his spouse, child, parent, brother, sister, grandchild, or descendant or any one or more of them. Notice of any such unrestricted transfer shall be given to the Association within thirty (30) days following consummation of such transfer.

(b) Leases. A copy of every lease of an Apartment Unit, as and when executed, shall be furnished to the Board. The terms of every such lease shall provide that the lessee under every such lease shall be bound by and subject to all of the obligations of

the Apartment Owner under this Master Deed and By-Laws. The Apartment Owner making such lease shall not be relieved thereby from any of said obligations. The Board shall have all the authority in its sole discretion to require at any time that any Apartment Owner who is leasing his Unit, place on deposit with the Board such reasonable sums as the Board may require and determine to be used as an indemnity against loss or damage to the Common Elements which might be caused by such Apartment Owner's lessee. The terms of the indemnity shall be such terms as might be satisfactory to the Board. The Board shall furnish Apartment Owner a notice in writing which shall constitute that Apartment Owner's notice to make such deposit. In the event Apartment Owner fails to comply with the terms of the notice within ten (10) days from the date the notice is mailed to him, the Board at its option may elect to terminate the subject lease. The Board shall give Apartment Owner and his lessee notice of such election in writing. Within ten (10) days after said notice is placed in the United States mail addressed to Apartment Owner's last known address or within ten (10) days after a written notice of such election is delivered to the residence of the lessee, whichever shall last occur, lessee shall forthwith and immediately vacate the subject Unit and Apartment Owner shall take such further action as may be necessary to insure that said lessee vacates said Unit.

(c) Notice to Association of Certain Transfers.

Whenever an Apartment Owner shall propose to sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to any person or entity other than a person or entity described in subparagraph (a) above, such Apartment Owner shall give the Association written notice within thirty (30) days (before or after closing) of the transfer, which notice shall briefly describe the transfer and shall state the name, address and financial and character references of the proposed transferee. The notice shall also include a copy of the lease, contract for sale, or other documents effecting said transfer.

(d) Association's Right to Purchase at a Foreclosure Sale. The Board shall have the power and authority to purchase, on behalf of the Association, any Unit, or interest therein, at a sale pursuant to this Master Deed, a deed of trust or mortgage foreclosure, a foreclosure of the lien for common expenses under the Condominium Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Apartment Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Such consent shall set forth the maximum price which the Board of Directors or its duly authorized agent may pay for such Unit.

(e) Financing of Purchase by Association. The Board of Directors shall have authority to make special assessments proportionately among the respective Apartment Owners, and such other financing arrangements as the Board of Directors may deem desirable, in order to close and consummate the purchase of a Unit, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in property other than the Unit to be purchased and the interest in the Common Elements appurtenant thereto.

(f) Miscellaneous.

(1) A transfer or lease of a Unit, or interest therein, by or to the Board, Owner or the holder of any deed of trust or mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to remedies provided in such deed of trust or mortgage, or pursuant to foreclosure of such deed of trust or mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such deed of trust or mortgage, shall not be subject to the provisions of this Paragraph 19.

(2) The Association shall hold or lease any Unit, pursuant to the terms hereof, in the name of the Association, or a nominee thereof delegated by the Board of Directors, for the benefit of all Unit Owners. The Board of Directors shall have authority at any time to sell, lease or sublease said Unit on behalf of the

Association upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold for less than the amount paid by the Association to purchase the Unit unless Apartment Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements first authorize the sale for such lesser amount.

(3) All notices referred to or required under this Paragraph 19 shall be given in writing by certified mail return receipt requested or by personal service.

(4) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Paragraph 19, for the purpose of implementing and effectuating said provisions.

(5) If any transfer or lease of a Unit is made or attempted without complying with the provisions of this Paragraph 19, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association hereunder and otherwise.

20. AMENDMENTS.

This Master Deed may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy, at the meetings in which the amendment is considered may express their approval in writing, providing such approval is delivered to the secretary. Such approval must be by seventy-five percent (75%) of the votes of the entire membership of the Association. Until the first election of Directors, any amendment must be approved by the initial Board of Directors.

(c) No amendment shall discriminate against any Apartment Owner, or against any Apartment Unit or class or group of

Apartment Units, unless the Apartment Owners so affected shall consent. No amendment shall change any Apartment Unit, nor the share of the Common Elements appurtenant to it; nor increase the Apartment Owner's share of the Common Expenses, unless the Apartment Owner of the Apartment Unit, and all record owners of liens thereon, shall join in the execution of the amendment, and the provisions of Paragraphs 6 and 22 are followed.

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Register's Office of Williamson County, Tennessee.

21. TERMINATION.

The Condominium may be terminated as follows:

(a) In the event it is determined under Paragraph 12(c) that the apartment building shall not be reconstructed because of substantial loss in accordance with T.C.A. §64-2718 as amended, the Condominium shall be terminated.

(b) The Condominium may be terminated at any time after obtaining the prior approval in writing of all Apartment Owners, and by all record owners of liens thereon in accordance with T.C.A. §64-2709.

(c) The termination of the Condominium shall be evidenced by a deed in compliance with T.C.A. §64-2709, certifying the facts effecting the termination, which deed shall become effective upon being recorded in the Register's Office of Williamson County, Tennessee.

22. APPROVAL RIGHTS OF MORTGAGEES.

Unless at least sixty-six and two-thirds percent (66-2/3%) of the first mortgagees (based upon one vote for each Apartment upon which a mortgage is owned), or Apartment Owner's (other than Owner) of the Apartment Units have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon or terminate the Condominium project except as provided by T.C.A. §64-271B, as amended, in case of substantial loss to the Apartment Units and the Common Elements of the Condominium;

(b) Change the pro rata interest or obligations of any Apartment Unit for the purpose of:

(1) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

(2) Determining the pro rata share of ownership of each Apartment Unit in the Common Elements;

(c) Partition or subdivide any Apartment Unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium project shall not be deemed a transfer within the meaning of this clause);

(e) Use hazard insurance proceeds for losses to any Condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium property, except as provided by statute in case of substantial loss to the Apartment Units and/or Common Elements of the Condominium project.

23. FURTHER ASSURANCES FOR FIRST MORTGAGEES.

Notwithstanding anything to the contrary contained in this Master Deed or in the By-Laws of the Association, all terms, conditions, regulations, and requirements which are now existing, or which may be amended from time to time by the Federal Home Loan Mortgage Corporation pertaining to condominiums, are hereby incorporated as terms and conditions of this Master Deed and By-Laws and such shall be governing upon the Condominium, Owner, and the Association, so long as such terms or conditions neither are inconsistent with the Laws of the State of Tennessee as found in

T.C.A. §64-2701, et seq., as amended nor deprive any Apartment Owner of vested property rights secured by the Laws of the State of Tennessee. Specifically, without limitation upon the foregoing, and in addition to all other rights as may be provided herein or in the Condominium Act, the following provisions shall be complied with regarding the Condominium:

(a) Any first mortgagee who obtains title to an Apartment Unit pursuant to the remedies provided in the mortgage or deed of trust, or upon foreclosure of the mortgage or deed of trust or upon receiving a deed (or assignment) in lieu of foreclosure will be exempt from the provisions of Paragraph 19 relating to the rights of the Association upon transfer of an Apartment Unit. Specifically, and without limitation upon the above provisions of Subparagraph (a), the Master Deed, the attached By-Laws, or any other of the Condominium's constituent documents shall not impair the rights of a first mortgagee to:

- (1) Foreclose or take title to an Apartment Unit pursuant to the remedies provided in the mortgage, or
- (2) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or
- (3) Sell or lease a unit acquired by the mortgagee.

(b) First mortgagees shall have the right to examine the books and records of the Association at reasonable times and upon reasonable notice.

(c) Condominium Assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis and shall be payable in regular installments rather than by special assessments.

(d) No interpretation shall be given to this Master Deed or any of the other Condominium constituent documents which would give an Apartment Owner, or any other party, priority over any rights of first mortgagees of Apartment Units pursuant to their mortgages in the case of a distribution to Apartment Owners of insurance proceeds or condemnation awards for losses to or a taking of Apartment Units and/or Common Elements.

(e) Any agreement for professional management of the condominium project, or any other contract providing for services by the Owner may not have a term greater than three (3) years and must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

(f) The Association, upon receiving notification of the existence of a first mortgage on any particular Apartment Unit, shall provide notice in writing to such mortgagee, or to such other entity as such mortgagee may direct, of any loss to, or taking of, the Common Elements of the Condominium project if such loss or taking exceeds Twenty Thousand Dollars (\$20,000.00), or damage to an Apartment Unit covered by such mortgage if such loss or taking exceeds Two Thousand Dollars (\$2,000.00).

24. NON-LIABILITY OF THE OWNER, DIRECTORS AND OFFICERS OF THE ASSOCIATION. The Owner, directors and officers of the Association shall not be personally liable to the Apartment Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Owner, director or officer, except for any acts or omissions found by a Court to constitute gross negligence or fraud. The Apartment Owners shall indemnify and hold harmless each of the directors, officers, or Owner, and their respective heirs, executors, administrators, successors and assigns, in accordance with the provisions of Paragraph 8 of the By-Laws.

25. DUTY OF APARTMENT OWNERS TO PAY REAL PROPERTY TAXES.

All Apartment Owners shall be required to pay all real property taxes assessed against such Apartment Owner's Unit and his respective interest in the Common Elements on or before January 1 of the year following the year for which such taxes were assessed. If such taxes are not paid by said date, then Owner may elect to pay such taxes and in such event Owner shall have a right to collect the amount paid from the Apartment Owner, plus interest from the date of

such payment at the highest rate permitted to be charged under the laws of the State of Tennessee in effect from to time, together with all costs of collection, including reasonable attorney's fees.

26. FORM OF DEED.

The form of deed, which will be used to convey Apartments Units to the Owners under the terms of this Master Deed, shall be substantially in accordance with the form which is attached hereto as Exhibit "D," which by reference is made a part hereof, as fully as if copied herein.

27. REGULATION BY THE CITY OF FRANKLIN.

The City of Franklin, Tennessee requires by ordinance certain requirements as to the maintenance and upkeep of common areas. Therefore, it shall be expressly understood and agreed to by each Apartment Unit Owner that the City of Franklin, Tennessee, is hereby authorized and empowered to require the Association and each Apartment Unit Owner, jointly and severally, to provide for the orderly maintenance and upkeep of the Common Elements. In the event that the City of Franklin, Tennessee, or any agent thereof, determines in its sole discretion, that the Common Elements are not being maintained in an orderly fashion or that the Common Elements are unsightly, the City of Franklin, Tennessee and its agents, may upon ten (10) days notice to the Association enter upon the Common Elements and make any repairs or improvements to the Common Elements which City of Franklin, and its agents, in its sole discretion, deem necessary to restore the maintenance and upkeep of the Common Elements to an orderly condition and to alleviate any unsightly problems associated with the Common Elements. Thereafter, the Association and each Apartment Unit Owner shall be obligated to pay to the City of Franklin its costs for all improvements, work, and/or labor, supplied or furnished to the Common Elements. The obligation to pay said costs shall be a personal obligation of the Association and each Apartment Unit Owner, jointly and severally. All such costs

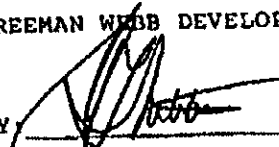
shall be paid to the City of Franklin, Tennessee within five (5) days of receipt from the City of Franklin, Tennessee of a statement for such costs, which receipt shall be required to be served upon the President of the Association only. All Apartment Unit Owners hereby waive notice of receipt of said statement for such costs. In order to secure payment at and after the due date, there shall arise a continuing lien and charge against each Unit in favor of the City of Franklin, the amount of which shall include cost and reasonable attorneys' fees to the extent permissible by law. The City of Franklin, Tennessee may bring an action at law against the Association and/or any Apartment Unit Owner, or foreclose the lien against any property owned by the Association or against any property owned by any Apartment Unit Owner. Neither the Association or any Apartment Unit Owner may waive or otherwise escape liability for the cost incurred by the City of Franklin, Tennessee as described herein.

28. SEVERABILITY.

The invalidity in whole or in part of any covenant or restriction, or any paragraph, subparagraph, sentence, clause, phrase, or word, or other provision of this Master Deed and the Articles of Incorporation, By-Laws, and regulations of the Association shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, Freeman Webb Developers, Inc., as owner of the real estate herein conveyed, as Owner, has executed this Master Deed on the 15th day of February, 1979.

FREEMAN WEBB DEVELOPERS, INC.

BY 

TITLE: SECRETARY AND TREASURER

"OWNER"

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, Betty R. Powers, a Notary Public in and for the County and State aforesaid, personally appeared James A. Webb III, with whom I am personally acquainted, and who upon oath acknowledged himself to be Sec. - Treas. of Freeman Webb Developers, Inc, the within named bargainor, a corporation, and that he as such Sec. - Treas., being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by James A. Webb III as Sec. - Treas..

Witness my hand and seal, at office in Nashville, Tennessee this the 1st day of February, 1980.

My Commission Expires: 7-26-80

Betty R. Powers
NOTARY PUBLIC



EXHIBIT "A" TO MASTER DEED OF EXECUTIVE HOUSE CONDOMINIUM

A lot or parcel of land lying wholly within the City of Franklin, Ninth Civil District, Williamson County, Tennessee, and bound in general, by Moody on the North, US 431 on the east, Friendship Methodist Church on the south and Reese on the west.

Beginning in the west margin of US Hwy. 431 at the southeast corner of Moody, thence with said west margin with a curve to the left of radius 9590 feet for a length of 420.0 feet to an iron pin; thence with a new line, South 61 degrees West 533 feet to an iron pin in Reese's east fence line; thence with his east fence line, North 0 degrees 55 minutes East 660.2 feet to Moody's southwest corner; thence with his south fence line, South 89 degrees 50 minutes East 300.6 feet to the point of beginning, and containing 4.9 acres more or less, according to a survey made by C. K. McLemore on August 1, 1965.

Being the same property conveyed to Freeman Webb Developers, Inc. by deed of record in Book 358, page 990, Register's Office for Williamson County, Tennessee.

EXHIBIT A-1 TO MASTER DEED FOR EXECUTIVE HOUSE CONDOMINIUM

PERCENTAGE OF EACH APARTMENT UNIT'S UNDIVIDED OWNERSHIP INTEREST IN COMMON ELEMENTS

| APT. UNIT # | % of Ownership | APT. UNIT # | % of Ownership |
|-------------|----------------|-------------|----------------|
| A11 | 1.65816 | C11 | 1.65816 |
| A12 | 1.65816 | C12 | 1.65816 |
| A13 | 1.40307 | C13 | 1.40307 |
| A14 | 1.40307 | C14 | 1.40307 |
| A15 | 1.40307 | C15 | 1.40307 |
| A16 | 1.40307 | C16 | 1.40307 |
| A17 | 1.65816 | C17 | 1.65816 |
| A18 | 1.65816 | C18 | 1.65816 |
| A21 | 1.65816 | C21 | 1.65816 |
| A22 | 1.65816 | C22 | 1.65816 |
| A23 | 1.40307 | C23 | 1.40306 |
| A24 | 1.40307 | C24 | 1.40306 |
| A25 | 1.40307 | C25 | 1.40306 |
| A26 | 1.40307 | C26 | 1.40306 |
| A27 | 1.65816 | C27 | 1.65816 |
| A28 | 1.65816 | C28 | 1.65816 |
| B11 | 1.65816 | D11 | 1.65816 |
| B12 | 1.65816 | D12 | 1.65816 |
| B13 | 1.40307 | D13 | 1.65816 |
| B14 | 1.40307 | D14 | 1.65816 |
| B15 | 1.40307 | D15 | 1.65816 |
| B16 | 1.40307 | D16 | 1.65816 |
| B17 | 1.65816 | D17 | 1.65816 |
| B18 | 1.65816 | D18 | 1.65816 |
| B21 | 1.65816 | D21 | 1.65816 |
| B22 | 1.65816 | D22 | 1.65816 |
| B23 | 1.40307 | D23 | 1.65816 |
| B24 | 1.40307 | D24 | 1.65816 |
| B25 | 1.40307 | D25 | 1.65816 |
| B26 | 1.40307 | D26 | 1.65816 |
| B27 | 1.65816 | D27 | 1.65816 |
| B28 | 1.65816 | D28 | 1.65816 |

EXHIBIT "B" TO MASTER DEED OF EXECUTIVE HOUSE CONDOMINIUM

BY-LAWS FOR EXECUTIVE HOUSE CONDOMINIUM
AND EXECUTIVE HOUSE CONDOMINIUM ASSOCIATION, INC.1. Identity.

(a) These are the By-Laws of Executive House Condominium herein called "the Condominium" and Executive House Condominium Association, Inc., herein called "the Association", a corporation not for profit, incorporated under the laws of the State of Tennessee, the Charter of which was filed in the Office of the Secretary of State of Tennessee on January 29, 1980, and is of record in that Office under Document No. 00133 00543, and is also of record in the Office of the Register of Williamson County, Tennessee, in Book 358, page 983.

(b) The Association has been organized for the purpose of administering a Condominium established by a Master Deed of record in Book 359, page 1, Register's Office of Williamson County, Tennessee, herein called the "Master Deed," pursuant to Title 64, Sections 2701 et seq. as amended, Tennessee Code Annotated, herein called the "Horizontal Property Act", which Condominium is identified by the name Executive House Condominium, and is located upon property with an address of 613 Hillsboro Road, Franklin, Tennessee, 37064.

(c) The office of the Association shall be at 613 Hillsboro Road, Franklin, Tennessee, 37064.

2. Members.

The members of this Association shall be Freeman Webb Developers, Inc., hereinafter referred to as "Owner" and all subsequent Apartment Owners in Executive House Condominium.

3. Meetings of Members.

(a) The first annual meeting of the members shall be held, at the office of the Association or other place to be designated by the Board of Directors, on December 4, 1980, at 7:00

o'clock p.m. Thereafter, the annual meeting of members shall be held on the first (1st) Tuesday in each December at 7:00 p.m. or as scheduled by the Board of Directors.

(b) Special meetings of members shall be held whenever called by the President or Vice-President, or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast not less than one-third (1/3) of the votes of the entire membership.

(c) Notice of all members' meetings, stating the time and place, and the objects for which the meeting is called, shall be given by the President or Vice-President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association, and shall be mailed not less than ten (10) days, nor more than sixty (60) days, prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

(d) A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting for at least ten (10) days, and adequate notice of the new date shall be given as described in subparagraph (c) of this Paragraph 3.

(e) The aggregate number of votes for all Apartment Owners shall be one hundred (100) and shall be allocated among the Apartment Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit A-1 of the Master Deed.

(f) If an Apartment Unit is owned by one (1) person, his right to vote shall be established by the record title to his Apartment Unit. If an Apartment Unit is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for the Apartment Unit shall be designated by a certificate signed by all

of the record owners of the Apartment Unit and filed with the Secretary of the Association. If an Apartment Unit is owned by a corporation, the person entitled to cast the vote for the Apartment Unit shall be designated by a certificate of appointment signed by the President or Vice-President of the Corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the Apartment Unit concerned. A certificate designating the person entitled to cast the vote of an Apartment Unit may be revoked by any Apartment Owner at any time.

(g) Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

(h) The presence of individual Apartment Owners entitled to cast a majority (more than fifty votes) of the Association is required at members' meetings to adopt decisions, except where approval by a greater number of members is required by the Master Deed, Articles of Incorporation, or these By-Laws.

(i) The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- (1) election of a chairman of the meeting, if President is unavailable to preside;
- (2) calling of the roll and certifying the proxies;
- (3) proof of notice of meeting or waiver of notice;
- (4) reading and disposal of any unapproved minutes;
- (5) reports of officers;
- (6) reports of committees;
- (7) election of inspectors of election;
- (8) election of Directors;
- (9) unfinished business;
- (10) new business, and
- (11) adjournment.

4. Directors.

(a) The affairs of the Association shall be managed by a Board of Directors. Until December 4, 1980, the initial Board of Directors shall consist of James A. Webb, III, Virginia Gooch Watson, and Hal Rosson, Jr. The Owner may, but shall not be obligated to do so, appoint an Advisory Board of Directors, consisting of 3 Apartment Owners during the term of the initial Board of Directors. Such Advisory Board shall have no authority to manage the affairs of the Condominium, but may upon invitation, meet with the Board of Directors from time to time. Thereafter, a Board of Directors shall consist of five (5) persons, all of whom shall be Apartment Owners, or, in the event any Apartment Unit be owned by a partnership, corporation, or fiduciary, such person shall be a partner, officer of the corporation, or the fiduciary or officer of the fiduciary, as the case may be. The initial Board of Directors shall serve without compensation. Thereafter, the compensation, if any, of the Directors shall be as fixed by the vote of a majority of the Apartment Owners.

(b) At the first annual meeting of the members of the Association (December 4, 1980), five persons shall be elected to serve as the Board of Directors, and the term of office of two (2) members shall be fixed at three (3) years, that of two (2) members shall be fixed at two (2) years, and that of one (1) shall be fixed at one (1) year. The election shall be by ballot and by a plurality of the votes cast, each member voting being entitled to cast his vote (or votes) for each of as many nominees as there are vacancies to be filled, but there shall be no cumulative voting.

(c) Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(d) Any Director may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special

or general meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(e) During the existence of the initial Board of Directors, in the event of vacancies the remaining Directors shall fill the vacancies, and, if there are no remaining Directors, the vacancies shall be filled by the Owner.

(f) The term of each Director's service shall extend until his successor is elected at the annual meeting of the members and thereafter until his successor is qualified and assumes office, or until he is removed in the manner elsewhere provided.

5. Directors' meetings.

(a) The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary providing a quorum shall be present.

(b) Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

(c) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of any two (2) of the Directors. Notice of the meeting shall be given personally or by mail, telephone, or telegraph at least three (3) days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting.

(d) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

place as may be designated by the Secretary of the Association, and shall be available to members for inspection at all times during normal business hours.

6. Powers and duties of the Board of Directors.

(a) All of the powers and duties of the Association existing under the Horizontal Property Act, the Master Deed, the Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by Apartment Owners when such is specifically required. Compensation of employees of the Association shall be fixed by the Directors. A Director may be an employee of the Association, and a contract for management of the condominium may be entered into with a Director. The Board of Directors is specifically charged with the responsibility of providing for the care, upkeep of the Buildings and all Common Elements, Limited Common Elements, and services, pursuant to the provisions of the Master Deed. Specifically included in the foregoing general powers of the Board of Directors, shall be the following powers and duties, which are listed by way of enumeration and not by limitation:

- (1) To elect and remove the officers of the Association;
- (2) To administer the affairs of the Association and the Condominium property;
- (3) To engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Condominium property or any part thereof for all the Apartment Owners upon such terms and for such compensation and authority as the Board of Directors may approve;
- (4) To formulate policies for the administration, management and operation of the Condominium property and the Common Elements;

(5) To adopt rules and regulations, with written notice thereof to all Apartment Owners, governing the administration, management, operation and use of the Condominium property and the Common Elements, and to amend such rules and regulations from time to time;

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

(7) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

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

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

(10) To fix the estimated annual budgets, and to provide the manner of assessing and collecting from Apartment Owners their respective shares of such estimated expenses, as hereinafter provided;

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

(12) To borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association;

(13) To secure insurance policies as required by the Master Deed and in this regard, annually to review the amounts of coverage afforded by such policy or policies;

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

(15) To exercise all other powers and duties of Apartment Owners as a group referred to in the Condominium Act, in the Master Deed or these By-Laws.

(b) Specifically, whenever in these By-Laws or in the Master Deed the Association is given the power to take any action, it is the intention of such instruments that the Board of Directors shall act for the Association in all cases, except to the extent that it is expressly provided that action may be taken upon vote of the Apartment Owners.

(c) Nothing in these By-Laws shall be considered to grant to the Board of Directors, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to the Apartment Owners.

7. Officers.

(a) The executive officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or the Assistant Secretary. The Board of Directors may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation, if any, of officers shall be fixed by the Board of Directors.

(b) The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate, to assist in the conduct of affairs of the Association.

(c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of treasurer of an association.

8. Indemnification.

(a) To the extent not covered by insurance, the Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, the Board of Directors and the Owner, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board,

officers, committee members or Owner, on behalf of the Apartment Owners, or arising out of their status as directors, Board, officers, committee members or Owner, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member or Owner may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Owner, provided, however, that such indemnity shall not be operative with respect to:

(1) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Owner, or

(2) any matter settled or compromised, unless the Board determines there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Owner.

(b) To the extent that the Owner or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subparagraph (a) or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

(c) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as

authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Paragraph 8.

(d) The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Paragraph, provided, however, that the liability of any Apartment Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Owner, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Owner shall be limited to such proportion of the total liability hereunder as said Apartment Owner's percentage of interest in the Common Elements, bears to the total percentage interest of all the Apartment Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Owner or by the Managing Agent on behalf of the Apartment Owners shall provide that the directors, Board, officers, members of such committees, Owner or the Managing Agent, as the case may be, are acting only as agents for the Apartment Owner and shall have no personal liability thereunder (except as Apartment Owners), and that each Apartment Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Apartment Owners in the Common Elements. The indemnification provided by this Paragraph 8 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has

ceased to be Owner or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

9. Assessments.

(a) Assessments against the Apartment Owners for their shares of the items of the budget shall be made on or before December 20 preceding the year for which the assessments are made. Such assessments shall be paid in twelve (12) equal payments due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment.

(b) Every person who purchases, or otherwise acquires title to, an Apartment Unit shall make an advance payment of one-twelfth (1/12) of the then current annual assessment to the Association. Initial purchasers from Owner shall also pay their share of the first year's hazard insurance premium paid by the Association based upon their percentage ownership of the Common Elements. Such payment shall be made at the closing of any such sale.

(c) If an Apartment Owner shall be in default in the payment of an installment upon an assessment the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the Apartment Owner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the Apartment Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

(d) In the event that during the course of any year it shall appear to the Board of Directors that the annual assessment, payable monthly, determined as aforesaid, is insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, then the Board of Directors shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Apartment Owner, and thereupon a supplemental assessment shall be made to each Apartment Owner for his proportionate share of such supplemental budget, and such supplemental assessment shall be paid in a time and manner directed by the Board of Directors.

(e) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Directors. The Directors may contract with a Managing Agent to provide that the Managing Agent shall collect assessments from Apartment Owners and other moneys of the Association and disburse Association funds pursuant to the terms of such contract; provided, however, all employees of the Managing Agent handling or responsible for Association funds must be covered by fidelity bonds as set forth below in subparagraph (g). The signatures of two officers of the Association or in the event a Managing Agent is employed, the signatures of a least two employees specified in the contract, shall be required to sign any check in excess of \$5,000.00. Three authorized signatures, one of which must be of an officer of the Association, shall be required for any checks in excess of \$10,000.00. All reserve funds of the Association shall be kept in a separate bank account and all checks written on such account shall be signed by at least two officers of the Association and one employee of the Managing Agent. If there is no Managing Agent, the signatures of two officers shall be sufficient.

(f) An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member not later than one hundred twenty (120) days following the year for which the report is made.

(g) Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least one-fourth (1/4) of the amount of the total annual assessments against members for Common Expenses. The premiums on such bonds shall be paid by the Association.

(h) The Board of Directors shall cause to be kept detailed and accurate records in chronological order of its receipts and expenditures affecting the Common Elements, specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board of Directors may determine.

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

10. Rules and Regulations.

The Directors are expressly empowered to adopt and promulgate, from time to time, reasonable rules and regulations governing the use of the Apartment Units and the common areas, including the imposition of penalties for violation thereof.

11. Amendments.

These By-Laws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the

Association. Directors and members not present in person or by proxy at the meetings to consider the amendment may express their approval in writing, providing such approval is delivered to the Secretary. Such approvals must be by sixty-six and two-thirds percent (66-2/3%) of the votes of the entire membership of the Association.

(c) No amendment shall discriminate against any Apartment Owner or against any Apartment Unit or class or group of Apartment Units unless the Apartment Owners so affected shall consent. No amendment shall change any Apartment Unit, nor the share in the Common Elements appurtenant to it, nor increase the Apartment Owner's share of the Common Expenses, nor change the voting rights of members, unless the record owner of the Apartment Unit concerned and all record owners of liens thereon shall joint in the execution of the amendment giving their written approval.

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective upon recording in the Register's Office for Williamson County, Tennessee.

12. Parliamentary Rules.

Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Master Deed, the Articles of Incorporation or these By-Laws.

13. Definition of Terms.

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Master Deed. The term "member" as used in these By-Laws, means "Apartment Owner" as defined in the Master Deed.

14. Compliance with Statute.

These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of Tennessee, Chapter 27 of

Title 64, Tennessee Code Annotated, as it may be amended from time to time. In case any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing By-Laws are hereby adopted as the By-Laws of Executive House Condominium and Executive House Condominium Association, Inc. by the undersigned on this 1st day of February, 1980.

Stephen C. Baker
Incorporator of
EXECUTIVE HOUSE CONDOMINIUM
ASSOCIATION, INC.

FREEMAN WEBB DEVELOPERS, INC.

BY: [Signature]
Title: SECRETARY AND TREASURER

