

***BY-LAWS OF
CARRIAGE PARK CONDOMINIUM ASSOCIATION, INC***

These By-Laws shall constitute and be the administrative By-Laws of CARRIAGE PARK CONDOMINIUM ASSOCIATION, INC. ____, as required by the Tennessee Code Annotated, Section 64-2711, as amended, and the administration of the Carriage Park Condominium Association, Inc. ____ project located at Lewisburg Pike, Franklin, Tennessee, shall be governed hereby. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws and the Master Deed. The mere acquisition or rental of any of the family units of the project or the mere act of occupancy of any of said units will signify that these By-Laws and the Master Deed are accepted, ratified, and will be complied with.

**ARTICLE I
FORM OF ADMINISTRATION - THE ASSOCIATION**

Section 1. NAME AND NATURE OF ASSOCIATION. The association shall be a Tennessee Corporation not for profit and shall be called **CARRIAGE PARK CONDOMINIUM ASSOCIATION, INC. ____**.

Section 2. MEMBERSHIP. Each Unit Owner upon acquisition of an Ownership Interest in a Unit shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition by such Unit Owner of his Ownership Interest, at which time the new Unit Owner shall automatically become a member of the Association.

Section 3. VOTING RIGHTS. Each member owning the entire Ownership Interest in a Unit shall be entitled to exercise the voting power of his one share in the Association. The proportionate Ownership Interest in the Association attributable to each unit shall be ½, there being 2 units in the Development. If two or more persons, whether fiduciaries, tenants in common or otherwise, own undivided interests in the Ownership Interest in a Unit, each shall be entitled to exercise such proportion of the voting power for each Unit as shall be equivalent to such person's proportionate interest in the Ownership Interest of such Unit.

Section 4. PROXIES. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. MEETING OF MEMBERS.

A. **Annual Meeting.** The annual meeting of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place in Franklin, Tennessee as may be designated by the Board and specified in the notice of such meeting. The annual meeting of members of the Association shall be held on the first Tuesday of May of each year, if not a legal holiday and, if a legal holiday, then on the next succeeding business day. The annual meeting shall be held at 8:00 o'clock **P.M.**, or at such other time as may be designated by the Board and specified in the notice of the meeting.

B. Special Meeting. Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice President of the Association authorized to execute the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of members entitled to exercise at least twenty-five (25%) percent of the voting power, or at the request of the Federal Housing commissioner or his duly authorized representative. Calls for such meetings shall specify the time, place, and purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

C. Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by mail to each member of the Association, and to the Director of the local insuring office of the Federal Housing Administration. If mailed, the notice shall be addressed to the members of the Association at their respective addresses as they appear on the records of the Association. Notice of the time, place and purposes of any meeting of members of the Association, may be waived in writing, either before or after the holding of such meeting, by any member of the Association; which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protest prior to or at the commencement of the meeting of the lack of proper notice shall be deemed to be a waiver by said member of notice of such meeting.

D. Quorum: Adjournment. The members of the Association entitle to exercise a majority fifty-one (51%) percent of the voting power of the Association present in person or by proxy shall constitute a quorum for any meeting of members of the Association; provided, however, that no action required by law, by the Master Deed or by these By-Laws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided, further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

E. Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers and of committees
- (5) Reports of the Federal Housing Administration representative, if present
- (6) Election of inspectors of election
- (7) Election of members of the Board
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment

Section 6. ACTIONS WITHOUT A MEETING. All actions, except removal of a Board member, may be taken without meeting with the approval of, and in a written consent or consents signed by members of the Association having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association.

Section 7. SPECIAL MEETINGS. Special meetings of the Board may be called by the President or

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

Section 8. No decision or action may be taken by the Association unless a majority of the voters entitled to vote shall have consented to such decision or action, either at any meeting or as otherwise specified herein.

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ARTICLE II BOARD OF MANAGERS

Section I. NUMBER AND QUALIFICATION. The Board shall consist of five members. Except for those members elected or appointed by the Developer, as hereinafter provided, each member nominated and elected to the Board shall be a Unit Owner and occupant.

The Developer, JNF Construction, Inc., its successors, and assigns, shall in accordance with the provisions of the Master Deed, have the right to elect or appoint a majority of the Board for a limited period of time as more specifically set forth in the Master Deed. During such time that the developer shall have the right to elect a majority of the Board, these By-Laws shall be deemed modified, where inconsistent with said right, to conform to the requirements of the Master Deed and this Article II, Section I. The members appointed by the Developer shall hold office for the same term as other Board members but may be removed as a member at the Developer's pleasure and without cause, on three (3) days written notice by the Developers to the Association or to any two (2) Board members other than the one being removed. The Developer shall have the right to appoint replacements for any member elected or appointed by him who shall have resigned or been removed, with the requirement of any concurrence by the Board of Managers, nor the requirement for any Board meeting or membership meeting. A Board member appointed or elected by the Developer who resigns or is removed as a member by the Developer, and who holds an office of this Association required to be held by a Board member shall forthwith automatically be removed as such officer.

Section 2. ELECTION OF BOARD: VACANCIES. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association at which Board members are to be elected, only persons nominated as candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the whole authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term; provided, however, that a vacancy in the position filled by appointment by the Developer shall be filled by a subsequent designation of the Developer as provided in Section I of this Article II.

Section 3. TERM OF OFFICE: RESIGNATIONS. Each Board member shall hold office until the next annual meeting of the members of the Association and until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting of the members of the Association, the term of office of three (3) Board members shall be two (2) years (all of which shall be designated by the Developer pursuant to Section 1 of this Article II), and the term of office of the remaining Board members shall be one (1) year. At the expiration of such initial term of office of each respective Board member, his successors shall be elected to serve for a term of two (2) years.

Section 4. ORGANIZATION MEETING. Immediately after each annual meeting of members of the Association, the newly elected Board members, and those Board members whose terms hold over shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such

meeting need not be given.

Section 5. REGULAR MEETINGS. Regular meetings of the Board may be held at any time upon call by the President or any two Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two days before the meeting; provided, however, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by him of notice of such meeting. Such notice may also be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

Section 6. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days' notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Board members.

Section 7. QUORUM: ADJOURNMENT. A quorum of the Board shall consist of a majority of the Board members then in office; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Master Deed or in these By-Laws.

Section 8. POWERS AND DUTIES. Except as otherwise provided by law, the Master Deed or these By-Laws, all power and authority of the Association shall be exercised by the Board. In carrying out the purposes of the Condominium Property, subject to the limitations prescribed by law, the Master Deed or these By-Laws, the Board, for and on behalf of the Association may: a) purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein; b) make contracts; c) effect insurance; d) borrow money, and issue, sell and pledge notes, bonds and other evidences of indebtedness of the Association; e) levy assessments against Unit Owners; f) employ a managing agent to perform such duties and services as the Board may authorize; g) employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and h) do all things permitted by law and exercise all power and authority within the purposes stated in these By-Laws or the Master Deed or incidental thereto.

Section 9. FIDELITY BONDS. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds. The premiums on such bonds shall be paid by the Association and shall be a Common Expense.

Section 10. REMOVAL OF MEMBERS OF BOARD. At any regular or special meeting of the Association duly called, at which a quorum shall be present any one or more of the Board members, except the Board member, if any, designated by Developer, as provided in Section I of this Article II, may be removed with or without cause by vote of the members of the Association entitled to exercise at least sixty (60%) percent of the voting power of the Association, and a successor or successors to such Board member or members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

ARTICLE III OFFICERS

Section 1. ELECTION AND DESIGNATION OF OFFICERS. The Board shall elect a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be a member of the Board. The Board may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgement may be necessary who may or may not be members of the Board but who are members of the Association.

Section 2. TERM OF OFFICE: VACANCIES. The officers of the Association shall hold office until the next organization meeting of the Board and until their successors are elected, except in case of resignation, removal from office or death. The Board may remove an officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the president shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration or in these By-Laws.

Section 4. VICE PRESIDENT. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

Section 5. SECRETARY. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Master Deed or by these By-Laws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Master Deed or in these By-Laws.

Section 6. TREASURER. The treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as he may be directed by the Board. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board and shall have authority and shall perform such other duties as may be determined by the Board.

Section 7. OTHER OFFICERS. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.

Section 8. DELEGATION OF AUTHORITY AND DUTIES. The Board is authorized to delegate the authority and duties of any officer to any other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV GENERAL POWERS OF THE ASSOCIATION

Section 1. COMMON EXPENSES. The Association, for the benefit of all the Unit Owners, shall pay all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

A. Utility Service for Common Areas and Facilities. The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Areas and Facilities excluding the Limited Common Areas and Facilities. Upon determination by the Board that any Unit Owner is using excessive amounts of any utility services which are Common Expenses, the Association shall have the right to levy special assessments against said Unit. Owner shall reimburse the Association for the expense incurred as a result of such excessive use.

B. Casualty Insurance. The premium upon a policy or policies of Casualty Insurance insuring the Common Areas and Facilities with extended coverage, vandalism, and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually.

C. Liability Insurance. The premium upon policy or policies insuring the Association, the members of the Board, the Unit Owners, and the Occupants against liability for personal injury, disease, illness or death, or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Areas and Facilities, as provided in the Master Deed the limits of which policy shall be reviewed annually.

D. Workmen's Compensation. Workmen's Compensation insurance to the extent necessary to comply with any applicable laws.

E. Wages and Fees for Services. The wages and/or fees for services of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any person or persons required for the maintenance or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Master Deed and these By-Laws and for the organization, operation and enforcement of the rights of the Association.

F. Care of Common Areas and Facilities. The cost of landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing, and replacing of the common areas and facilities, excluding the limited common areas and facilities; provided, however that if the need for such maintenance or repair is caused by the Unit Owner, through negligence or malice, he shall be responsible for such costs.

G. Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations, and insurance, which the Association is required to secure or pay for pursuant to the terms of the Master Deed and these By-Laws which the Association deems necessary or proper for the maintenance and operation of the Condominium Property as a first class Condominium Project or for the enforcement of the Master Deed and these By-Laws.

H. Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance which may in the opinion of the Association constitute a lien against the Condominium Property or against the Common Areas and Facilities, rather than merely against the interest therein of such Unit Owner responsible for the existence of such lien or encumbrance; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended in discharging such lien or encumbrance.

I. Certain Maintenance of Units. The cost of the maintenance and repair of the Limited Common Areas and Facilities and of any unit, if such maintenance or repair is necessary, in the discretion of the Association, to prevent damage to or destruction of any part of the Common Areas and Facilities, or any other Unit, and the Unit Owner having the exclusive right to use such Limited Common Areas and Facilities or owning such Unit requiring such maintenance or repair shall have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Unit Owner; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended for such maintenance or repair.

Section 2. ASSOCIATION'S RIGHT TO ENTER UNITS. The Association or its agents may enter any Unit or portion of the Limited Common Areas and Facilities, when necessary, in connection with any maintenance, repair or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Association. The Association reserves the right to retain a pass key to each Unit and no locks or other devices shall be placed on the doors to the Units to obstruct entry through the use of such pass key unless the owner of each unit shall have furnished such additional keys to the Office of the Association. In the event of any emergency originating in or threatening any Unit at a time when required alteration or repairs are scheduled, the managing agent or his representative or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not.

Section 3. CAPITAL ADDITIONS AND IMPROVEMENTS. Whenever in the judgement of the Board the Common Areas and Facilities shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of \$5,000.00 and the making of such additions, alterations or improvements shall have been approved by Unit Owners entitled to exercise not less than a majority of the voting power, the Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$5,000.00 or less may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a Common Expense.

Section 4. RULES AND REGULATIONS. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board, may adopt such reasonable Rules and from time to time amend the same as it or they may deem advisable for the maintenance, conservation, and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants. Written notice of such Rules shall be given to all Unit Owners and Occupants and the Condominium Property shall at all times be maintained subject to such Rules. In the event such Rules shall conflict with any provisions of the Master Deed or of these By-Laws, the provision of the Master Deed and of these By-Laws shall govern.

Section 5. SPECIAL SERVICES. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may desire to pay for the same, including, without limitation, the cleaning, repair, and maintenance of Units and special recreational, educational or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to participating Unit Owners as a special assessment or paid by the Association as a Common Expense, in which case a special assessment shall be levied against such participating Unit Owners to reimburse the Association therefor.

Section 6. DELEGATION OF DUTIES. Nothing herein contained shall be construed so as to preclude the Association, through its Board and officers, from delegating in accordance with the Declaration, to persons, firms, or corporations including any manager or managing agent, such duties and responsibilities of the Association as the Board shall from time to time specify and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE V FINANCES OF ASSOCIATION

Section 1. PREPARATION OF ESTIMATED BUDGET. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements and shall on or before December 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemization thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Areas and Facilities. On or before January 1st of the ensuing year, and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association or as it may direct one-twelfth (1/12) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each Unit Owner's percentage of ownership in the Common Areas and Facilities to the installments due in the succeeding six months after rendering the accounting.

Section 2. RESERVE FOR CONTINGENCIES AND REPLACEMENTS. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate, which may be necessary for the year, shall be charged first against such reserve. If said "estimated cash requirement" proves inadequate for any reason, including non-payment of any Unit Owner's assessment, such extraordinary expenditures shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Areas and Facilities. The Association shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons thereof, and such further assessment shall be payable with the next regular monthly payment becoming due to the Association not less than ten (10) days after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to the adjusted monthly amount.

Section 3. BUDGET FOR THE FIRST YEAR. When the first Board elected hereunder takes office, the Association shall determine the "estimated cash requirement", as herein above defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against and paid by, the Unit Owners during said period as provided in Section 1 of this Article V.

Section 4. FAILURE TO PREPARE ANNUAL BUDGET. The failure or delay of the Association to prepare or deliver to the Unit Owner the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 5. BOOKS AND RECORDS OF ASSOCIATION. The Association shall keep full and

correct books of account and the same shall be open for inspection by a Unit Owner or his representative duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from Unit Owner.

Section 6. STATUS OF FUNDS COLLECTED BY ASSOCIATION. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Unit Owners, and for such adjustments as may be required to reflect delinquent or unpaid assessments) shall be deemed to be held for the use, benefit and account of all of the unit Owners in proportion to each Unit Owner's percentage ownership in the Common Areas and Facilities.

Section 7. ANNUAL AUDIT. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. If requested by two members of the Board, such audit shall be made by a Certified Public Accountant. In addition, and at any time requested by one or more Unit Owners or by Developer, the Board shall cause an additional audit to be made.

Section 8. SECURITY DEPOSITS FROM CERTAIN UNIT OWNERS. If in the judgement of the Board the equity of the persons owning the Ownership Interest in any Unit at any time is not sufficient to assure payment (whether by foreclosure of the lien in favor of the Association, or otherwise) of all assessments, charges or other sums which may be levied by the Association, then whether or not such Unit Owner shall be delinquent in the payment of such levies, the Association shall have the right to require such Unit Owner to pay to the Association a security deposit in an amount which the Board deems necessary for such purposes, provided, however, that such security deposit shall in no event exceed an amount, which, when added to such Unit Owner's equity interest in his Unit, will equal twenty-five (25%) percent of the purchase price of the Unit in question. In the event that any Unit Owner shall fail to pay any assessments, charges or other sums which may be due hereunder or shall otherwise violate any covenants, terms and conditions of the Master Deed or of these By-Laws, the Association shall have the right, but not the obligation, to apply such security deposits in reduction of its alleged damages resulting from such failure or violation, which right shall be in addition to all other remedies provided for in the Master Deed or these By-Laws. Upon any sale by such Unit Owner of his Unit, or at such time as such Unit Owner's equity in his Unit is sufficiently great to dispense with the necessity of such security deposit, any unapplied balance of said security deposit remaining to the credit of said Unit Owner shall be returned, provided that such Unit shall not be in default under any of his obligations under the Declaration or these By-Laws. The Association shall have the right to maintain all security deposits held by it as aforesaid in a single bank account and shall not be required to credit interest thereon to any Unit Owner; such interest, if any, to be paid to and retained by the Association. Said security deposit shall at all times be subject and subordinate to the lien in favor of the Association as described in the Master Deed and all rights thereto shall inure to the benefit of the lienor.

ARTICLE VI GENERAL PROVISIONS

Section 1. INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS. Each Board member and officer of the Association, and each former Board member and officer of the Association, shall be indemnified by the Association against the costs and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be

made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of settlement of any action, suit or proceeding to which any Board member or officer of the Association or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (A) the Association shall be advised by independent counsel that such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and cost to the Association of indemnifying such Board members or officers (and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceeding were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, of (B) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially 10 or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother, or sister of any such Board member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Master Deed, any vote of Association members, or any agreement.

Section 2. AMMENDMENTS. Provisions of these By-Laws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those entitled to exercise not less than a two-thirds of the voting power. No such amendment shall conflict with the provisions of the Master Deed.

Section 3. DEFINITIONS. The terms used in these By-Laws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these By-Laws and of any amendment hereto shall have the respective meanings specified in the Master Deed.

Section 4. RIGHTS OF SUCCESSORS TO DEVELOPER. Any successor in interest to JNF Construction, Inc., as Developer of Carriage Park Condominium Association, Inc. ____, by deed, assignment, foreclosure (or deed in lieu of foreclosure) shall automatically succeed to all of the rights and privileges of said JNF Construction, Inc., as such Developer or otherwise, under these By-Laws of Carriage Park Condominium Association, Inc. ____.

Section 5. LAWN MAINTENANCE. Each Unit owner consents and agrees to allow the managing agent free and unencumbered use and consumption of the outside water which is available for each unit for the limited purpose of caring for the lawn and landscaping of the particular units, adjacent common elements, and limited common elements. Further, each unit owner consents and agrees that the managing agent shall be responsible for the complete lawn maintenance including, but not limited to, the mowing, trimming, and watering of said lawn.

IN WITNESS WHEREOF, the undersigned, being the incorporator of Carriage Park
Condominium Association, Inc. _____, has hereunto set its hand this 1st day of March
1985.

Unofficial Copy