

Albert J. Harb 918 State St.

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Master Deed
for
Westcliff Condominium

SEE WB 1917 19991 Amndt
SEE WB 1983-902 Deed in Lieu of Foreclosure
SEE WB 2003-43 AMENDMENT
SEE WB 2003-42 AMENDMENT
SEE WB 2060-1106 Amndt
SEE WB 2066-423 Amndt

SEE WB 1743 89442 111111
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MASTER DEED FOR WESTCLIFF CONDOMINIUM

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MASTER DEED FOR WESTCLIFF CONDOMINIUM

THIS MASTER DEED is made this 17th day of August, 1981 by Residential Resource Group, Inc. (formerly ADC Fairways Corp.), a Maryland corporation ("Developer") pursuant to the provisions of the Tennessee Horizontal Property Act.

WITNESSETH:

WHEREAS, Developer is the legal title holder of the real estate located in the City of Knoxville, County of Knox, State of Tennessee, and being more particularly described in Exhibit A attached hereto and made a part hereof (the "Land"); and

WHEREAS, Developer intends to submit and by the filing of this Master Deed does hereby submit the Land together with all buildings, structures, improvements and other permanent fixtures thereon and all rights, easements, privileges and appurtenances belonging thereto (the "Property" to the provisions of the Horizontal Property Act of the State of Tennessee for the purpose of creating condominium ownership with respect to the Property; and

NOW, THEREFORE, Developer, for itself, its successors and assigns, hereby submits the Property to the provisions of the Horizontal Property Act of the State of Tennessee, and Developer hereby declares that the Property and all parts thereof shall be held, sold, encumbered, occupied and conveyed subject to the terms of this Master Deed and to the easements, restrictions, covenants and conditions hereinafter set forth which are for the purpose of establishing a plan of condominium ownership in the Property and which shall run with the land and be binding upon Developer, its successors, assigns and all persons now or hereafter owning or acquiring an interest in the Property.

1. Definitions. As used in this Master Deed, the following words and phrases shall have the meanings hereinafter set forth unless the context clearly requires a different meaning:

(a) "Horizontal Property Act" means the Horizontal Property Act of the State of Tennessee as set forth in Chapter 27 of Title 64, Tennessee Code Annotated, as the same may from time to time be amended.

(b) "Developer" means Residential Resource Group, Inc., a Maryland corporation, its successors and assigns who have undertaken to develop Westcliff Condominium.

(c) "Condominium Project" means the Land, the Building and other improvements located thereon and the easements and appurtenances

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related thereto, all of which have, by the recording of this Master Deed, been submitted to the Horizontal Property Act.

(d) "Apartment" means each of the 76 residential dwellings as more particularly described in paragraphs 4 and 5 of this Master Deed.

(e) "Person" means one or more individuals, corporations, partnerships, associations, trusts or other legal entities capable of holding title to real property.

(f) "Co-Owner" means the person as defined in Section (e) who is the record owner of an Apartment. The term "Co-Owner" shall exclude any person having an interest in an Apartment merely as security for the performance of an obligation.

(g) "Building" means the 3-story multi-apartment building located on the Land.

(h) "Association" shall mean Westcliff Homeowners Association, Inc., a Tennessee corporation not established for profit, which shall constitute the Council of Co-Owners as defined in the Horizontal Property Act.

(i) "Bylaws" means the Bylaws of the Association attached to this Master Deed as Exhibit B as the same may from time to time be amended. The Bylaws and any Amendments thereto are incorporated herein by reference as though fully set out and are binding upon all Co-Owners, their successors, assigns, lessees and heirs and the Developer, its successors and assigns.

(j) "Board of Directors" means the Board of Directors of the Association.

(k) "Rules and Regulations" means the rules and regulations from time to time adopted by the Board of Directors of the Association pursuant to the Bylaws.

(l) "Common Elements" means all parts of the Condominium Project.

(m) "General Common Elements" means all of the Common Elements except for the Limited Common Elements as more particularly described in paragraph 7 of this Master Deed.

(n) "Limited Common Elements" means those portions of the General Common Elements which are reserved for use by a certain

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Apartment or Apartments to the exclusion of other Apartments as more particularly described in paragraph 7 of this Master Deed.

(o) "Common Expenses" shall mean and include (i) all sums lawfully assessed against the Co-owners by the Association; (ii) all insurance premiums other than insurance obtained by a Co-Owner; (iii) expenses of administration, maintenance, repair and/or replacements of the General Common Elements and reasonable reserves relating thereto; and (iv) expenses declared to be Common Expenses by the Horizontal Property Act, by this Master Deed or by the Bylaws.

(p) "Land" shall mean the Land and Easements described in Exhibits A and E respectively attached to this Master Deed which are incorporated by reference herein as though fully set out.

(q) "Plat" means the Plat attached to this Master Deed as Exhibit C containing 2 pages and consisting of the "as built" plat of the Condominium Project, as shown on lot 1 on said plat.

(r) "First Mortgagees" shall mean the owners and holders of the promissory notes secured by any first lien deed of trust and mortgage on an Apartment.

2. Name. The name of the Condominium Project shall be Westcliff Condominium.

3. Description of Building. The Building which contains 76 Apartments and forms a part of the Condominium Project is three (3) stories in height and contains approximately 45,900 square feet in area. The Building is designed with two "Y" shaped ends joined together to form four wings connected with a center section. The main lobby is situated on the east side of the Building at grade level. The Building has an arched colonnade appearance. The arch at the roof line is plywood. The arch above grade level is cosmetic face work. The Building has masonry bearing walls and concrete floor construction with brick veneer exterior. The footings are continuous reinforced concrete below all exterior and masonry load bearing walls. All walls below grade level are on concrete masonry block constructed on the continuous concrete footings. The exterior walls are masonry bearing concrete block with 4-inch brick veneer. The masonry blocks are 12 inches at ground level, 10 inches above the second floor and 8 inches above the third floor. The interior surface is painted taped-joint finish on 1/2-inch gypsum board attached to 3/4-inch metal strips. Exterior painted plywood is attached to brick veneer as horizontal fascia at the second floor level and roof line around the



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Building. The separation of apartments and corridors is accomplished by masonry walls throughout the Building except for the third level where the separation is accomplished by wood studs. All stairs are enclosed in separate stairwells and are constructed using reinforced concrete. The roof is a built up roof with a 1/2-inch plywood sheathing supported with 2X10 wood joists 6/16 inches on center. Roof drainage is provided by scuppers and downspouts. There are two elevators serving the building. One elevator is located at the east end and one is located at the west end where the wing corridors join the center portion of the Building.

4. Description of Apartments. There are four types of Apartments located within the Condominium.

(a) Types of Apartments. There are four types of Apartments located within the Condominium as follows:

(1) Type A is an efficiency type of Apartment consisting of approximately 533 square feet and containing a foyer, living room/kitchen combination and dressing room and bath.

(2) Type F contains approximately 1,232 square feet and consists of a living room/dining room combination, kitchen, two bedrooms, a hallway, two full baths, an entranceway and dressing room.

(3) Type G contains approximately 1,432 square feet and consists of a living room/dining room combination, an entryway and foyer, a kitchen, two bedrooms, two full baths and a dressing room.

(4) Type H contains approximately 1,818 square feet and consists of an entryway and foyer, living room/dining room combination, hallway, kitchen, three bedrooms, two full baths and dressing room.

(b) Physical Layout. The Building comprising the Condominium contains a total of 76 apartments as follows:

<u>APARTMENT NO.</u>	<u>TYPE OF APARTMENT</u>	<u>APPROXIMATE SQUARE FOOTAGE</u>
1120	H	1,818
1121	H	1,818
1201	H	1,818
1205	H	1,818
1219	H	1,818
1223	H	1,818
1301	H	1,818
1305	H	1,818
1319	H	1,818
1323	H	1,818

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<u>APARTMENT NO.</u>	<u>TYPE OF APARTMENT</u>	<u>APPROXIMATE SQUARE FOOTAGE</u>
1101	F	1,232
1102	F	1,232
1103	F	1,232
1104	F	1,232
1105	F	1,232
1106	F	1,232
1107	F	1,232
1108	F	1,232
1109	F	1,232
1110	F	1,232
1111	F	1,232
1112	F	1,232
1113	F	1,232
1114	F	1,232
1115	F	1,232
1116	F	1,232
1117	F	1,232
1118	F	1,232
1119	F	1,232
1122	F	1,232
1123	F	1,232
1124	F	1,232
1202	F	1,232
1203	F	1,232
1206	F	1,232
1207	F	1,232
1208	F	1,232
1210	F	1,232
1211	F	1,232
1212	F	1,232
1213	F	1,232
1214	F	1,232
1215	F	1,232
1216	F	1,232
1217	F	1,232
1220	F	1,232
1221	F	1,232
1224	F	1,232
1225	F	1,232
1226	F	1,232
1302	F	1,232
1303	F	1,232
1306	F	1,232



<u>APARTMENT NO.</u>	<u>TYPE OF APARTMENT</u>	<u>APPROXIMATE SQUARE FOOTAGE</u>
1307	F	1,232
1308	F	1,232
1310	F	1,232
1311	F	1,232
1312	F	1,232
1314	F	1,232
1315	F	1,232
1316	F	1,232
1317	F	1,232
1320	F	1,232
1321	F	1,232
1324	F	1,232
1325	F	1,232
1326	F	1,232
1204	G	1,432
1218	G	1,432
1304	G	1,432
1318	G	1,432
1209	A	533
1222	A	533
1309	A	533
1322	A	533

There are 76 units located in the Condominium Project. Each Apartment is designated and identified as shown on the Plat by reference to the numerical identification number for each Apartment as shown on the Plat.

The location of each Apartment within the Building, the type of Apartment, the approximate square foot area of each Apartment, and other information necessary for the proper identification of each Apartment are set forth in the Plat.

Each Apartment has direct access to a hallway or corridor which constitutes part of the General Common Elements of the Condominium Project.

The location of the Apartments, their size, their percentage interest in the common elements and their relation thereto are shown in Exhibit D which is attached hereto and incorporated by reference herein as though fully set out.

5. Dimensions of Apartments. Each Apartment consists of the space measured horizontally from the unexposed surfaces of the wallboard of the perimeter walls enclosing such Apartment and the space measured vertically from the unfinished surface of the flooring material (other than carpeting) of the lower most floor of such Apartment to the unfinished surface of the upper most ceiling of such Apartment. There shall be included within each Apartment: (a) the front entrance door, (b) the rear entrance door, (c) all windows in the Apartment, (d) the interior ceilings and flooring, (e) the front porch lights,



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(f) all interior partitioning, fixtures, and other improvements (including, without limitation, sinks, bathtubs and other plumbing facilities and refrigerators, ovens, and other appliances) located within each Apartment, (g) any flues, ducts, conduits, wires or other apparatus located totally within such Apartment and serving such Apartment or located partially within and partially outside of the boundaries of such Apartment but serving only that Apartment. Each Apartment is served by a separate heating and air-conditioning system and by a separate hot water heater which shall be considered as part of the Apartment, and the Co-Owner of such Apartment shall be responsible at the sole expense of such Co-Owner, for repairing, maintaining and replacing all portions of the heating and air-conditioning system and the hot water heater. There shall be excluded from any Apartment any portion of any flues, ducts, conduits, wires or other apparatus located within an Apartment but serving more than one Apartment or serving the General Common Elements. There shall also be excluded from any Apartment any load bearing columns or weight supporting interior walls.

Each Co-Owner shall have the right at any time to install, at such Co-Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wallpaper, and carpeting) to the interior surfaces of the walls, ceilings and floor of his or her Apartment; provided, however, that no Co-Owner may make structural changes and/or alterations to an Apartment or do anything to the exterior of an Apartment or to the General Common Elements without the prior written consent of the Board of Directors of the Association.

6. General Common Elements. The General Common Elements shall consist of all the Property (including all parts of the Building other than the Apartment and Limited Common Elements) including, but not limited to, the following: (a) the Land, (b) all foundations, load bearing walls, columns, girders, beams, supports and other structural members, (c) all roofs, exterior building walls and all walls and partitioning separating Apartments (except for those portions of any such exterior walls and partitionings which are included within an Apartment), (d) all laundry rooms and the appliances located therein, (e) all meeting rooms, (f) all elevators, elevator shafts and related equipment, (g) the Association office, (h) all parking and driveway areas, sidewalks and common walkways, (i) the swimming pool and other related recreational facilities and equipment located on the Condominium Project, (j) all installations, apparatus and equipment designed and intended for providing common services to the Condominium Project such as telephone, electricity, gas, water, plumbing, sewer and trash removal and all apparatus and equipment used in connection therewith, including, but not limited to, all tanks, motors, pumps,

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fans, cables, antennas, conduits, flues, ducts, plumbing, wiring and storm drain facilities except for such apparatus and equipment as are included as part of an Apartment, (k) the outdoor grills, (l) all yards, shrubs and landscaping, (m) easements for access, maintenance, repair, reconstruction, replacement of the General Common Elements and, where applicable, Limited Common Elements, and for all other services necessary or convenient to the existence, safety and use of the Condominium Project.

7. Limited Common Elements. The Limited Common Elements shall consist of those Common Elements reserved for use by a certain Apartment or Apartments to the exclusion of other Apartments and shall include, as an appurtenance to each Apartment, the patio located at grade level with respect to all Apartments located on the first floor of the Building and the balcony located adjacent to each Apartment on each floor of the Building other than the first floor. The Limited Common Elements shall also include, a storage cubicle located in one of the storage rooms of the Building. A storage cubicle will be assigned to each Apartment by the Board of Directors of the Association. The trash chutes located on the second and third floors of the Building shall serve as Limited Common Areas for the Apartments located on such floors. The Limited Common Elements are more fully designated and described on the Plat. Each Co-Owner is hereby granted an exclusive irrevocable license to use, occupy and enjoy the Limited Common Elements associated with and/or assigned to such Co-Owners Apartment subject to the rights of other persons entitled to use the same, to this Master Deed, the Bylaws of the Association and the Rules and Regulations adopted by the Board of Directors, all as may be amended from time to time.

8. Property Rights.

(a) Ownership of Apartments. Each Apartment shall constitute a separate parcel of real estate, and the Co-Owner of each Apartment shall be entitled to the exclusive ownership and possession of his Apartment subject only to the provisions of the Horizontal Property Act, this Master Deed, the Bylaws and the Rules and Regulations of the Association.

(b) Undivided Interest in General Common Elements. Each Co-Owner shall own, in addition to his Apartment, an undivided percentage interest as tenant in common with the other Co-Owners in the General Common Elements. Such undivided percentage interest shall be appurtenant to and cannot be separated from the ownership of the Apartment to which it relates and shall be automatically conveyed or encumbered with the Apartment even though such interest may not expressly set forth in the deed. The percentage undivided interest in the General Common Elements, which is appurtenant to each Apartment, is set forth in Exhibit D attached hereto and made a part hereof.



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The percentage undivided interest appurtenant to each Apartment in the General Common Elements has been determined by Developer on the basis of the approximate ratio that the approximate square footage of each Apartment bears to the approximate aggregate square footage of all Apartments, and such determination shall be conclusive and binding on all persons. The percentage undivided interest of each Co-Owner as hereinabove set forth is fixed and permanent in character and cannot be altered without the consent of all Co-Owners expressed in a duly recorded amendment to this Master Deed.

9. Use and Occupancy Restrictions. Each Apartment and the Condominium Project shall be owned, held, encumbered, occupied and conveyed subject to the provisions of this Master Deed, the Bylaws, and the Rules and Regulations of the Association, all as the same may be amended from time to time, and to the following restrictive covenants and conditions which shall run with each Apartment and with the Condominium Project and shall be binding on all Co-Owners having or acquiring an interest in the Apartments and the Condominium Project:

(a) Residential Use. The Apartments shall be used for single family residential purposes only.

(b) Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Apartment or in the General Common Elements, except dogs, cats and other domestic household pets may be kept in the Apartments subject to the Rules and Regulations of the Association as the same may from time to time be adopted.

(c) Nuisances. No noxious, offensive or unlawful activities shall be conducted in any Apartment or in the General Common Elements nor shall anything be done therein which may become an annoyance or nuisance to any other Co-Owner.

(d) Prohibition Against Subdivision. No Apartment may be subdivided except by an amendment to the Master Deed duly executed by all of the Co-Owners in accordance with the provisions of the Master Deed.

(e) Signs. Except for signs erected by Developer or its agents, no sign of any kind shall be displayed to the public view from any Apartment or from the General Common Elements without the prior written consent of the Association.

(f) Modifications and Alterations to General Common Elements. Except for alterations or modifications made by Developer, no Co-Owner shall make any alterations or modifications to the General Common Elements without the prior written consent of the Association.



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10. Right to Alter Apartment and Remove Separation Walls of Adjacent Apartments. Each Co-Owner shall have the right at any time to install at such Co-Owner's sole cost and expense such decorations, fixtures and coverings (including without limitation painting, finishing, wallpapering and carpeting) to the interior surfaces of the walls, ceilings and floors of the Apartments, and each Co-Owner shall have the right to make such alterations in the interior of an Apartment, including the right to change the interior layout by partition or otherwise, as such Co-Owner may from time to time deem desirable; provided, however, that no Co-Owner except Developer shall be entitled to do anything to the exterior of an Apartment or to the Common Elements (including any portion thereof located within an Apartment) without the prior written consent of the Board of Directors of the Association and provided, further, that no Co-Owner shall take any action with respect to his Apartment which disturbs the rights of other Co-Owners or jeopardizes the structural soundness or safety of the Condominium Project.

If a Co-Owner acquires an adjoining Apartment, such Co-Owner shall have the right, subject to the terms of this paragraph, notwithstanding anything herein to the contrary, to remove all or any part of the common area walls separating such adjacent Apartment to create doorways or other apertures therein; provided, however, no removal or alteration shall be undertaken which would endanger the structural integrity or soundness of the Building and provided, further, that prior to the closing of a sale or transfer of any such adjoining Apartment to any third party the common area walls or portions thereof so removed and altered shall be replaced or restored to their original condition unless the third party purchaser or transferee executes a written waiver of his right to replace or restoration and such written waiver is approved by the Board of Directors of the Association. The removal or alteration of any common area wall by the owner of an adjacent Apartment shall not alter or affect the undivided percentage interest appurtenant to each Apartment, and each Apartment shall for all purposes of this Master Deed and the Bylaws of the Association be considered as separate Apartments. Prior to removing any common area wall of adjoining Apartments, the owner of such adjoining Apartment shall obtain the written consent of the Board of Directors of the Association.

11. Easements.

(a) Each Co-Owner shall have an easement in common with all of the other Co-Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Apartments and serving his Apartment. Likewise, each Apartment shall be subject to an easement in favor of the Co-Owners of all other



Apartment. Apartments to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving other Apartments and located in or running through such Co-Owner's Apartment.

(b) Developer hereby reserves right for itself and for the Association or its Board of Directors and their duly appointed agents the right of access to each Apartment to inspect the same, to remove violations therefrom and to maintain, repair or replace the General Common Elements contained therein and elsewhere in any Building.

(c) Each Co-Owner shall have an easement in common with all other Co-Owners for ingress and egress through and for the use and enjoyment of all General Common Elements (excluding the Limited Common Elements) and the Limited Common Elements shall also be subject to easements of use and enjoyment and ingress and egress by all persons lawfully using or entitled to use the same including, without limitation, Developer and Developer's agents and employees and the agents and employees of utility companies in the performance of their duties.

(d) Developer hereby reserves for itself and for the Association the right to hereafter grant easements for utility purposes for the benefit of the Condominium Project including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits over, under, along or on any portion of the General Common Elements.

(e) Each portion of an Apartment which contributes to the structural support of the Building, an Apartment or the General Common Elements shall be burdened with an easement of structural support for the benefit of the Building, the Apartment and/or the General Common Elements.

12. Mutual Reciprocal Easements. A declaration of mutual reciprocal easements has been entered to by the Developer who is also the owner of Buildings 2 through 6 of the Westcliff Apartments and all land adjacent thereto. This Declaration is attached as Exhibit E to this Master Deed and is incorporated by reference herein as though fully set out. The Declaration provides for among other things, a nonexclusive easement for access from Lyons View Drive to the subject property, an easement for existing water, sewer and storm drainage facilities and an easement for natural gas lines, telephone lines and other utility services required for the use and operation of the Condominium. A similar easement is granted for the owner of Buildings 2 through 6 of the Westcliff Apartments for similar purposes. Each Apartment and the Condominium Project shall be owned, held encumbered, occupied and conveyed subject to the provisions of the Declaration of Mutual Reciprocal Easements and the easements shall run with the land and with the Condominium Project and shall be binding on all Co-Owners having or acquiring an interest in an Apartment.

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13. Encumbrances.

(a) Utility Easements. The land is subject to various utility easements and rights of way. These easements and rights of way include easements for telephone, electric, sewer and water pipes, wires and service lines. In addition, the Developer and the Association have reserved the right in the future to lay and place similar lines within the land and to grant additional utility easements.

(b) Encumbrances on Title. The encumbrances on the title to the Land are attached in Exhibit F to the Master Deed.

14. Encroachments. If any portion of the General Common Elements (including the Limited Common Elements) now encroaches upon any Apartment or if any Apartment now encroaches upon any other Apartment or upon any portion of the General Common Elements (including the Limited Common Elements) as a result of the construction of any Building or if any such encroachment shall occur after the recordation of this Master Deed as a result of settling or shifting of the Building, a valid easement for such encroachment and for the maintenance of the same shall exist so long as the Building shall stand. In the event the Building, an Apartment, the General Common Elements or the Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, encroachments of parts of the General Common Elements upon any Apartment or of any Apartment upon any other Apartment or upon any portion of the General Common Elements (including the Limited Common Elements) due to such rebuilding shall be permitted, and valid easements for such encroachments and for the maintenance of the same shall exist so long as such reconstructed Building shall stand.

15. Management of Condominium Project. The management, operation and administration of the Condominium Project shall be performed by the Association. Membership in the Association shall be limited to and consist of all Co-Owners. Every Co-Owner shall automatically be a member of the Association. Membership in the Association shall be required and become appurtenant to and may not be separated from apartment ownership. The Association shall be required to engage a professional managing agent or firm to perform services related to the management, operation and administration of the Condominium Project.



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The Association shall procure and maintain insurance on the Condominium Project as provided in the Bylaws. The Association shall assess the Co-Owners for their prorata share of the Common Expenses as set forth in the Bylaws, and the prorata share of such Common Expenses shall constitute the personal obligation of each Co-Owner and shall also constitute a lien on each Apartment, which lien shall be enforceable by the Association in the manner set forth in the Bylaws. The Association is authorized to adopt rules and regulations pertaining to the use of the General Common Elements by the Co-Owners and other persons entitled to use the same.

16. Termination. This Condominium may be terminated and the Property removed from the provisions of the Horizontal Property Act and the horizontal property regime under the circumstances and in the manner hereinafter set forth:

(a) By Agreement of Co-Owners. This Condominium may be terminated and the Condominium Project removed from the provisions of the Horizontal Property Act and the horizontal property regime by a duly recorded instrument to that effect executed by all of the Co-Owners provided that all First Mortgagees consent thereto or agree, in either case, by instrument duly recorded, that their liens be transferred to the undivided interest of the Co-Owners who shall own the Property, as tenants in common, following such termination in the percentages set forth in Exhibit D.

(b) By Failure to Reconstruct After Fire or Other Casualty. In the event it is determined in the manner provided in Section 12 of the Bylaws that the Condominium Project shall not be repaired or reconstructed after fire or other casualty, the Condominium will be terminated and the Condominium Property removed from the provisions of the Horizontal Property Act and the horizontal property regime. A determination not to repair or reconstruct after fire or other casualty shall be evidenced by a certificate of the Association certifying as to the facts affecting the termination, and such certificate shall become effective upon being duly recorded in the Office of the Register of Deeds, Knox County, Tennessee.

17. Amendment to Master Deed. Subject to the provisions of Section 18 hereof and Section 19 of the Bylaws, this Master Deed may be amended by the affirmative vote of Co-Owners holding at least seventy-five percent (75%) of the undivided interest in the General Common Elements cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws. Notwithstanding anything herein to the contrary, and subject to any limitations imposed by the Horizontal Property Act and except as required to comply with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or other



governmental or quasi-governmental agency insuring or involved in the making or purchasing of mortgage loans on any Apartment, so long as the Developer owns one or more Apartments, no amendment to this Master Deed or the Bylaws shall be adopted that would unreasonably interfere with the sale, lease or other disposition of such right, power, easement, privilege or benefit reserved to the Developer hereunder or which could impose any discriminatory charge or fee against the Developer.

18. First Mortgage and Co-Owner Approval. Except as provided by statute or in case of or substantial loss to the Condominium Project, unless at least seventy-five percent (75%) of the First Mortgagees (based upon one (1) vote for each first mortgage owned) and Co-Owners (other than the Developer) 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, (b) change the prorata interest or obligations of any Apartment for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (ii) determining the prorata share of ownership of each Condominium Apartment in the Common Elements or (c) partition or subdivide any Apartment, (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 loss), or (e) use hazard insurance proceeds for losses to any Condominium Project (whether to Apartments or General Common Elements) for other than the repair, replacement or reconstruction of such Condominium Project.

The foregoing provisions shall not be deemed in any way to limit the rights a particular Co-Owner and his or her First Mortgagee may have with respect to matters affecting such Apartment.

19. Rights Reserved to Developer. Notwithstanding anything in this Master Deed, in the Bylaws or in the Rules or Regulations to the contrary, Developer hereby reserves unto itself for so long as any of the Apartments remain unsold the right to (a) sell, convey, lease, rent and/or mortgage any Apartment not previously sold and conveyed and (b) to maintain sales offices and models (whether in Apartments or in General Common Elements).

20. Partition. So long as the Condominium Project remains subject to the provisions of the Horizontal Property Act, the General Common Elements shall remain undivided, and the Co-Owners hereby waive any right that they might otherwise have to require or compel a partition of the General Common Elements or a sale of the General Common Elements in lieu thereof.



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21. Personal Property. The Board of Directors of the Association may acquire and hold, for the benefit of the Co-Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in such personal property shall be held by the Co-Owners in the same proportion as their respective percentage undivided interest in the General Common Elements, and such ownership shall not be transferrable except with the transfer of the title to an Apartment. The transfer of the title to an Apartment shall vest in the transferee ownership of the transferor's beneficial interest in such personal property.

22. Partial Invalidity. The invalidity of any of the provisions of this Master Deed shall not be deemed to impair or affect in any manner the validity and enforceability of any other provision of this Master Deed; and in the event one or more of the provisions of this Master Deed are declared to be invalid or unenforceable, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid or unenforceable provision had never been included herein.

23. Waiver. No provisions contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches may occur.

24. Paragraph Heading. Paragraph headings have been inserted for convenience of reference only and in no way define, limit or describe the scope of this Master Deed or the provisions of the particular paragraphs to which they refer.

25. Governing Law. This Master Deed and the Bylaws shall be governed by and construed in accordance with the laws of the State of Tennessee.

26. Reservation of Use of Name. The Developer hereby accepts and reserves unto itself, its successors and assigns, the sole, exclusive, full and free right and liberty at all times hereafter to use the name "Westcliff Condominium" in the development, construction, advertising, promoting, marketing, design, and/or sale (and in all activities related thereto) of future condominium projects.

27. Charter of Incorporation. The Charter for the incorporation of the Westcliff Homeowners Association, Inc. has been completed and filed with the Tennessee Secretary of State. The Charter has been recorded at the Knox County Courthouse, Knoxville, Tennessee. The Charter is attached hereto as Exhibit G and is incorporated by reference as though fully set out.



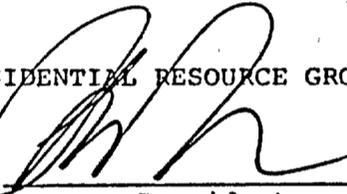
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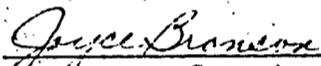
IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed, this the day and year first written above.

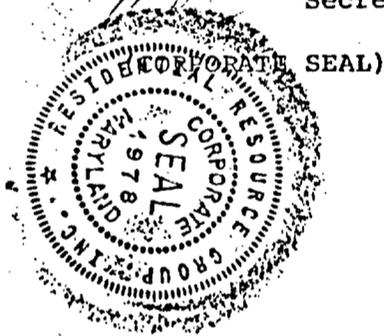
RESIDENTIAL RESOURCE GROUP, INC.

By: 

President

ATTEST:


Secretary



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STATE OF MARYLAND
COUNTY OF PRINCE GEORGE'S

Before me, KATHERINE CLARK of the state
and county aforesaid, personally appeared THOMAS F. DALY,
with whom I am personally acquainted, and who, upon oath,
acknowledged himself to be President of Residential Resource
Group, Inc. (formerly ADC Fairways Corp.), the within named
bargainor, a corporation, and that he as such President, being
authorized so to do, executed the foregoing instrument for the
purpose therein contained, by signing the name of the corporation
by himself as President.

Witness my hand and seal, at office in ADELPHI, MD., PRINCE GEORGE'S
COUNTY, this 17th day of AUGUST,
1981.

Katherine Clark

NOTARY PUBLIC

My Commission Expires:

My Commission Expires July 1, 1982



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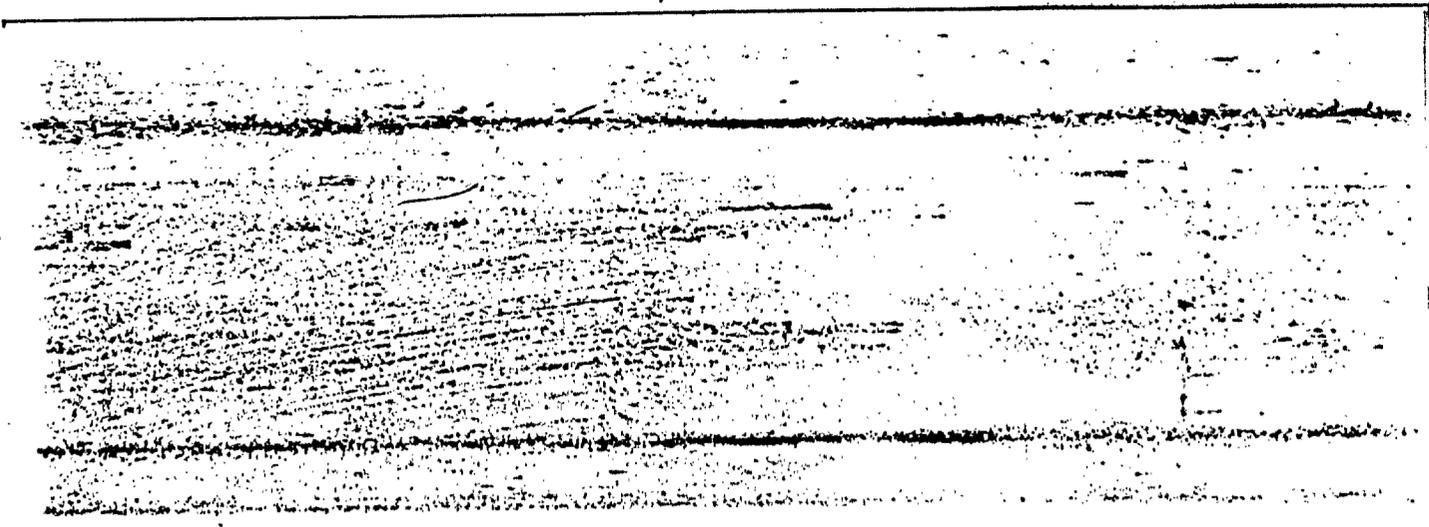


Exhibit A
Land Description



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Exhibit A

Property Description

Lot 1
Westcliff

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at an iron pin in the North ROW of Grandview Drive. Said iron pin being located 249 feet more or less Eastwardly from the intersection of the East ROW of Nichols Road with the North ROW of Grandview Drive.

Thence from said beginning point and leaving the ROW of Grandview Drive, North 21 deg. 51 min. West 449.65 feet to an iron pin;

Thence North 71 deg. 14 min. East 530.0 feet to an iron pin;

Thence South 25 deg. 17 min. 46 sec. East 640.16 feet to an iron pin with the ROW of Grandview Drive;

Thence with the ROW of Grandview Drive, South 89 deg. 09 min. West, 608.10 feet to an iron pin the point of beginning. And containing 6.80 Acres more or less.

Together with and subject to all appurtenant right title and interest in and to the rights and easements created by the Declaration of Mutual Reciprocal Easements made by Residential Resource Group, Inc. on the 19th day of August, 1981 by instrument recorded in Deed Book 1740, Page 735 in the Register's Office for Knox County, Tennessee.



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Exhibit B

Bylaws of Westcliff Homeowners Association, Inc.



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BYLAWS OF WESTCLIFF HOMEOWNERS ASSOCIATION, INC.

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BYLAWS OF WESTCLIFF HOMEOWNERS ASSOCIATION, INC.

Section 1: Definitions

The following words and phrases as used in these Bylaws shall have the meanings hereinafter set forth unless a different meaning is specifically required by the context:

Section 1.1. "Horizontal Property Act" means the Horizontal Property Act of the State of Tennessee as set forth in Chapter 27 of Title 64, Tennessee Code Annotated, as the same may from time to time be amended.

Section 1.2. "Developer" means Residential Resource Group, Inc., a Maryland corporation, its successors and assigns, who have undertaken to develop Westcliff Condominium.

Section 1.3. "Master Deed" means the Master Deed establishing Westcliff Condominium to which these Bylaws are attached and which establishes the horizontal property regime.

Section 1.4. "Land" shall mean the Land and Easements described in Exhibits A and E respectively which are attached to the Master Deed and incorporated by reference herein as though fully set out.

Section 1.5. "Building" means the 3-story multi-apartment building located on the Land.

Section 1.6. "Condominium Project" means the Land, the Building, and other improvements located thereon and the easements and appurtenances related thereto, all of which have, by the recording of the Master Deed, been submitted to a horizontal property regime.

Section 1.7. "Apartment" means each of the 76 residential dwellings included within the Condominium Project as more particularly described in paragraphs 4 and 5 of the Master Deed.

Section 1.8. "Person" means one or more individuals, corporations, partnerships, associations, trusts or other legal entities capable of holding title to real property.

Section 1.9. "Co-Owner" means the person as defined in Section 1.8 who is the record owner of an Apartment. The term "Co-Owner" shall exclude any person having an interest in an Apartment merely as security for the performance of an obligation.

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Section 1.10. "Association" shall mean Westcliff Homeowners Association, Inc., a Tennessee corporation not established for profit, which shall constitute the Council of Co-Owners as defined in the Horizontal Property Act.

Section 1.11. "Board of Directors" means the Board of Directors of the Association.

Section 1.12. "Rules and Regulations" means the rules and regulations from time to time adopted by the Board of Directors of the Association pursuant to these Bylaws.

Section 1.13. "Common Elements" means all parts of the Condominium Project.

Section 1.13. "General Common Elements" means all of the Common Elements except for the Limited Common Elements as more particularly described in paragraph 7 of the Master Deed.

Section 1.14. "Limited Common Elements" means those portions of the General Common Elements which are reserved for use by a certain Apartment or Apartments to the exclusion of other Apartments as more particularly described in paragraph 7 of the Master Deed.

Section 1.15. "Common Expenses" shall mean and include (i) all sums lawfully assessed against the Co-Owners by the Association; (ii) all insurance premiums other than insurance obtained by a Co-Owner; (iii) expenses of administration, maintenance, repair, and/or replacements of the Common Elements and reasonable reserved relating thereto; and (iv) expenses declared to be Common Expenses by the Horizontal Property Act, by the Master Deed or by these Bylaws.

Section 1.16. "Plat" means the Plat attached to the Master Deed as Exhibit C containing 2 pages and consisting of the "as built" Plat of the Condominium Project, as shown on lot 1 on said plat.

Section 1.17. "First Mortgagees" shall mean the owners and holders of the promissory notes secured by any first lien deed of trust or mortgage on an Apartment.

Section 2: Plan of Apartment Ownership

Section 2.1. Apartment Ownership. The property which, by the recording and filing of the Master Deed, the Apartment and Co-Owner's

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deed have been submitted to a horizontal property regime known as "Westcliff Condominium."

Section 2.2. Applicability of Bylaws to the Condominium Project. The provision of these Bylaws are applicable to the Condominium Project and to the use and occupancy thereof.

Section 2.3. Applicability of Bylaws to Apartment Owners. All present and future Co-Owners, mortgagees, lessees and occupants of Apartments and their employees and any other persons who may use the facilities of the Condominium Project in any manner are subject to the Master Deed, these Bylaws and the Rules and Regulations adopted pursuant hereto and any amendment to the same.

Section 3: Administration of the Westcliff Condominium

The Association shall be responsible for administering, operating and managing the Condominium Project and for enforcing the provisions of the Master Deed, these Bylaws and the Rules and Regulations adopted pursuant hereto as the same may from time to time be amended. The Association shall not engage in any activities not in furtherance or as authorized by the Master Deed, Bylaws, and the Rules and Regulations adopted by the Association.

Section 4: Offices - Seal - Fiscal Year

Section 4.1. Principal Office and Registered Office. The principal office and registered office of the Association shall be located at 5709 Lyons View Drive, Knoxville, Tennessee, 37919. The Association may change the principal office and/or the registered office as it deems necessary.

Section 4.2. Other Offices. The Association may have other offices at such other places in the State of Tennessee as the Board of Directors may from time to time determine or as the affairs of the Association may require.

Section 4.3. Seal. The seal of the Association shall contain the name of the Association, the word "seal", the year of incorporation and such other words and figures as may be desired by the Board of Directors. When obtained, such seal shall be impressed in the margin of this section of the Bylaws.

Section 4.4. Fiscal Year. The fiscal year of the Association shall be the calendar year.

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Section 5: Membership and Meetings

Section 5.1. Qualification. Membership in the Association shall be limited to the Co-Owners, and every Co-Owner shall automatically be a member of the Association. Membership in the Association shall be required and become appurtenant to and may not be separated from apartment ownership.

Membership in the Association shall inure automatically to Co-Owners upon acquisition of a fee simple interest, whether encumbered or not, to any one or more Apartments. The date of recordation of the conveyance in the Office of Knox County Register of Deeds of an Apartment shall govern the date of ownership of each particular Apartment. However, in the case of death of a Co-Owner, the transfer of ownership shall occur on the date of death in the case of intestacy or the date of probate of will in the event of testacy. Until a decedent's will is probated, the Association may rely on the presumption that a deceased owner died intestate.

Section 5.2. Place of Meeting. All meetings of the membership shall be held at the principal office of the Association or such other place or places in the City of Knoxville, Tennessee, as the Board of Directors may from time to time determine.

Section 5.3. Annual Meetings. The first annual meeting of the members shall be held on the first to occur of the following dates: (a) on the date and hour designated by Developer or (b) at 7:30 p.m. on the first Monday following the expiration of one (1) calendar year after the conveyance by Developer of the first Apartment to a Co-Owner. Thereafter, the annual meeting of members shall be held on the second Tuesday of February of each year at 7:30 p.m., Eastern Standard Time. If the second Tuesday of February shall be a legal holiday, the annual meeting shall be held at the same hour on the first day following which is not a legal holiday. At each such meeting, the Board of Directors shall be elected in accordance with the provisions of Section 6 of these Bylaws, and the members shall transact such other business as may properly come before them.

Section 5.4. Substitute Annual Meetings. If an annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Sections 5.5 and 5.7. A meeting so called shall be designated and treated for all purposes as an annual meeting.

Section 5.5. Special Meetings. It shall be the duty of the President to call a special meeting of the members if so directed by resolution of the Board of Directors or, after the first annual

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meeting of members, upon a petition signed by Co-Owners having not less than sixty-six and two-thirds percent (66 2/3%) of the total membership votes as determined in Section 5.9 hereof. The notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5.6. Order of Business. As far as practical, the order of business at all annual meetings of the membership or at all substitute annual meetings shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of last preceding meeting.
- (d) Report of officers.
- (e) Report of board of directors.
- (f) Report of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the board of directors (when so required.)
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

Section 5.7. Notice of Meetings - Waiver. The Secretary shall personally deliver to or mail by United States Mail, postage prepaid, to each member entitled to vote a written or printed notice of (a) each annual or substitute annual membership meeting not less than ten (10) nor more than fifty (50) days prior to such meeting and (b) each special meeting not less than seven (7) nor more than thirty (30) days prior to such meeting.

If the notice is personally delivered, a receipt of the notice shall be signed by the receiving member indicating the date on which



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such notice was received by him. If the notice is mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, postage prepaid, and addressed to the member at his post office address as it appears on the register of Co-Owners of the Association as of the date of the mailing of such notice.

Notice given to any one tenant in common or any one tenant by entirety of an Apartment shall be deemed notice to the remaining record owner of such Apartment. In the case of special meetings, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual meeting or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such statement is specifically required by the provisions of the laws of the State of Tennessee.

Any member may waive necessity of formal notice of any membership meeting by signing a written waiver either before or after the meeting; and upon execution of such waiver, the member shall not be entitled thereafter to object to the meeting being held or the matters being passed upon at the meeting because of lack of notice thereof.

Section 5.8. Quorum. Except as otherwise provided in these Bylaws or by the laws of the State of Tennessee governing corporations, the presence, in person or by proxy, of members holding more than fifty percent (50%) of the total vote of the membership as determined by Section 5.9 hereof shall constitute a quorum at all meetings of the members. If a quorum is not present or represented at any meeting, the members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time without notice other than an announcement at the meeting until a quorum is present or represented.

The members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum of members present at the meeting unless a higher percentage of votes is required on any matter presented to the meeting.

Section 5.9. Voting Rights. The total number of votes of all Co-Owners shall be 100, and each Co-Owner shall be entitled to cast the number of votes equal to the percentage interest in the Common Elements appurtenant to the Apartment or Apartments owned by such Co-Owner.

If an Apartment is owned by two or more persons (whether individually or in a fiduciary capacity), the votes may be cast by

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any one of the persons so owning in person or by proxy. If more than one of the persons so owning vote, the unanimous action of all the persons owning said apartment voting shall be necessary to effectively cast the vote allocated to that particular Apartment.

The owners of life estates in the Apartments shall be entitled to cast the vote appurtenant to such Apartments.

If an Apartment is owned by a corporation or other entity, the vote shall be cast by one person named in a certificate signed by the president of the corporation owning the Apartment or the presiding officer of any other legal entity owning the Apartment. Such certificate shall be filed with the Secretary of the Association and shall be valid until revoked by a subsequent certificate.

The Developer shall retain and shall be entitled to cast the number of votes equal to the percentage interest in the Common Elements appurtenant to the Apartment or Apartments owned by Developer or those Apartments not yet conveyed to a Co-Owner.

Section 5.10. Proxies. Members may vote either in person or by agents duly authorized by written proxy executed by the member or by his duly authorized attorney-in-fact. A proxy shall not be valid after the expiration of eleven (11) months from the date of its execution unless the proxy specifically specifies the length of time which it is to continue in force or limits its use to a particular meeting, but no proxy shall be valid after ten (10) years from the date of its execution. Unless a proxy otherwise provides, any proxyholder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary either during or prior to the meeting in question.

Section 5.11. Majority Vote. A majority of the votes as determined in accordance with Section 5.9 hereof represented at a meeting at which a quorum is present shall be required to adopt any measures voted upon at such meeting, except where a higher percentage vote is required by the Horizontal Property Act, Master Deed, these Bylaws or the laws of the State of Tennessee governing corporations.

Section 5.12. Actions Without Formal Meeting. Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the actions so taken, or to be taken, shall be signed by all of the members who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

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Section 6: Board of Directors

Section 6.1. General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such committees as the Board of Directors may establish pursuant to Section 7 of these Bylaws.

Section 6.2. Number, Term and Qualification. The initial Board of Directors shall consist of the three (3) individuals whose names are set forth in the Articles of Incorporation. The initial Board shall serve until the first annual membership meeting. From and after the first annual membership meeting, there shall be five (5) Directors. At the first annual membership meeting, if Developer has not conveyed to Co-Owners eighty percent (80%) of the 76 Apartments comprising the Condominium Project, Developer shall appoint three (3) Directors for terms of five (5) years each, and the members shall elect two (2) Directors for terms of two (2) years each. Except for the initial Directors and Directors appointed by Developer, who need not be members of the Association, all Directors shall be members of the Association. At each subsequent annual membership meeting, the members shall elect sufficient Directors to fill the vacancies (if any) created by the expiration of the term of office of any retiring Director. All Directors elected after the first annual membership meeting shall serve 1-year terms. Directors may succeed themselves in office. This procedure will effectively insure that the Developer maintains control for at least five (5) years following the first annual membership meeting; however, at any time the Developer has conveyed to Apartment purchasers eighty percent (80%) of the Apartments comprising the Condominium Project then the membership by special meeting shall elect three (3) Directors to replace the Directors appointed whose appointment shall automatically terminate upon election of the replacements.

Section 6.3. Nominations. Except for the initial Directors and Directors appointed by Developer, nominations for election to the Board of Directors shall be made by a nominating committee consisting of a chairman who shall be a Director and at least two (2) other members of the Association. The nominating committee will be appointed by the Board of Directors at a time sufficiently in advance of the annual meeting in order that it may make nominations for election to the Board of Directors. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

Section 6.4. Election of Directors. If a member so demands, or

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if the presiding officer at the annual meeting or substitute annual meeting so directs, the election of Directors shall be by ballot. Otherwise, the election shall be by voice vote. Each member shall be entitled to cast a total number of votes for Directors equal to the number of vacancies to be filled multiplied by the percentage interest in the General Common Elements appurtenant to the Apartment or Apartments owned by such member. Persons receiving the highest number of votes shall be elected to office even if the number of votes accumulated by such person is not a majority of the votes cast. Cumulative voting is not permitted.

Section 6.5. Removal. Except for the initial Board of Directors or Directors appointed by Developer (which can only be removed and replaced by Developer), any Director elected or appointed at or after the first annual membership meeting may be removed from the Board, with or without cause, by a majority vote of the members of the Association at any regular or special meeting of the membership provided that the notice of the meeting must state that the question of such removal will be acted upon at the meeting. As used in this Section, the term "majority vote" shall mean any vote in excess of fifty percent (50%) of the votes of the membership as determined in accordance with Section 5.9 hereof. If any Directors are so removed, their successors may be elected by the membership at the same meeting to fill the unexpired terms of the Directors so removed.

Section 6.6. Vacancies. A vacancy occurring in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director. The members may elect a Director at any time to fill a vacancy not filled by the Directors. As indicated in Section 6.5, the membership shall have the first right to fill any vacancy created by the membership's removal of a Director. Notwithstanding the foregoing, Developer shall have the right to fill any vacancy in the Board of Directors resulting from the resignation, death or removal (by Developer) of any Director originally appointed by Developer.

Section 6.7. Chairman. Chairman of the Board of Directors shall be elected annually by a majority of the Directors. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as be directed by the Board. In the absence of a Chairman, the President shall preside at all meetings of the Board of Directors. Only a member of the Board of Directors may be elected as Chairman of the Board.

Section 6.8. Compensation. No member of the Board of Directors shall receive any compensation from the Association for acting as a member of the Board of Directors. However, each Director shall be

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reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association.

Section 6.9. Loans to Directors and Officers. No loans shall be made by the Association to its Directors or officers. Any Directors of the Association who vote for or assent to the making of a loan to a Director or officer of the Association and any officer or officers participating in the making of such loan shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

Section 6.10. Liability of Directors. Subject to the provisions of Tennessee Code Annotated Sections 48-406, 48-407, 48-408, 48-409, 48-410, and 48-411 and as they may from time to time be amended or construed and subject to the laws of the State of Tennessee, the Association shall indemnify and hold harmless each member of the Board of Directors with respect to any liability and expense of litigation arising out of his activities as a director. Any sums required to discharge the obligations of the Association under this paragraph shall constitute a "Common Expense" which shall be assessed against each Co-Owner. The Board of Directors shall be authorized to purchase insurance for the protection of the Directors, officers, employees or agent of the corporation.

Section 6.11. Meeting of Directors.

(a) Regular Meetings. Regular meetings of the Board of Directors shall be held, without notice at such intervals and at such times and places as may be determined from time to time by resolution of the Board of Directors. If any such meeting falls on a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

(b) Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any Director after not less than three (3) nor more than thirty (30) days' written notice to each Director.

(c) Notices of Special Meetings. Notices of special meetings of the Board of Directors may be waived by written instrument signed by those Directors who do not receive notice of such meeting. Except to the extent otherwise provided by law, the purpose of the special directors' meeting need not be stated in the notice. Notices shall be deemed received upon the happening of any one or more of the following events: (i) two (2) days following deposit of the same in the United States mail, with proper postage paid, and addressed to the Director at his last known address on file with the Association;



(ii) deposit of the notice in his Apartment mailbox; or (iii) personal delivery of the notice to the Director. Attendance by a Director at special meeting shall constitute a waiver of notice of such meeting unless such Director gives a written statement at the special meeting to the person presiding objecting to the transaction of any business on the grounds that the meeting is not lawfully called. However, if the objection of said Director is entered into the minutes then no written notice shall be required.

(d) Approved Meeting Place. All directors' meetings shall be held in the City of Knoxville, or County of Knox, State of Tennessee.

(e) Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business, and every act or decision done or made by a majority of the Directors present at a duly called and held meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

Section 6.12. Action Without Formal Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. The written approval shall be filed with the minutes of the proceedings of the Board whether done before or after the action so taken.

Section 6.13. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any Association matter is taken shall be presumed to have assented to the action so taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless such Director shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. The right to dissent shall not apply to a Director who voted in favor of any such action. A Director who is absent from a meeting of the Board or at any committee shall be presumed to have concurred in the action taken unless he shall deliver or send by registered mail his dissent to the Secretary of the Association within a reasonable time after learning of such action.

Section 6.14. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium Project except such powers and duties as by law, by the Master Deed or by these Bylaws may not be delegated

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by the Co-Owners to the Board of Directors. Without in any way limiting the powers and responsibilities conferred upon the Board of Directors by these Bylaws, the Master Deed or by law, the Board of Directors shall have the power to and shall be responsible for the following:

(a) Providing for the operation, care, upkeep, replacement and maintenance of the General Common Elements.

(b) Determining the funds required for the operation, administration, maintenance, upkeep and other affairs of the Condominium Project and the assessment and collection of the Common Expenses from the Co-Owners as provided in Section 13 of these Bylaws.

(c) Employing and dismissing personnel necessary for the efficient operation and maintenance of the Condominium Project and establishing and paying salaries and other compensation for such personnel.

(d) Adopting rules and regulations covering the details of the operation and use of the Condominium Project.

(e) Opening bank accounts on behalf of the Association and designating the signatories required therefor.

(f) Purchasing, leasing or otherwise acquiring in the name of the Association, or its designee, Apartments offered for sale or lease or surrendered by their Co-Owners to the Association.

(g) Purchasing Apartments at foreclosure or other judicial sales in the name of the Association or its designee.

(h) In the event the Association has purchased or otherwise acquired an Apartment, the Association shall have the power to sell, lease, mortgage, vote the votes appurtenant (other than for the election of Directors) or otherwise deal with the Apartments acquired by the Association or its designee.

(i) Granting licenses for vending machines.

(j) Purchasing personal property necessary to properly maintain the Condominium Project and to provide for its operation.

(k) Obtaining insurance for the Condominium Project pursuant to Section 10 of these Bylaws.

(l) Subject to the provisions of Sections 9.1 and 9.2 and

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9.3, making repairs, additions and improvements to or alterations of the General Common Elements (including the Limited Common Elements) and repairing and restoring the Condominium Project and establishing reserves therefor.

(m) Keeping detailed accurate records in chronological order of receipts and expenditures affecting the General Common Elements, specifying and identifying the maintenance and repair expenses of the General Common Elements and any other expenses incurred. All books and records shall be kept in accordance with generally accepted principles of accounting and shall be available for examination by all Co-Owners or mortgagees or their duly authorized agents or attorneys at convenient hours on working days. An outside audit shall be made at least once a year.

(n) Keeping a complete record of the minutes of all meetings of the Board of Directors and members in a minute book in which shall be inserted all records of actions taken by the Directors and/or members whether such meeting is held pursuant to written consent or by formal meeting.

(o) Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed.

(p) Enforcing the provisions of the Master Deed, these Bylaws and the Rules and Regulations and bringing or defending any legal actions that may be instituted on behalf of or against the Association.

(q) To do such other things and acts not inconsistent with the Horizontal Property Act, the Master Deed and these Bylaws or which may be authorized by appropriate action of the Board of Directors and/or the Association.

Section 6.15. Managing Agent. The Board of Directors may employ or enter into a management contract with any individual, firm or entity (including the Developer or an affiliate of Developer) that it deems appropriate and in the best interest of the Association concerning the routine management of the Condominium Project. The Board of Directors shall delegate to such professional person or firm ("Managing Agent") such duties and responsibilities in the management of the Condominium Project as the Board of Directors deems appropriate provided the Board of Directors may not delegate to the Managing Agent the complete and total responsibilities and duties of the Association in violation of the laws of the State of Tennessee. Contracts with Managing Agent shall not exceed one (1) year and shall provide for

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termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice. The Board of Directors shall have the authority to fix reasonable compensation for the Managing Agent. The Managing Agent shall at all times be answerable to the Board of Directors and subject to its direction.

Section 6.16. Control by Developer. The Developer shall retain control of the Association through the appointment of a majority of Directors for a period of five (5) years or until such time as the Developer has conveyed to Co-Owners eighty percent (80%) of the Apartments comprising the Condominium Project, whichever comes first.

Section 7: Committees

Section 7.1. Creation. The Board of Directors by resolution adopted by a majority of the number of Directors then holding office may create such committees as they deem necessary and appropriate in aiding the Board of Directors to carry out its duties and responsibilities with respect to the management and administration of the Condominium Project. Each committee so created shall have such authorities and responsibilities as the Directors deem appropriate and as set forth in the resolution creating such committee. The Directors shall elect the members of each committee provided that at least one member of the Board of Directors shall serve on each committee.

Section 7.2. Vacancy. Any vacancy occurring on a committee shall be filled by a majority of the number of Directors then holding office at a regular or special meeting of the Board of Directors.

Section 7.3. Removal. Any member of a committee may be removed at any time, with or without cause, by a majority of the number of Directors then holding office.

Section 7.4. Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

Section 7.5. Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility or liability imposed upon it or him by law.

If action taken by a committee is not thereafter formally considered by the Board, a Director may dissent from such action

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by filing his written objection with the Secretary with reasonable promptness after learning of such action.

Section 8: Officers

Section 8.1. Enumeration of Officers. The officers of the Association shall consist of a president, a secretary, a treasurer and such vice presidents, assistant secretaries, assistant treasurers and other officers as the Board of Directors may from time to time elect. Except for the President, no officer need be a member of the Board of Directors.

Section 8.2. Election and Term. The officers of the Association shall be elected annually by the Board of Directors. Elections of officers shall be held at the first meeting of the Board of Directors next following the annual or substitute annual meeting of the membership. Each officer shall hold office until his death, resignation, removal or until his successor is duly elected and qualified.

Section 8.3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board whenever, in its judgment, the best interest of the Association will be served thereby.

Section 8.4. Vacancy. The Board of Directors may elect a successor to fill any vacancy in any office, and the person elected to fill such vacancy shall serve for the remainder of the term of the officer replaced.

Section 8.5. Multiple Offices. The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be held simultaneously by one person. Any officer may also be a member of the Board of Directors.

Section 8.6. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members. In the absence of an elected chairman, the President shall also preside at all meetings of the Board of Directors. The President shall see that the orders and resolutions of the Board of Directors are carried out; shall sign all written instruments regarding the General Common Elements and shall execute on behalf of the Association all promissory notes of the Association, if any. In addition, the President shall have all of the general powers and duties which are incident to the office of president of a corporation organized under the laws of the State of Tennessee in the management of the Association in accordance with the Master Deed and these Bylaws.

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Section 8.7. Vice Presidents. The Vice Presidents, in the order of their election, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors may prescribe.

Section 8.8. Secretary. The Secretary shall keep the minutes of all meetings of members and of the Board of Directors, shall have charge of such books and papers as the Board of Directors may direct, shall attest promissory notes of the Association and shall, in general, perform all duties incident to the office of secretary of a corporation organized under the laws of the State of Tennessee.

Section 8.9. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. The Treasurer shall cause an annual audit of the Association's books and records to be made by a certified public accountant at the completion of each fiscal year; shall prepare a proposed annual budget (to be approved by the Board of Directors) and a statement of income and expenditures to be presented to the membership at its annual meeting and shall deliver a copy of each to the members. In addition, the Treasurer shall perform all duties incident to the office of treasurer of a corporation organized under the laws of the State of Tennessee.

Section 8.10. Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall, in the absence or disability of the Secretary or Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the President or the Board of Directors.

Section 8.11. Loans to Officers. The Association shall not make any loan, either directly or indirectly, to any officer of the Association. Any officer or officers participating in the making of such loan shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof. Nothing herein is intended to otherwise limit the liability of a Director in connection with such loans.

Section 8.12. Compensation. No officer shall receive any compensation from the Association for acting as an officer. However, each officer shall be entitled to be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association.

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Section 8.13. Indemnification. Subject to the provisions of Tennessee Code Annotated Sections 48-406 through and including 48-411 and as they may from time to time be amended or construed and subject to the laws of the State of Tennessee, the Association shall indemnify and hold harmless each officer with respect to any liability and expense of litigation arising out of his activities as an officer. Any sums required to discharge the obligations of the Association under this paragraph shall constitute a "Common Expense" which shall be assessed against each Co-Owner. The Board of Directors shall be authorized to purchase insurance for the protection of the officers.

Section 9: Maintenance - Ordinary Repairs -
Alterations to General Common Elements

Section 9.1. By the Association. Except as otherwise specifically provided in the Master Deed or these Bylaws, the Association shall maintain, repair and replace, as a Common Expense, all parts of the General Common Elements and the Limited Common Elements. If any incidental damage is caused to any Apartment by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any of the Common General Elements, the Association shall repair such incidental damage at its expense. Notwithstanding the foregoing, all damages to the General Common Elements which are intentionally or negligently caused by a Co-Owner, his family, guests, agents, servants, lessees, employees or contractors shall be promptly repaired by the Co-Owner or person causing said damage provided that if such damage is covered by any insurance maintained by the Association, the proceeds of such insurance shall be used for the purpose of making such maintenance, repairs or replacements, and the Co-Owner who is responsible for such damage (whether as a result of such Co-Owner's intentional or negligent act or the intentional or negligent act of his family, guests, agents, servants, lessees, employees or contractors) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance exceed the amount of the insurance proceeds available for such maintenance, repair and replacement. If a Co-Owner is responsible for any damage to the General Common Elements (either as a result of such Co-Owner's negligent or intentional act or the negligent or intentional act of such Co-Owner's family, guests, agents, servants, lessees, employees or contractors) and such loss or damage is not covered by any insurance maintained by the Association, such Co-Owner shall be responsible for making the maintenance, repairs or replacements within thirty (30) days from the date written demand is made by the Association; and upon failure of such Co-Owner to make such repairs



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within thirty (30) days, the Association shall make the necessary repairs and the cost of such repairs shall be assessed against the Apartment owned by the Co-Owner.

The Association shall have the irrevocable right, to be exercised by the Board of Directors or its agents, to have access to each Apartment from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the General Common Elements located therein or accessible therefrom or for making emergency repairs therein which are necessary to prevent damage to the General Common Elements.

Section 9.2. By the Co-Owners. Each Co-Owner, his successor, lessee or assigns, shall be responsible, at his own expense, for maintaining and repairing his Apartment and all portions thereof. Each Co-Owner shall also promptly perform all maintenance, repair and replacements within his Apartment, which, if omitted, would adversely affect the Condominium Project or an adjoining Apartment.

Section 9.3. Restrictions on Co-Owners. No Co-Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of other Co-Owners, jeopardizes the soundness or the safety of the Condominium Project or reduces the value thereof. If, in the sole opinion of the Board of Directors, any work performed by a Co-Owner on his Apartment violates this paragraph, such Co-Owner shall immediately, upon receipt of written notice from the Board of Directors, refrain from recommencing or continuing any work until and unless the Board of Directors gives its written approval therefor. Such Co-Owner shall not repair, alter, replace or move or remove any of the General Common Elements located within his Apartment without the prior written consent of the Board of Directors.

Section 9.4. Duty to Report. Each Co-Owner shall promptly report to the Board of Directors or its agents any defect or need for repairs or replacements to the General Common Elements of which such Co-Owner is aware.

Section 9.5. Alterations to Common Areas. The Association is authorized, as a Common Expense, to make minor improvements to and alterations of the General Common Elements; provided, however, that the Association shall not make any major or structural improvements or alterations to the General Common Elements without first obtaining the approval of at least seventy-five percent (75%) of the total membership votes as determined in accordance with the Section 5.9 hereof and provided further that if Developer is the owner of any Apartment or Apartments its written consent must be obtained for any

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major or structural improvements to or alterations of the General Common Elements.

Section 9.6. Approval of Payment Vouchers. All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration and replacement of the General Common Elements shall be approved in writing jointly by the President and Treasurer. In the absence or disability of the President, the Vice-President may perform the duties of the President as set forth in Section 8 and, in like manner, the Assistant Treasurer may perform the duties of the Treasurer in the absence or disability of the Treasurer.

Notwithstanding the foregoing, the Board of Directors may authorize any officer, member, committee or the Managing Agent to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration and/or replacement of the General Common Elements so long as the resolution granting such authority specifically limits the maximum amount which may be authorized by such officer, member, committee or Managing Manager on each occasion and so long as such resolution describes the items of expense payment of which are so authorized. Further, the members shall be notified of the adoption of such a resolution by the Board of Directors when the same shall be adopted.

Section 10: Insurance and Repair of Casualty Damage

Section 10.1. Authority to Purchase. The Board of Directors is authorized to and shall use its best efforts to maintain insurance coverage on the Condominium Project containing the provisions, covering the risks and in the amounts hereinafter set forth.

Section 10.2. General Requirements. Each insurance policy purchased by the Association shall to the extent possible and/or applicable comply with the following provisions:

(a) The named insureds under such policy shall be the Association, the Co-Owners and the mortgagees as their respective interests may appear. The Managing Agent shall be named as an additional insured as its interest may appear with respect to the public liability insurance and fidelity insurance hereinafter set forth.

(b) Each policy shall contain a provision whereby the insurer waives subrogation against the Developer, the Association, the Managing Agent (if any) and the Co-Owners and their respective agents, employees, guests, and with respect to the Co-Owners, the members of their household.

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(c) Each policy shall contain a provision whereby the insurer waives any defense based on co-insurance or upon any invalidity arising from the acts of the insured.

(d) Each policy shall contain a provision providing that the policy may not be cancelled or substantially modified (including cancellation for nonpayment) without at least ten (10) days prior written notice to the Association, the Co-Owners and their mortgagees.

(e) Any "no other insurance" clause contained in any policy shall specifically exclude policies obtained by Co-Owners.

Section 10.3. Coverage. The Board of Directors of the Association shall, to the extent possible, obtain insurance covering the following risks and in the following amounts:

(a) Casualty Insurance. The Board of Directors of the Association shall procure and maintain a blanket, all risk policy ("Blanket Policy") of fire and extended coverage insurance insuring the entire Condominium Project (but excluding the personal property of the Co-Owners) in an amount not less than 100% of the insurable value of the Condominium Project less land value and value of furnishings located on the General Common Elements based on the then current replacement cost for such Property without reduction for depreciation. The Blanket Policy shall also contain coverage for such risks (including, but not limited to, vandalism and malicious mischief) as any First Mortgagee may require or as the Board of Directors may from time to time determine to be customarily covered with respect to buildings similar in construction, location and use as the Condominium Project.

The Board of Directors shall review the coverage afforded by the Blanket Policy at least annually and shall make adjustments to such coverage as the Board of Directors deems advisable.

The Blanket Policy shall also provide that the insurer will issue (a) to each Co-Owner, a certificate specifying the amount of coverage under the Blanket Policy allocated to such Co-Owner's Apartment and the percentage undivided interest in the General Common Elements appurtenant thereto and (b) to each mortgagee of an Apartment, a certificate of mortgagee endorsement in such form as the mortgagee may reasonably require. The original of the Blanket Policy and the endorsements thereto shall be delivered to the Board of Directors of the Association, as Insurance Trustees, and duplicates of such Policies and endorsements shall be issued to each Co-Owner and mortgagee.

(b) Fidelity Coverage. The Board of Directors shall procure

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and maintain adequate fidelity coverage either in the form of an insurance policy or a fidelity bond insuring and/or protecting the Association against dishonest acts on the part of officers, directors, trustees, volunteers, agents and/or employees who handle or are responsible for the handling of funds of the Association including persons who serve the Association without compensation. Such insurance or fidelity bonds shall be in such amounts as the Board of Directors may from time to time determine, but not less than one and one-half (1 1/2) times the estimated annual operating expenses and reserves of the Association.

(c) Flood Insurance. If the Condominium Project is located in whole or in part within an area at any time designated by the Secretary of the Department of Housing and Urban Development as having special flood hazards, the Board of Directors of the Association shall procure and maintain a blanket policy of flood insurance on the Condominium Project in the amount of the aggregate of the outstanding principal balances of the mortgage loans of the First Mortgagees or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(d) Workmen's Compensation. The Board of Directors of the Association shall procure and maintain workmen's compensation insurance if and to the extent necessary to meet the requirements of law.

(e) Other Insurance. The Board of Directors of the Association shall procure and maintain such other or additional insurance as the Board of Directors may from time to time determine.

(f) Co-owner's Insurance. The Co-Owners shall be entitled to obtain insurance coverage, at their own expense, upon their own personal property and for personal living expenses. Each Co-Owner shall, at his own expense, keep in force comprehensive personal liability insurance in such amounts as the Board of Directors of the Association may from time to time determine provided that such insurance shall not jeopardize the effectiveness or insurability of the Condominium Project insurance above described.

Section 10.4. Premiums. The premiums for any insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

Section 10.5. Association as Agent. The Association is hereby irrevocably appointed Agent for each Co-Owner and for each mortgagee of an Apartment to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

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Section 10.6. Insurance Trustees. All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Co-Owners and their mortgagees as their respective interests may appear and shall provide that all proceeds of such insurance shall be paid to the Board of Directors of the Association as Insurance Trustees. The Board of Directors of the Association, as Insurance Trustees, shall receive such proceeds as are paid and shall hold the same in trust for the purposes herein-after set forth and for the benefit of the Co-Owners and their mortgagees in the following shares:

(a) General Common Elements. An undivided share of the insurance proceeds received by the Board of Directors of the Association, as Insurance Trustees, on the account of damage to the General Common Elements shall be held for each Co-Owner in proportion to his undivided percentage interest in the General Common Elements.

(b) Apartments. Any proceeds received by the Board of Directors of the Association, as Insurance Trustees, on account of damage to Apartments shall be held in the following shares: (i) when the Building is to be restored, the proceeds shall be held for the Co-Owners of the damaged Apartments in proportion to the cost of repairing the damage suffered by each Co-Owner, which cost shall be determined by the Board of Directors of the Association, as Insurance Trustees; (ii) when the Building in which an Apartment is located is not to be restored, an undivided share of the proceeds shall be held for each Co-Owner, such share being the same as such Co-Owner's percentage interest in the General Common Elements.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to an Apartment, the share of the Co-Owner shall be held in trust for the mortgagee and the Co-Owner as their respective interests may appear.

Section 11: Repair and Reconstruction After Fire or Other Casualty

Section 11.1. Duty to Repair. Subject to the provisions of Section 12 hereof, in the event of damage to or destruction of the Building as a result of fire or other casualty, the Board of Directors of the Association shall arrange for the prompt repair and restoration of the Building (including any damaged Apartments, but not including any wall, ceiling or floor decoration or coverings or other furniture, furnishings, fixtures or equipment in the Apartment installed by the Co-Owner or his predecessor unless such insurance covers a portion or all of such loss to the Apartment, in which event the Association shall repair and replace such damage).

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Section 11.2. Cost Estimates. As soon as possible following any damage or destruction, the Board of Directors shall secure not less than three (3) independent written bids of the cost of making repairs and restorations of the Condominium Project from three (3) reputable building contractors in the community in which Condominium Project is located.

Section 11.3. Assessments for Uninsured Costs. If the proceeds of the insurance maintained by the Association are not sufficient to defray the cost of restoration and repair, the Board of Directors shall assess as a Common Expense such amounts as may be sufficient to provide payment of such costs, and such assessments shall be in proportion to the percentage interest of each Co-Owner in the General Common Elements.

Section 11.4. Plans and Specifications. Any reconstruction or repair of the Condominium Project shall be substantially in accordance with the Plans subject to the requirements of applicable law at the time of reconstruction or repair.

Section 11.5. Disbursement of Insurance Proceeds. The Board of Directors of the Association, as Insurance Trustees, shall disburse the net proceeds of the insurance collected on the account of casualty and the sums received by the Board of Directors from the collection of assessments against Co-Owners on account of such casualty to the contractors engaged in such repair and restoration in appropriate progress payments.

Section 11.6. Surplus. If the net proceeds of insurance collected on account of casualty exceed the cost of restoration and repair, the Board of Directors of the Association, as Insurance Trustees, shall distribute such remaining funds jointly to the Co-Owners and their respective mortgagees in proportion to the percentage undivided interest of each Apartment in the General Common Elements.

Section 12: When Reconstruction is Not Required

If any part of the Condominium Project shall be damaged by fire or other casualty, such part of the Condominium Project shall be repaired and restored in accordance with the provisions of Section 11 hereof; provided, however, repair and restoration shall not be required where the whole or more than two-thirds (2/3) of the Building is destroyed by fire or other casualty. The percentage of destruction shall be determined by the vote by two-thirds (2/3) of all Co-Owners entitled to vote that such destruction encompasses two-thirds (2/3) or more of the Building.

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In such case and unless otherwise unanimously agreed upon by the Co-Owners, the insurance proceeds shall be delivered to the Co-Owners or their mortgagees, as their interests may appear, in proportion to the percentage interest of each Co-Owner in the Common Elements and the Board of Directors, as soon as reasonably possible, shall sell the Condominium Project in its then condition free from the effect of the Master Deed, which shall terminate on such sale, on terms satisfactory to the Board of Directors. The net proceeds from any such sale, and the net proceeds of all insurance policies, shall thereupon be distributed to the Co-Owners or their mortgagees as their interests may appear in proportion to the percentage interest of each Co-Owner in the Common Elements. If the Board of Directors fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Board of Directors shall, or if they fail to do so, any Co-Owner or First Mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of the Master Deed, the prohibition against judicial partition provided for in the Master Deed has terminated and that judicial partition of the Condominium Project may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, the Master Deed shall terminate and the Property shall be removed from the provisions of the Horizontal Property Act and the horizontal property regime.

Section 13: Assessments for Common Expenses and Surplus

Section 13.1. Initial Assessment - Annual Assessment. The initial assessment has been determined by the Developer on the basis of the initial budget. The initial assessment shall remain in effect until the first annual membership meeting. Following the first annual membership meeting and not later than December 15 of each year, the Board of Directors shall give written notice to the Co-Owners of the annual assessment fixed against each Apartment for the next succeeding calendar year. In fixing the annual assessment for each calendar year, the Board of Directors shall adopt a budget for the operation, administration and maintenance of the Condominium Project for that year, which budget shall include an estimate of the Common Expenses for such year and an estimate of the cash required to meet such Common Expenses. In adopting the annual budget, the Board of Directors shall include reasonable reserves for contingencies, working capital and repairs and replacements of the Common Elements including, but not limited to, painting, roof and elevators. The annual assessment against each Apartment shall be an amount equal to the total estimated cash requirement for the Condominium Project as set forth in the budget multiplied by the percentage interest in the General Common

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Elements which is appurtenant to each Apartment. The failure of the Board to comply with the written notice hereinabove set forth shall not alter or invalidate any obligation of a Co-Owner, any right of the Association against such Co-Owner or any lien against an Apartment provided for in this Section. The first annual assessment, which shall be fixed by the Developer, shall commence for all Apartments on the date of the conveyance by the Developer of the first Apartment to a Co-Owner. The Developer shall be responsible for and pay the assessments on all Apartments which have not been conveyed initially to a person.

Section 13.2. Monthly Installments. The annual assessment shall be paid to the Association in equal monthly installments on or before the first day of each month during any assessment period. A partial assessment shall be determined and levied against all Apartments for the first month if the sale of the first Apartment takes place other than on the first day of that month.

Section 13.3. Special Arrangements. If for any reason the annual assessments prove inadequate to pay the Common Expenses, the Board may levy special assessments at any time. The special assessments shall be fixed against the Apartments according to their percentage interest in the General Common Elements and the period of the assessment and manner of payment shall be determined by the Board of Directors.

Section 13.4. Purpose of Assessments - Common Expenses. The annual and special assessments fixed and collected pursuant to this Section shall be used to pay the Common Expenses of the Condominium Project including, but not limited to, all expenses, costs and charges incurred by the Association in connection with the administration, operation and management of the Condominium Project; the cost of maintenance, repair, replacement and restoration (including reasonable reserved therefor) of the General Common Elements and Limited Common Elements, or any part thereof, including appurtenant easements; the cost of all insurance obtained by the Board of Directors pursuant to these Bylaws; all charges for utilities and other services to the Condominium Project which are not separately metered to the individual Apartments including, but not limited to, electricity, sewer, water, and master TV antenna charges; and any and all other expenses, costs or charges agreed upon as Common Expenses by the Association or declared Common Expenses by the provisions of the Horizontal Property Act, the Master Deed or these Bylaws. All funds collected by the Association shall be treated as separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium Project, or the proper undertaking of all acts and duties



imposed upon it by these Bylaws, the Articles of Incorporation and the Master Deed. Although all funds and common surplus, including other assets of the Association and any increments thereto or profits derived therefrom or from the leasing or use of General Common Elements, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, pledge or in any manner transfer its membership interest therein except as an appurtenance to his Apartment.

Section 13.5. Lien. Each assessment provided for in this Section, together with interest and collection costs, including attorneys' fees of 15% shall be a charge on and continuing lien upon the Apartment against which the assessment is made, and such lien may be enforced and foreclosed in a manner provided by law; provided, however, that no proceedings to enforce or foreclose such lien shall be commenced until the sums assessed remain unpaid for a period of thirty (30) days after the same shall become due. In addition, each Co-Owner shall be personally liable for any assessment coming due and payable against his Apartment while he is a Co-Owner of such Apartment. Any grantee of an Apartment shall be entitled to a statement from the Board of Directors setting forth the amount of the unpaid assessments against the Apartment being conveyed to him, and such Apartment conveyed shall not be subject to a lien for any unpaid assessments in excess of the amount therein set forth.

Section 13.6. Joint Liability. In any voluntary conveyance of an Apartment, the grantee thereof shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of such voluntary conveyance without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

Section 13.7. No Waiver of Remedies. Institution of a lawsuit to attempt to collect the payment of any delinquent assessment shall not be an election of the Association which shall prevent it from thereafter seeking by foreclosure action the enforcement or collection of any sums remaining owing to it nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum remaining owing to the Association.

Section 13.8. Effect of Nonpayment of Assessments - Remedies of the Association. Any assessments which are not paid when due shall be delinquent: If the assessments are not paid within thirty (30) days after the due date, the assessments shall bear interest from the delinquency date at the highest rate allowed by law, and the Association may bring an action at law against the Co-Owner to perfect

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its lien against the Apartment and to foreclose the same upon the Apartment against which the delinquent assessments were charged, in which event, interest, costs and attorneys' fees equal to fifteen percent (15%) of the principal amount shall be added to the amount of such assessment as may then be due. The Association, with the written consent of all the remaining Co-Owners, shall have the power to bid in at any foreclosure sale of an Apartment and to acquire, hold, lease, mortgage and convey the same. No Co-Owner may waive or otherwise escape lien liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of the Apartment.

Section 13.9. Priority of Assessment Lien. The lien for assessments provided for in this Section shall be prior and superior to all other liens except (a) ad valorem taxes and (b) all sums unpaid on deeds of trust and mortgages secured by an Apartment. The sale or transfer of any Apartment shall not affect the assessment lien against such Apartment. Provided, however, the sale of an Apartment pursuant to the foreclosure sale, execution sale or deed in lieu thereof by a superior lienholder shall extinguish the inferior assessment lien against an Apartment to the extent that such superior lienholder will not be liable for the Apartment's unpaid assessments which accrue prior to the foreclosure, deed in lieu thereof or execution sale, but no such sale or transfer shall relieve an Apartment from liability for assessments thereafter becoming due or for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Apartment pursuant to a foreclosure or action instituted by a superior lienholder.

Section 13.10. Register of Co-Owners and Mortgagees. The Association shall maintain a register setting forth the names of the Co-Owners. In the event of the transfer of any Apartment to a third party, the transferee shall notify the Association in writing of his interest in such Apartment, together with recording information necessary to identify the instrument by which the transferee has acquired his interest. Each Co-Owner shall also notify the Association of the parties holding any mortgage on any Apartment, the amount of such mortgage and the recording information necessary to identify the mortgage. The holder of any mortgage upon any Apartment may notify the Association of the existence of any mortgage, and the Association shall register in its records all pertinent information relating thereto.

Section 14: Condemnation

Section 14.1. Association to Receive Condemnation Awards. In the event all or any part of the Condominium Project shall be taken in condemnation or by eminent domain, the award of any such taking shall be payable to the Association and shall be disbursed by the Association

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as hereinafter provided in this Section.

Section 14.2. Condemnation of General Common Elements. If the taking is of General Common Elements and does not consist of taking any part of the Building, the Board of Directors shall arrange for restoration of the remaining General Common Elements and the Association shall disburse the proceeds of the condemnation award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the General Common Elements is to be repaired and reconstructed as provided in Section 11 hereof.

Section 14.3. Taking of Apartments. If the taking includes part of the Building, whether or not there is included in the taking any part of the General Common Elements, and such taking shall make it impossible or impractical to reconstruct within the General Common Elements any Apartment, all or part of which has been taken, then the Co-Owner of any such Apartment shall receive that compensation awarded to him for his Apartment in any condemnation proceeding. Also, if the overall award includes a payment to the Association for the taking of a portion of the General Common Elements and no separate General Common Elements award has been made to a particular Co-Owner, then that Co-Owner shall be paid his fractional interest in the General Common Elements award and shall thereupon execute an amendment to the Master Deed, which amendment shall eliminate such Co-Owner's undivided interest from the Condominium Project and shall reallocate the undivided interest to all remaining Co-Owners. By accepting a deed for an Apartment, each Co-Owner agrees to execute the amendment to the Master Deed and any required amendment to any of the other condominium documents to confirm the effect of this paragraph. Furthermore, in consideration of any condemnation award paid, the Co-Owner of any Apartment so taken agrees to execute a quitclaim deed conveying his remaining interest in any Condominium Project for which he has been paid to the remaining Co-Owners. Any required amendments and the quitclaim deed shall be prepared at the direction and expense of the Association.

Section 14.4. Mortgagees. If the award to a Co-Owner is not sufficient to pay in full the balance of any mortgage on such Apartment, then any General Common Elements payment by the Association to the Co-Owner shall be payable jointly to the Co-Owner and his mortgagees.

Section 15: First Mortgagees

The following provisions are intended for the benefit of and may be enforced by the First Mortgagees and no amendment to this Section shall be effective unless approved in writing by at least

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seventy-five percent (75%) of the First Mortgagees (based on one (1) vote for each first mortgage owned.)

Section 15.1. Notice of Default. The Board of Directors, whenever so requested in writing by a First Mortgagee, shall give written notice to such First Mortgagee of any default by a Co-Owner in the performance of his obligations under the Master Deed, these Bylaws or the Rules and Regulations which is not cured within thirty (30) days.

Section 15.2. Notice of Damage. The Board of Directors of the Association shall promptly notify any First Mortgagee of a damaged Apartment when such damage exceeds \$1,000.00, and the Board of Directors shall promptly notify any First Mortgagee of any damage to the General Common Elements when such damage exceeds \$10,000.00 and of any condemnation or similar proceedings which may affect a First Mortgagee.

Section 15.3. Notice of Amendments. The Board of Directors of the Association shall give notice to all First Mortgagees at least seven (7) days prior to the date on which the Co-Owners, in accordance with the provisions of these bylaws, will vote to amend the Master Deed or Bylaws.

Section 15.4. Membership Meetings. The First Mortgagees or their agents and representatives shall be entitled to attend membership meetings of the Association and shall have the right to speak thereat.

Section 15.5. Books and Examination of Books and Records. Each First Mortgagee shall have the right to examine the books and records of the Association and to receive copies of the annual budgets, audits and other financial reports.

Section 16: First Mortgagee and Co-Owner Approval

Except as provided by statute or in case of or substantial loss to the Condominium Project, unless at least seventy-five percent (75%) of the First Mortgagees (based upon one (1) vote for each mortgage owned) and Co-Owners (other than the Developer) 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, (b) change the prorata interest or obligations of any Apartment for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (ii) determining the prorata share of ownership of each Condominium Apartment in the Common Elements or (c) partition or subdivide any Apartment, (d) by act or omission, seek to abandon, partition,

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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 loss), or (e) use hazard insurance proceeds for losses to any Condominium Project (whether to Apartments or General Common Elements) for other than the repair, replacement or reconstruction of such Condominium Project.

The foregoing provisions shall not be deemed in any way to limit the rights a particular Co-Owner and his or her First Mortgagee may have with respect to matters affecting such Apartment.

Section 17: Rules and Regulations

The Board of Directors shall have the right to make and amend rules and regulations governing the use of the Condominium Project, and the initial Board of Directors will adopt Rules and Regulations which shall be binding on the Co-Owners from the time of their adoption. Such rules and regulations may limit the use of the Common Elements to Co-Owners and their agents as well as provide for the exclusive use of a part of the Common Areas by a Co-Owner or his guests for special occasions, which exclusive use may be conditioned upon a fee to the Association. A copy of the rules and regulations shall be provided to all Co-Owners. Any such rules and regulations may be amended from time to time by the Board of Directors provided that such amendment must be approved by two-thirds (2/3) vote of the Co-Owners before they become effective. Such rules and regulations shall be enforceable as hereinafter provided, but nothing herein shall be construed as permitting the Directors to make or amend rules and regulations contrary to the property rights of the Co-Owners of the Association or contrary to the provisions of the Master Deed or these Bylaws or the laws of the State of Tennessee.

Section 18: Remedies

The failure of any Co-Owner to comply with any of the terms of the Master Deed, Bylaws or the rules and regulations as the same may from time to time be amended shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Association on behalf of the Co-Owners or, in a proper case, by an aggrieved Co-Owner.

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Section 19: Amendments

These Bylaws may be amended at any time by an instrument in writing signed and acknowledged by the Co-Owners holding seventy-five percent (75%) of the vote in the Association as determined in accordance with Section 5.9 hereof, which instrument shall be effective upon recordation in the Office of the Knox County Register of Deeds; provided, however, that where a larger vote in the Association is required for the Association to take or refrain from taking a specific action as set forth in these Bylaws no amendment of these Bylaws shall be made unless and until the Co-Owners holding such larger percentage of the vote in the Association as determined in accordance with Section 5.9 hereof execute such amendment and the same is duly recorded in the Register of Deeds of Knox County, Tennessee.

Notwithstanding the foregoing, these Bylaws and the Master Deed contain provisions concerning rights, remedies and interests of First Mortgagees. Such provisions in these Bylaws and the Master Deed are to be construed as covenants for the protection of the First Mortgagees on which such First Mortgagees may rely in making loans secured by deeds of trust on the Apartments. Accordingly, no amendment or modification of these Bylaws or the Master Deed impairing or affecting the rights, remedies or interests of a First Mortgagee hereunder shall be adopted without the prior written consent of seventy-five percent (75%) of the First Mortgagees (based on one (1) vote for each mortgage owned.)

Section 20: Miscellaneous

Section 20.1. Ad Valorem Taxes. Each Apartment shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Co-Owner shall be liable solely for the amount of tax assessed against his Apartment and shall not be affected by the consequences resulting from the tax delinquency of other Co-Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the General Common Elements shall be listed for tax purposes in the name of and paid by the Association.

Section 20.2. Partial Invalidity. Invalidation of any covenant, conditions, restriction or other provision of the Master Deed or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 20.3. Binding Effect. The provisions of these Bylaws shall be binding upon and inure to the benefit of the Co-Owners,



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their heirs, successors and assigns.

Section 20.4. Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning, and the use of any gender shall be deemed to include all genders.

Section 20.5. Governing Law. The provisions of the Master Deed and these Bylaws shall be governed by and construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, Developer has caused these Bylaws to be duly executed, this the ____ day of _____, 1980.

WESTCLIFF HOMEOWNER'S ASSOCIATION, INC.

By: _____

President

ATTEST:

Secretary

(CORPORATE SEAL)

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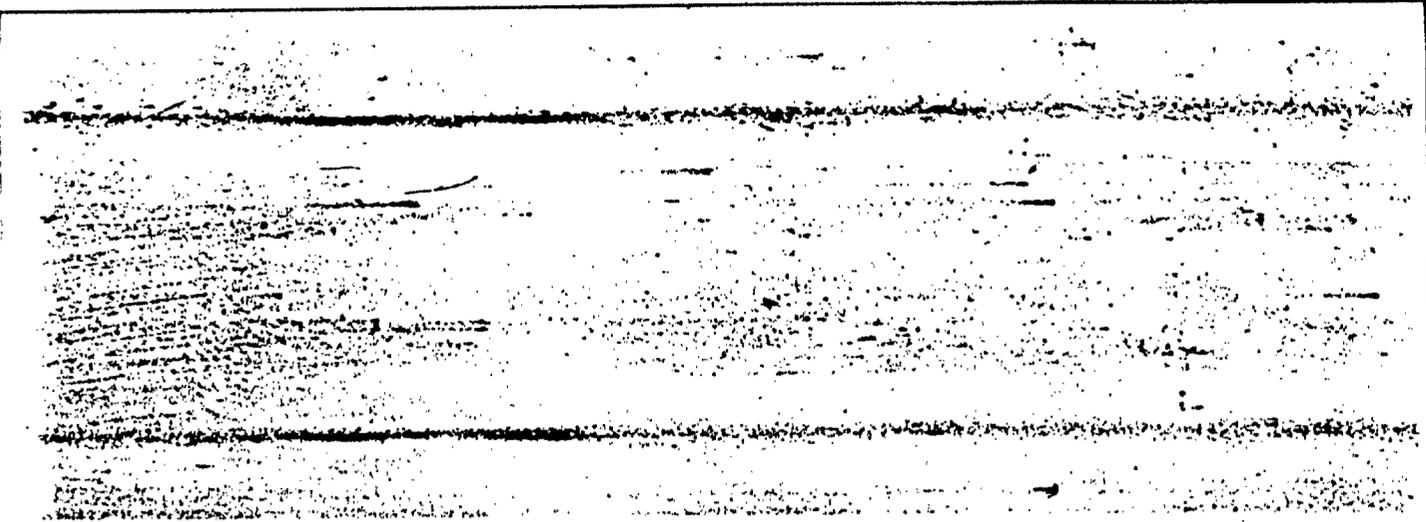


Exhibit C
Plat and Survey of Land

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Exhibit D

Identifying List of Units with Percentage
Undivided Interest of Each Apartment in
Common Elements



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EXHIBIT D

PERCENTAGE UNDIVIDED INTEREST OF EACH APARTMENT
INTEREST IN COMMON ELEMENTS

The following represents the percentage interest which each apartment has in the Common Elements of Westcliff Condominium:

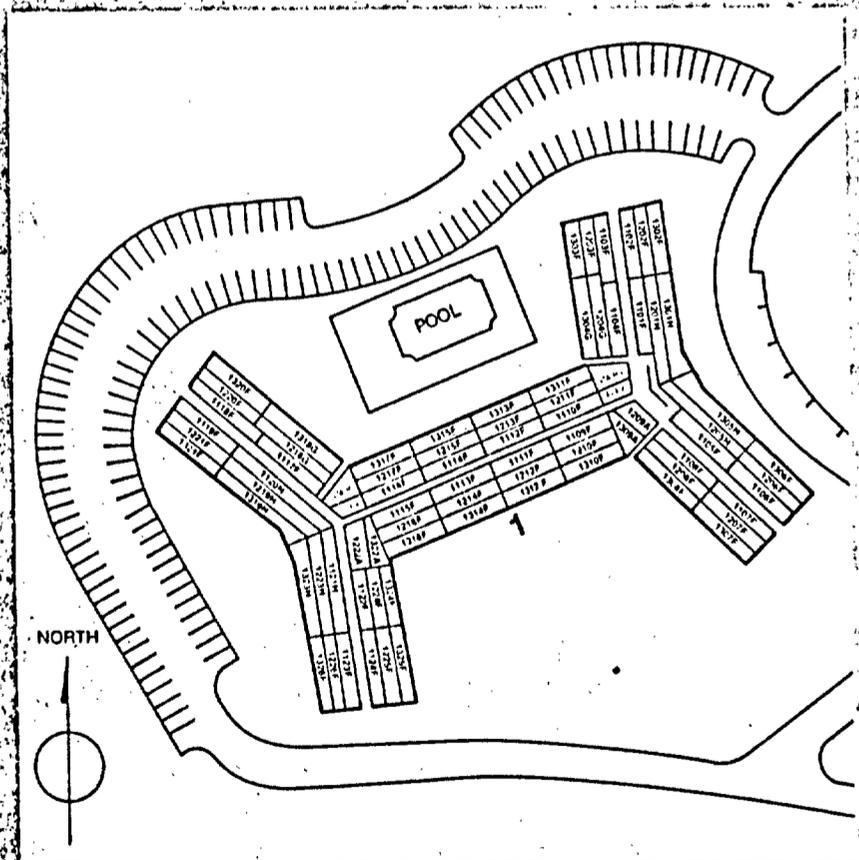
<u>Apartment #</u>	<u>Type of Apartment</u>	<u>Approximate Square Footage</u>	<u>Approximate Percentage Interest in Common Elements</u>
1120	H	1,818	1.86469188
1121	H	1,818	1.86469188
1201	H	1,818	1.86469188
1205	H	1,818	1.86469188
1219	H	1,818	1.86469188
1223	H	1,818	1.86469188
1301	H	1,818	1.86469188
1305	H	1,818	1.86469188
1319	H	1,818	1.86469188
1323	H	1,818	1.86469188
1101	F	1,232	1.2634159
1102	F	1,232	1.2634159
1103	F	1,232	1.2634159
1104	F	1,232	1.2634159
1105	F	1,232	1.2634159
1106	F	1,232	1.2634159
1107	F	1,232	1.2634159
1108	F	1,232	1.2634159
1109	F	1,232	1.2634159
1110	F	1,232	1.2634159
1111	F	1,232	1.2634159
1112	F	1,232	1.2634159
1113	F	1,232	1.2634159
1114	F	1,232	1.2634159
1115	F	1,232	1.2634159
1116	F	1,232	1.2634159
1117	F	1,232	1.2634159
1118	F	1,232	1.2634159
1119	F	1,232	1.2634159
1122	F	1,232	1.2634159
1123	F	1,232	1.2634159
1124	F	1,232	1.2634159
1202	F	1,232	1.2634159
1203	F	1,232	1.2634159
1206	F	1,232	1.2634159
1207	F	1,232	1.2634159
1208	F	1,232	1.2634159
1210	F	1,232	1.2634159
1211	F	1,232	1.2634159
1212	F	1,232	1.2634159
1213	F	1,232	1.2634159
1214	F	1,232	1.2634159
1215	F	1,232	1.2634159



<u>Apartment #</u>	<u>Type of Apartment</u>	<u>Approximate Square Footage</u>	<u>Percentage Interest in Common Elements</u>
1216	F	1,232	1.2634159
1217	F	1,232	1.2634159
1220	F	1,232	1.2634159
1221	F	1,232	1.2634159
1224	F	1,232	1.2634159
1225	F	1,232	1.2634159
1226	F	1,232	1.2634159
1302	F	1,232	1.2634159
1303	F	1,232	1.2634159
1306	F	1,232	1.2634159
1307	F	1,232	1.2634159
1308	F	1,232	1.2634159
1310	F	1,232	1.2634159
1311	F	1,232	1.2634159
1312	F	1,232	1.2634159
1314	F	1,232	1.2634159
1315	F	1,232	1.2634159
1316	F	1,232	1.2634159
1317	F	1,232	1.2634159
1320	F	1,232	1.2634159
1321	F	1,232	1.2634159
1324	F	1,232	1.2634159
1325	F	1,232	1.2634159
1326	F	1,232	1.2634159
1204	G		
1218	G	1,432	1.4687782
1304	G	1,432	1.4687782
1318	G	1,432	1.4687782
		1,432	1.4687782
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1309	A	533	.54668929
1322	A	533	.54668929



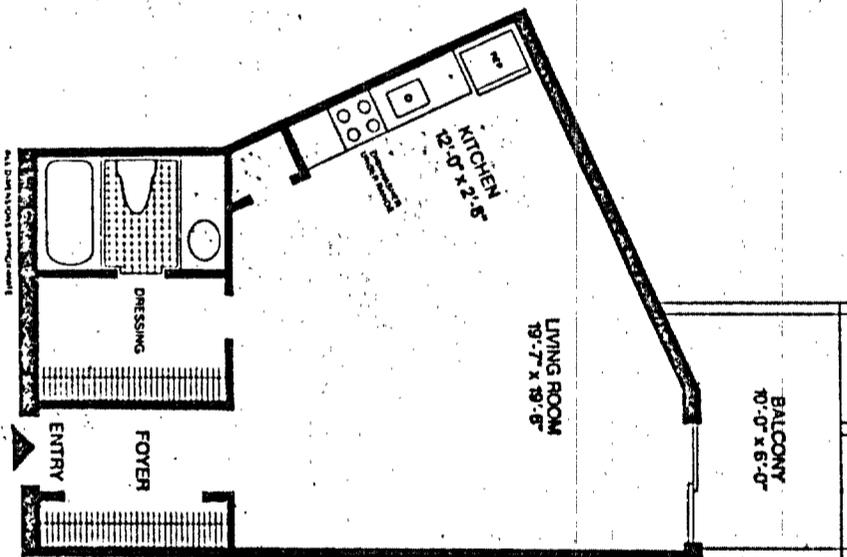
Condominium Selection Building 1



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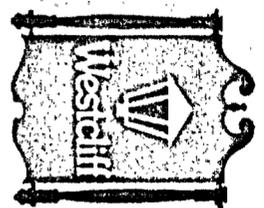
Plan A

533 square feet.
19' x 19' living space, full kitchen, bath with
dressing room, private balcony.



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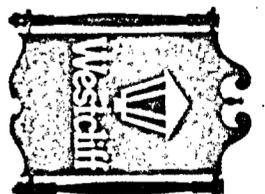
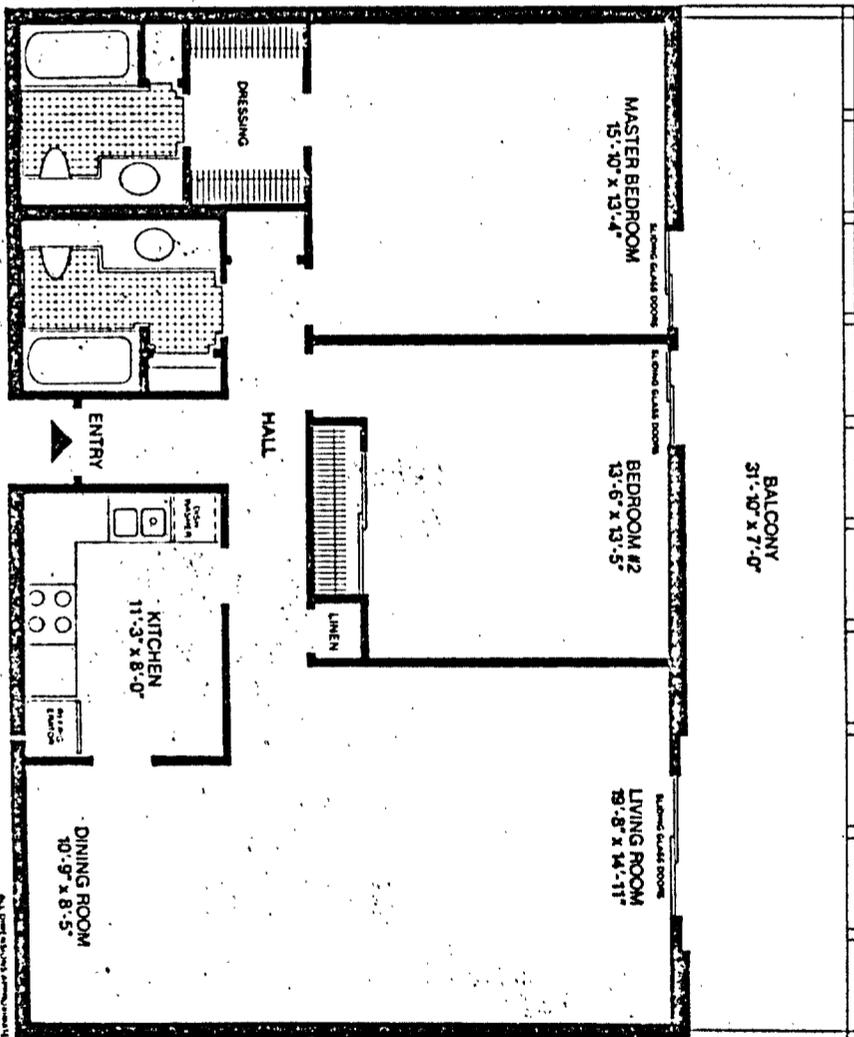
5709 Lyons View Drive
Knoxville, Tennessee 37919
(615) 588-5712

Bl. 1740 @ 799

Plan F

1,232 square feet.

2 bedrooms, 2 baths, dining room adjoining eat-in kitchen, private master bedroom suite with dressing room, private balcony or patio serving living room and bedrooms.



5709 Lyons View Drive
Knoxville, Tennessee 37919
(615) 588-5712

Ab. 1740 Pg. 800



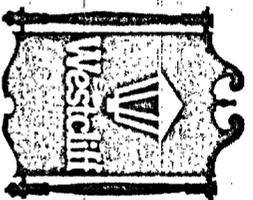
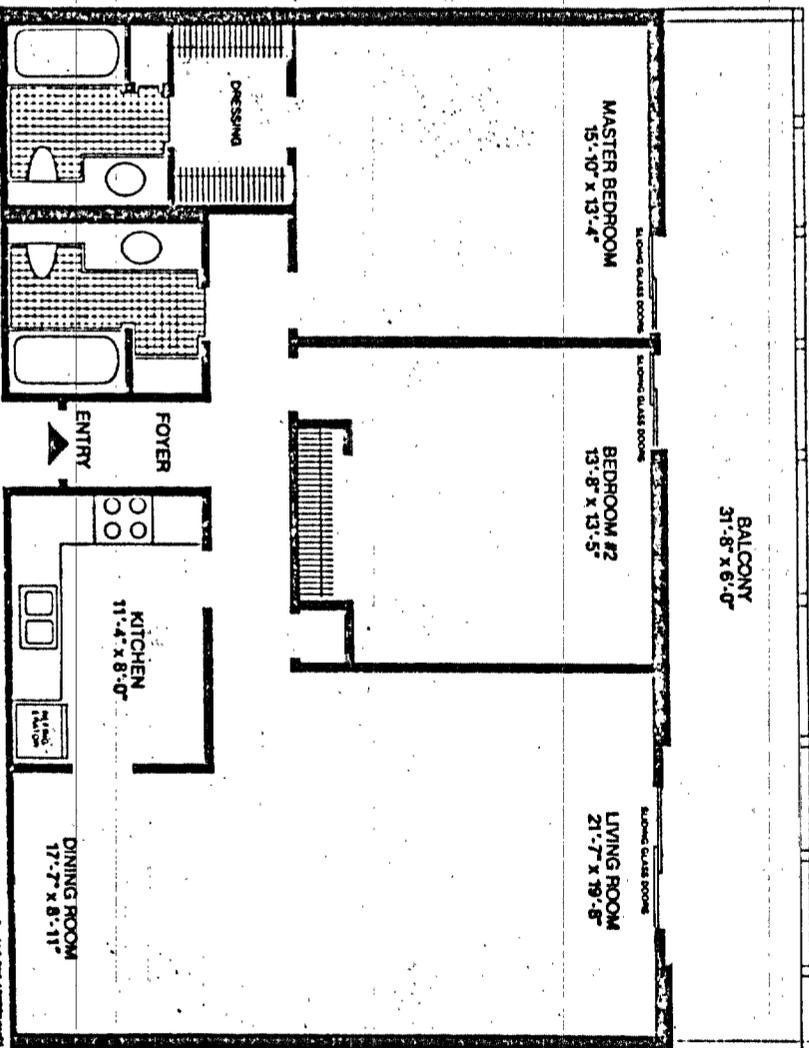
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Plan G

1,432 square feet

2 bedrooms, 2 baths, eat-in kitchen, private master bedroom suite with dressing room, huge balcony or patio.



5709 Lyons View Drive
Knoxville, Tennessee 37919
(615) 588-5712

2412740 TRS 801



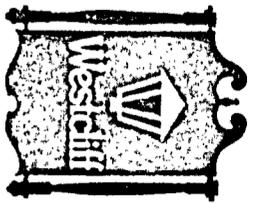
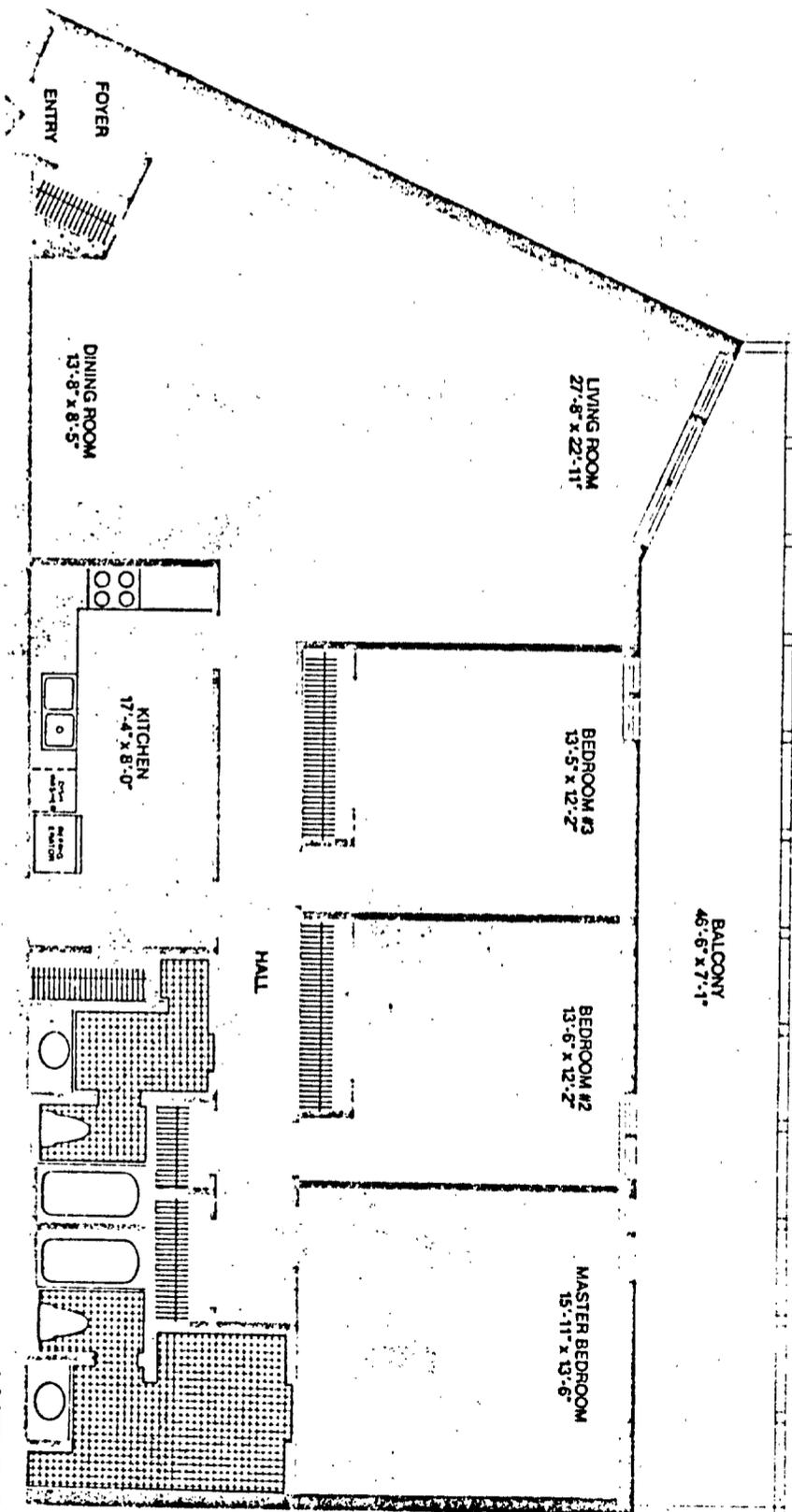
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Plan H

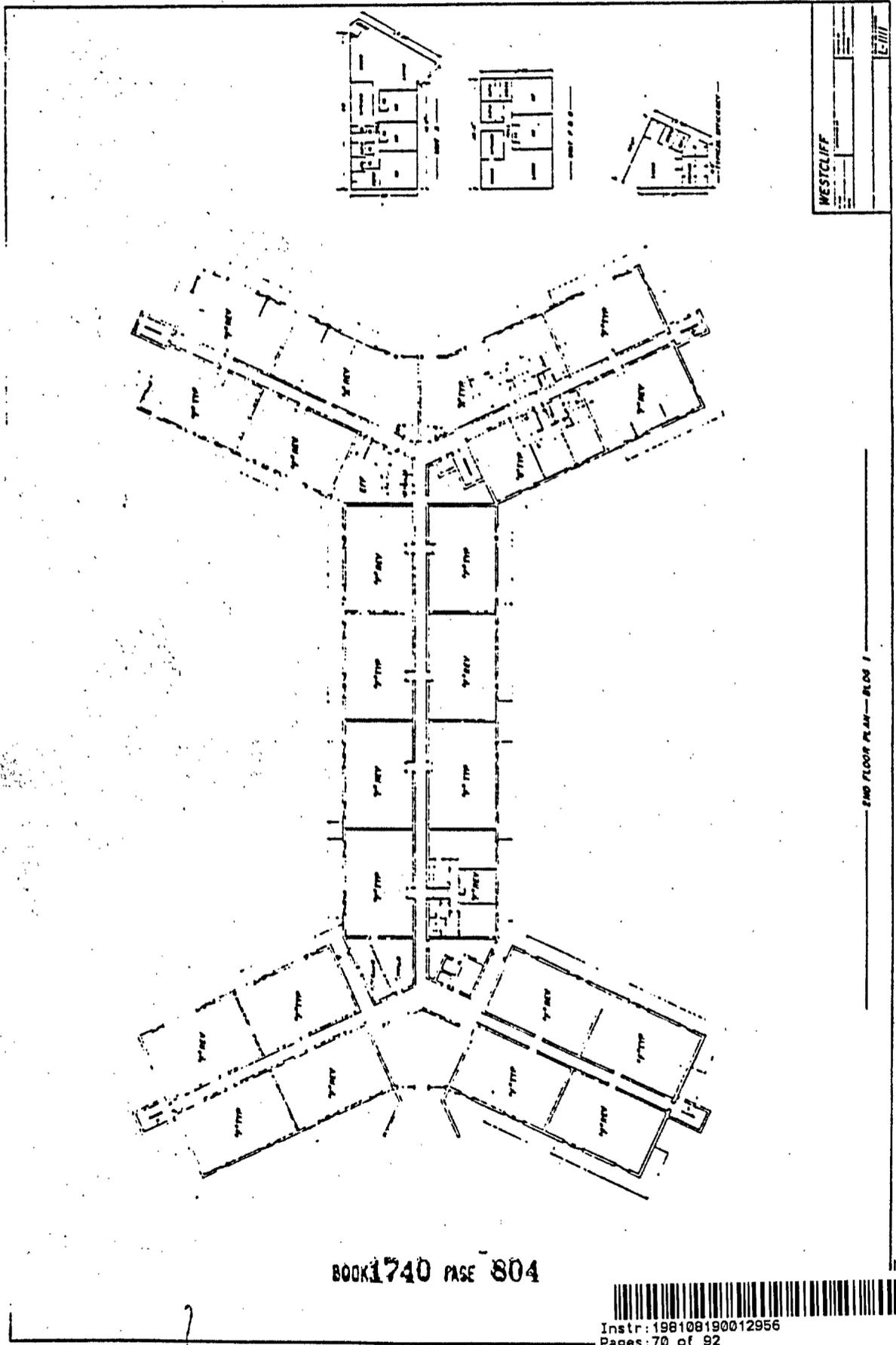
1,818 square feet.

An expansively dimensioned home with 3 bedrooms, 2 baths, eat-in kitchen, 27' living room and 46' balcony or patio.



5709 Lyons View Drive
Knoxville, Tennessee 37919
(615) 588-5712

Bl. 1740 B. 802



WESTCLIFF
 PROJECT NO. _____
 SHEET NO. _____
 DATE _____

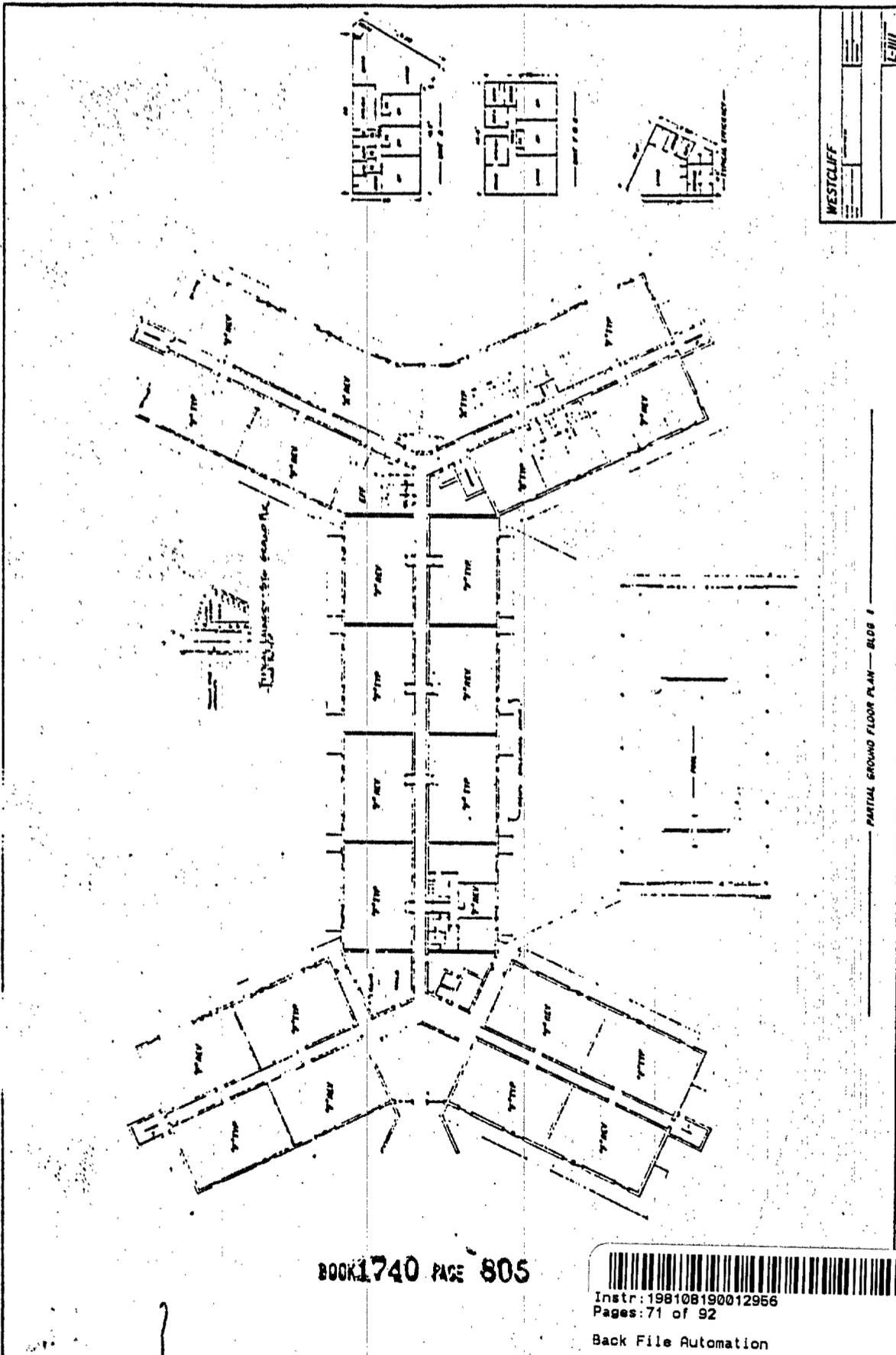
2ND FLOOR PLAN - BLDG 1

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SEE WB 2005-644 WARRANTY DEED IN LIEU OF FORECLOSURE

Exhibit E

Declaration of Mutual Reciprocal Easements

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REGISTER: INDEX GRANTEE
AS "WESTCLIFF" AND SUBJECT
AS "DECLARATION OF EASEMENTS"

DECLARATION OF MUTUAL RECIPROCAL EASEMENTS

THIS DECLARATION, made this 17th day of August, 1981, by RESIDENTIAL RESOURCE GROUP, INC., formerly ADC Fairways Corporation, a Maryland corporation, hereinafter called "Declarant", to wit:

Recitals. Declarant is the owner of the land described in Exhibit 1, the first portion of which described in Exhibit 2 is improved with a multi-family building, swimming pool, parking facilities, walks and other improvements located thereon, all of which are to be submitted to the provisions of the Horizontal Property Act by the recording in the Office of the Register of Deeds for Knox County, Tennessee, a Master Deed establishing the Westcliff Condominium (Condominium Project) and the remaining portion of which described in Exhibit 3 is improved with multi-family buildings, clubhouse, parking facilities, tennis courts, walks and other improvements presently being operated by Declarant as an apartment project known as The Westcliff Apartments (Apartment Project). Both the Condominium Project and the Apartment Project are served by an existing drive within the area described in Exhibit 4, 5, 6 and 7. The Condominium Project is presently served by sewage, water, gas, telephone, electricity and other utilities, lines and rights crossing the Apartment Project, parts of which lines likewise serve the Condominium Project. The land in Exhibit 1 is bordered along Lyons View Drive with a decorative wall, entry, gate and gatehouse facade (the Entryway) and on its other sides by a brick wall (the Common Wall). Declarant desires to establish mutual reciprocal easements and rights of way appurtenant to the Condominium Project and to the Apartment Project for the maintenance and use of all of the foregoing and in prospect of the separate ownership of the Condominium Project and the Apartment Project.

Accordingly, in consideration of the foregoing and for the foregoing purposes, Declarant for itself, its successors and assigns and other parties in interest agrees, grants, declares and reserves as follows:

1. All exhibits referred to above are attached hereto and made a part hereof as fully and completely as though copied verbatim.
2. Within the context of this instrument the term "Condominium Project" shall refer to the land in Exhibit 2 or the owner thereof and the term "Apartment Project" to the land in Exhibit 3 or the owner thereof.
3. Declarant does grant and establish as an appurtenance to the Condominium Project a permanent, perpetual but non-exclusive easement for access, ingress, egress and all utilities in, under, over and through all of the area described in Exhibit 4, with the right to maintain, rebuild, repair, construct, and reconstruct the existing drive and existing utilities therein and construct, maintain and repair such additional utilities in the future as may be necessary or desirable for the full use and enjoyment of the rights herein established and together with the right to grant



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therein easements and rights of way to public utilities for purposes consistent herewith.

4. Declarant does hereby reserve as an appurtenance to the Apartment Project a permanent, perpetual but non-exclusive easement for access, ingress, egress, and all utilities in, under, over and through all of the area described in Exhibits five (5), six (6), and seven (7) incorporated by reference herein as though fully set out with the right to maintain, rebuild, repair, construct and reconstruct, maintain such additional utilities in the future as may be necessary or desirable for the full use and enjoyment of the rights herein established and together with the right to grant therein easements and rights of way to public utilities for purposes consistent herewith.

5. Declarant hereby declares, grants and establishes mutual reciprocal easements and rights of way for the construction, reconstruction, rebuilding, operation, maintenance and repair of all existing water, sewer, telephone, electricity, gas, storm drain and other utility lines and facilities which now serve or are necessary in the future to serve either the Apartment Project or the Condominium Project and are located on or across, or would be required by their construction and use to be on or to cross, the other.

6. Declarant imposes upon all of the land described in Exhibit 1 and for the benefit of the Condominium Project and for the benefit of the Apartment Project a negative easement and restrictive covenant for the continued existence and forbidding the destruction, demolition or change in appearance of the Common Wall and the Entryway which front on Lyons View Road, with the right, but not the obligation, except for willful damage, in the Condominium Project or the Apartment Project to repair or rebuild the same for deterioration or for damage.

7. The rights and easements established in paragraphs 3, 4, 5 and 6 above shall not be construed in any way as diminishing the right of the Developer/Declarant to construct, maintain, repair, rebuild reconstruct or develop (and all activities related thereto) existing or future single or multifamily buildings, clubhouse, tennis courts, parking facilities, swimming facilities and other improvements, nor shall the rights and easements and the use or exercise thereof unreasonably interfere with the use and enjoyment of the Condominium Project or the Apartment Project.

8. All of the rights and easements established hereby shall run with the land and inure to the benefit of and be an appurtenance to the dominant tenement and be binding upon and burden the servient tenement. This declaration and the rights and easements established hereby may be modified, amended or terminated only by written agreement of all persons having any interest therein, recorded in the Office of the Register of Deeds for Knox County, Tennessee. This delcaration and the rights and easements established hereby shall inure to the benefit of and be binding upon the Apartment Project and the Condominium Project, their successors, assigns, mortgagees, licensees, invitees, heirs, lessees and other parties in interest.



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9. At such time now or in the future as the dominant and servient tenement of any right or easement created hereby may or might be or come into single ownership, said tenements shall not merge thereby, but only upon the affirmative act of the owner extinguishing the same as separate estates.

10. The Declarant acknowledges and agrees that the remedy at law in damages for any breach or violation hereof will be inadequate and that every right herein may be specifically enforced and every breach or violation hereof enjoined.

11. The cost, expense and operation, maintenance, repair, reconstruction and construction as necessary of the Roadway Easements described and established in paragraphs four (4), five (5), six (6) and seven (7) and such of the utilities or parts thereof as now or may later be required to serve both the Condominium Project and the Apartment Project shall be shared by the Condominium Project and the Apartment Project upon the following basis:

a. Apportionment of the cost and expense shall be according to the number of dwelling units, which is say 76 in the Condominium Project and 115 in the Apartment Project, or 40% for the Condominium Project and 60% for the Apartment Project, and each shall have claim on the other for payment of such proportionate share. Within thirty (30) days from the receipt of the invoice from the person, organization or corporation that performs the work or service described herein, the Condominium Project and the Apartment Project shall pay its proportionate share. If either the Condominium Project or the Apartment Project (Defaulting Party) fails or refuses to pay its proportionate share, then the other party (Non-Defaulting Party) shall have the right (but not the obligation) to make such payment on behalf of the Defaulting Party and recover such proportionate share from the other, such recovery shall be together with interest at the then maximum permissible contract rate of interest under the laws of the State of Tennessee.

b. Contracts for maintenance repair or reconstruction shall be jointly made after consultation and negotiation (which each shall be entitled to have with the other) provided, however, that in the event of emergency or governmental requirement or if required by deed restrictions or in the event of refusal to consult and negotiate, the party in interest perceiving the need for maintenance repair or reconstruction may secure the same and have and recover of the other parties in interest the proportionate share with interest as provided above.

c. The rights and obligations for costs and expenses as aforesaid, shall in the same manner as the rights and easements giving rise to the same, run with, benefit and bind the land and the owners thereof; however, the association of co-owners of the Condominium Project may undertake the obligations of the Condominium Project in this declaration.

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d. The apportionment percentage and obligations set forth in paragraph 11 (a) (b) (c) above shall be subject to modification in the event of an increase or decrease in the number of dwelling units in the Apartment Project or Condominium Project respectively. The modification of the apportionment percentage is to be made by adjusting the percentage of cost and expense to be borne between the Condominium Project and the Apartment Project based on the number of dwelling units that each bears to the total combined number of dwelling units on both the Apartment Project and Condominium Project.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed by its duly authorized officer on the day and year first above written.

RESIDENTIAL RESOURCE GROUP, INC.

By: *[Signature]*

Its: PRESIDENT

ATTEST: *[Signature]*

Its: SECRETARY

Westcliff Homeowners Association, Inc., a Tennessee corporation, subscribes the foregoing declaration to undertake the obligations of Condominium Project in paragraph 11 of the foregoing on this the 19th day of August, 1981 by execution by its incorporator Jack D. White, subject to ratification by the Board of Directors.

WESTCLIFF HOMEOWNERS ASSOCIATION, INC.

By: *[Signature]*

Its: incorporator

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STATE OF MARYLAND
COUNTY OF PRINCE GEORGE'S

Personally appeared before me the undersigned authority a Notary Public in and for said county and state, THOMAS F. DALY, with whom I am personally acquainted and who upon oath acknowledged HIMSELF to be PRESIDENT of RESIDENTIAL RESOURCE GROUP, INC., the within named bargainer, a corporation, and that THOMAS F. DALY as such PRESIDENT being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by HIMSELF as PRESIDENT.

Witness my hand and official seal at office, this 17th day of AUGUST, 1981.

Katherine Clark
Notary Public
KATHERINE CLARK



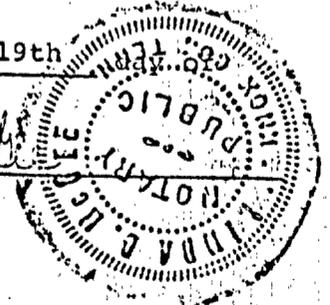
My commission expires:
My Commission Expires July 1, 1982

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me the undersigned authority a Notary Public in and for said county and state, Jack D. White, with whom I am personally acquainted and who upon oath acknowledged himself to be incorporator of WESTCLIFF HOMEOWNERS ASSOCIATION, INC., the within named bargainer, a corporation, and that he as such incorporator executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as incorporator.

Witness my hand and official seal at office, this 19th day of August, 1981.

Linda D. McNeil
Notary Public



My commission expires: 4-24-85

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Exhibit 1,

Situated in District No.

FIVE (5)

of Knox County, Tennessee,
SITUATE, LYING and BEING in the Fifth Civil District of Knox County, Tennessee, and within the 49th Ward of the City of Knoxville, Tennessee, and being a certain tract or parcel of land lying, and being situated on the northern side of Lyons View Pike, and having a frontage of 294.5 feet thereon and being more particularly bounded and described as follows: to-wit:

BEGINNING at an iron pin in the northwestern line of Lyons View Pike, said iron pin being located distant in a northeasterly direction 153.2 feet from the point of intersection of the northwestern line of Lyons View Pike, with the northeastern line of Harley Drive; thence North 69 deg. 16 min. West 161.25 feet to an iron pin; thence South 78 deg. 20 min. West 63.38 feet to an iron pin; thence South 45 deg. 56 min. West 116.15 feet to an iron pin in the curved northeastern line of Grand View Avenue; thence along said curved northeastern line of Grand View Avenue, with a curve to the left in a northwesterly direction the radius of which said curve is 397.55 feet an arc distance of 341.5 feet to an iron pin in the northern line of Grand View Avenue; thence along the said northern line of Grand View Avenue, North 78 deg. 07 min. West 157.6 feet to an iron pin marked F-2 in the northern line of Grand View Avenue; thence continuing along the said northern line of Grand View Avenue, South 89 deg. 07 min. West 608.25 feet to an iron pin in the said northern line of Grand View Avenue marked F-32; thence North 21 deg. 51 min. West 1029.6 feet to an iron pin in the Southern line of Avenue E marked F-33; thence along the said southern line of Avenue E, North 61 deg. 50 min. East 507.8 feet to an iron pin marked F-6 in the said Southern line of Avenue E; thence the following calls and distances, to-wit: South 21 deg. 50 min. East 202.2 feet to an iron pin marked F-35; thence South 84 deg. 15 min. East 291.5 feet to an iron pin marked F-34; thence North 86 deg. 32 min. East 291 feet to an iron pin marked F-10; thence South 21 deg. 59 min. East 388.7 feet to an iron pin marked F-11; thence South 47 deg. 00 min. West 15 feet to an iron pin marked F-12; thence South 43 deg. 00 min. East 320.1 feet to a marble marker; thence South 48 deg. 42 min. East 50.25 feet to an iron pin marked F-13; thence South 48 deg. 42 min. East 100.5 feet to an iron pin marked F-14; thence South 43 deg. 00 min. East 53.17 feet to an iron pin marked F-15; thence South 43 deg. 34 min. East 251.15 feet to an iron pin; thence North 61 deg. 58 min. East 43 feet to an iron pin in the northwestern line of Lyons View Pike; thence along the said northwestern line of Lyons View Pike, the following calls and distances, to-wit: South 21 deg. 14 min. West 45.8 feet to an iron pin marked F-16; thence South 20 deg. 43 min. West 197.7 feet to an iron pin; thence South 25 deg. 52 min. West 51 feet to an iron pin in the said northwestern line of Lyons View Pike, the point or place of BEGINNING, as shown by survey of G. T. Trotter, Jr., Surveyor, Knoxville, Tennessee, bearing date July 15, 1967.

The above described property is conveyed and accepted subject to existing easements for sanitary sewer lines and electric service lines serving the property described and to applicable terms and provisions of the agreement between Southern Fire and Casualty Company and Sisters of Mercy of Nashville of record in Deed Book 837, page 397 in the Register's Office for Knox County, Tennessee.

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Exhibit 2

Property Description
Lot 1
Westcliff

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at an iron pin in the North ROW of Grandview Drive. Said iron pin being located 249 feet more or less Eastwardly from the intersection of the East ROW of Nichols Road with the North ROW of Grandview Drive.

Thence from said beginning point and leaving the ROW of Grandview Drive, North 21 deg. 51 min. West 449.65 feet to an iron pin;

Thence North 71 deg. 14 min. East 530.0 feet to an iron pin;

Thence South 25 deg. 17 min. 46 sec. East 640.16 feet to an iron pin with the ROW of Grandview Drive;

Thence with the ROW of Grandview Drive, South 89 deg. 09 min. West, 608.10 feet to an iron pin the point of beginning. And containing 6.80 Acres more or less.

Together with and subject to all appurtenant right title and interest in and to the rights and easements created by the Declaration of Mutual Reciprocal Easements made by Residential Resource Group, Inc. on the 19th day of August, 1981 by instrument recorded in Deed Book 1740, Page 735 in the Register's Office for Knox County, Tennessee.

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Exhibit 3

Property Description
Westcliff

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract of land lying and being situated as the Northern side of Lyons View Pike and being more particularly described as follows:

Beginning at a spike in the West ROW of Lyons View Pike. Said spike being located 170 feet more or less in a Northerly direction from the intersection of the center line of Harley Street with the ROW of Lyons View Pike.

Thence from said beginning point and leaving the ROW of Lyons View Pike, North 69 deg. 16 min. West 161.3 feet to an iron pin;

Thence South 78 deg. 20 min. West, 63.4 feet to an iron pin;

Thence South 45 deg. 56 min. West, 116.2 feet to an iron pin in the North ROW of Grandview Drive;

Thence with the ROW of Grandview Drive and with the chord of a curve to the left, North 53 deg. 30 min. West, 331.1 feet to an iron pin;

Thence continuing with the ROW of Grandview Drive, North 78 deg. 07 min. West, 157.6 feet to an iron pin;

Thence leaving the ROW of Grandview Drive, North 25 deg. 17 min. 46 sec. West, 645.32 feet to an iron pin;

Thence South 71 deg. 14 min. West, 530.0 feet to an iron pin;

Thence North 21 deg. 51 min. West, 574.6 feet to a stone marker in the South ROW of Walden Drive;

Thence with the ROW of Walden Drive, North 61 deg. 50 min. East 507.8 feet to a stone marker, passing the point where the ROW for Walden Drive ends at approximately 445 feet more or less;

Thence South 21 deg. 50 min. East, 202.2 feet to a stone marker;

Thence South 84 deg. 15 min. East, 291.5 feet to a stone marker;

Thence North 86 deg. 32 min. East, 291.0 feet to a stone marker;

Thence South 21 deg. 59 min. East, 388.7 feet to a stone marker;

Thence South 47 deg. 00 min. West, 15.0 feet to a stone marker;

Thence South 43 deg. 00 min. East, 320.1 feet to a stone marker;

Thence South 48 deg. 42 min. East, 50.25 feet to a stone marker;

Thence South 48 deg. 42 min. East, 100.5 feet to a point;

Thence South 43 deg. 00 min. East, 53.2 feet to a point;

Thence South 43 deg. 34 min. East, 251.2 feet to an iron pin;

Thence North 61 deg. 58 min. East, 43.0 feet to an iron pin in the ROW of Lyons View Pike;

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Exhibit 3

Property Description
Westcliff
(Continued - page two)

Thence with the ROW of Lyons View Pike South 21 deg. 14 min. West, 45.8 feet to a stone marker;

Thence South 20 deg. 43 min. West, 197.7 feet to an iron pin;

Thence South 25 deg. 52 min. West, 51.0 feet to a spike, the point of beginning. And containing 23.91 Acres more or less.

There is accepted from the above description an Easement for ingress and egress 30 feet in width from Lyons View Pike serving Lot No. One (1) and the above described tract. And containing 0.9 acres more or less.

Together with and subject to all appurtenant right title and interest in and to the rights and easements created by the Declaration of Mutual Reciprocal Easements made by Residential Resource Group, Inc. on the 19th day of August, 1981 by instrument recorded in Deed Book 174B, Page 735 in the Register's Office for Knox County, Tennessee.

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Exhibit 4

Description Center Line 30 Ft.

Ingress and Egress Easement - Westcliff

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at a point in the Northern ROW of Lyons View Pike. Said point being located 418.7 feet more or less in a northeasterly direction from the intersection of the center line of Harley Street extended with the Northern ROW of Lyons View Pike. Said point being marked stone F-16 on Bender and Lemay drawing #980.

Thence from said beginning point and leaving the ROW of Lyons View Pike and following the center line of said easement South 62 deg. 02 min. West, 248.40 feet to a point.

Thence with the chord of a curve to the right South 72 deg. 32 min. West, 73.7 feet to a point.

Thence with a chord of a curve to the right North 84 deg. 18 min. West, 76.5 feet to a point.

Thence North 74 deg., 23 min., West 477.6 feet to a point where said easement crosses the East property line of the condominium plat ending said easement.



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Exhibit 5

Description of Centerline of 25 foot
Ingress and Egress Reserved Roadway Easement
Surrounding Building 1 and Serving Land Described in Exhibit 3.

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at a point in a roadway easement said point being located by the following calls and lateral tie down.

Commence at a point marked stone F-16 in the North ROW of Lyons View Pike. Said point being located 418.7 feet more or less in a northeasterly direction from the centerline of Harley Street extended with the North ROW of Lyons View Pike.

Thence leaving the ROW of Lyons View Pike; South 62 deg. 02 min. West, 248.4 feet to a point.

Thence South 72 deg. 32 min. West, 73.7 feet to a point.
Thence North 84 deg. 18 min. West, 76.5 feet to a point.
Thence North 74 deg. 23 min. West, 477.6 feet to a point.
Thence North 74 deg. 23 min. West, 232.1 feet to the point of beginning.

Thence from said beginning point, North 56 deg. 16 min. West, 32.2 feet to a point.

Thence North 00 deg. 34 min. West, 31.6 feet to a point.
Thence North 41 deg. 25 min. East, 40.7 feet to a point.
Thence North 25 deg. 35 min. East, 59.3 feet to a point.
Thence North 29 deg. 07 min. East, 17.8 feet to a point.
Thence North 08 deg. 38 min. West, 22.1 feet to a point.
Thence North 27 deg. 31 min. West, 31.5 feet to a point.
Thence North 15 deg. 36 min. West, 48.3 feet to a point.
Thence North 04 deg. 45 min. West, 57.2 feet to a point.
Thence North 05 deg. 23 min. West, 93.8 feet to a point.
Thence North 65 deg. 45 min. West, 35.3 feet to a point.
Thence South 80 deg. 21 min. West, 218.4 feet to a point.
Thence South 88 deg. 05 min. West, 44.8 feet to a point.
Thence South 63 deg. 49 min. West, 51.1 feet to a point.
Thence South 58 deg. 29 min. West, 90.3 feet to a point.
Thence South 39 deg. 00 min. West 25.6 feet to a point.

Thence South 15 deg. 15 min. West, 25.8 feet to a point.
Thence South 15 deg. 34 min. East, 172.5 feet to a point.
Thence South 34 deg. 02 min. East, 47.71 feet to a point.
Thence South 67 deg. 11 min. East, 47.98 feet to a point.
Thence South 86 deg. 09 min. East, 55.68 feet to a point.
Thence North 76 deg. 16 min. East, 73.78 feet to a point.
Thence North 89 deg. 08 min. East, 38.9 feet to a point.
Thence South 73 deg. 55 min. East, 171.8 feet to the point of beginning.

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Exhibit 6

Description of Centerline of 25 Foot
Ingress and Egress Reserved Roadway Easement
Serving Land Described in Exhibit 3.

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at a point where a roadway easement crosses the East property line of the condo property. Said point being located by the following calls and lateral tie down.

Commence at a point marked stone F-16 in the North ROW of Lyons View Pike. Said point being located 418.7 feet more or less in a northeasterly direction from the center line of Harley Street extended with the North ROW of Lyons View Pike.

Thence leaving the ROW of Lyons View Pike South 62 deg. 02 min. West, 248.4 feet to a point.
Thence South 72 deg. 32 min. West, 73.7 feet to a point.
Thence North 84 deg. 18 min. West, 76.5 feet to a point.
Thence North 74 deg. 23 min. West, 477.6 feet to the point of beginning.

Thence from said beginning point, North 74 deg. 23 min. West, 232.1 feet to a point.

Thence North 56 deg. 16 min. West, 32.2 feet to a point.
Thence North 00 deg. 34 min. West, 31.6 feet to a point.
Thence North 41 deg. 25 min. East, 40.7 feet to a point.
Thence North 25 deg. 35 min. East, 59.3 feet to a point.
Thence North 29 deg. 07 min. East, 17.8 feet to a point.
Thence North 08 deg. 38 min. West, 22.1 feet to a point.
Thence North 27 deg. 31 min. West, 31.5 feet to a point.
Thence North 15 deg. 36 min. West, 48.3 feet to a point.
Thence North 04 deg. 45 min. West, 57.2 feet to a point.
Thence North 05 deg. 23 min. West, 93.8 feet to a point.
Thence North 15 deg. 43 min. East, 23.8 feet to a point marking the end of said easement.



Exhibit 7

Description of Centerline of 30 foot
Ingress and Egress Reserved Roadway Easement
Serving the Land Described in Exhibit 3.

Situated in District five (5) of Knox County, Tennessee and within the 49th Ward of the City of Knoxville, Tennessee and being a certain tract or parcel of land lying and being situated on the Northern side of Lyons View Pike and being more particularly described as follows, to wit:

Beginning at a point where a roadway easement crosses the East property line of the condo property. Said point being located by the following calls and lateral tie down.

Commence at a point marked stone F-16 in the North ROW of Lyons View Pike. Said point being located 418.7 feet more or less in a northeasterly direction from the center line of Harley Street extended with the North ROW of Lyons View Pike.

Thence leaving the ROW of Lyons View Pike South 62 deg. 02 min. West, 248.4 feet to a point.
Thence South 72 deg. 32 min. West, 73.7 feet to a point.
Thence North 84 deg. 18 min. West, 76.5 feet to a point.
Thence North 74 deg. 23 min. West, 477.6 feet to the point of beginning.

Thence from said beginning point, North 74 deg. 23 min. West, 232.1 feet to a point.

Thence North 56 deg. 16 min. West, 32.2 feet to a point.
Thence North 00 deg. 34 min. West, 31.6 feet to a point.
Thence North 41 deg. 25 min. East, 40.7 feet to a point.

Thence North 48 deg. 02 min. East, 147.6 feet to a point marking the end of said easement.

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Exhibit F
Encumbrances on Title



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EXHIBIT F

ENCUMBRANCES ON TITLE

The following listed items are encumbrances on the title to the "Land" as described on Exhibit A (attached to the Master Deed):

1. The Declaration of Mutual Reciprocal Easements attached as Exhibit E to this Master Deed.
2. City and County Taxes for 1981 and all taxes for subsequent years. Said taxes are a lien but are not yet due and payable.
3. A plot of survey made by J. M. Widner dated September 9, 1978 disclosing sanitary sewer line easements and electric service line easements.
4. Agreement dated July 18, 1950 in Deed Book 837, page 397 of the Knox County Register of Deeds Office between Southern Fire and Casualty Company and Sisters of Mercy of Nashville.
5. All provisions, conditions and restrictive covenants contained in the Bylaws (attached as Exhibit B to the Master Deed) or in the Master Deed itself.
6. Deed of Trust from ADC Fairways Corp. a Maryland Corporation, to M. W. Egerton, Jr., Trustee, to secure Continental Illinois National Bank and Trust Company of Chicago, dated March 3, 1980, recorded March 6, 1980 at 1:51 o'clock p.m. in Trust Book 1906, page 345 in the Register's Office for Knox County, Tennessee, securing the principal sum of \$6,865,000.00 together with interest thereon and any other indebtedness which may or might be secured thereby.
Assignment of Leases and Rents dated March 3, 1980, between ADC Fairways Corp. and M. W. Egerton, Jr., Trustee for the benefit of Continental Illinois National Bank and Trust Company of Chicago, recorded March 6, 1980 at 1:51 o'clock p.m. in Trust Book 1906, page 349 in the Register's Office for Knox County, Tennessee.



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Exhibit G
Homeowner's Corporate Charter

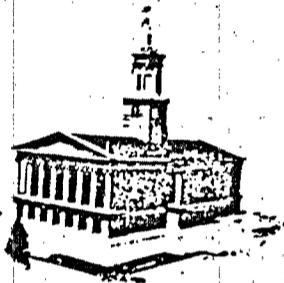
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State of Tennessee



Department of State

CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

WESTCLIFF HOMEOWNERS ASSOCIATION, INC.

(Name of Corporation)

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on May Fourteenth, 1981.

Gentry Orvell
Secretary of State



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FILED
SECRETARY OF STATE CHARTER OF WESTCLIFF HOMEOWNERS ASSOCIATION, INC.

1981 MAY 14 PM 2:09

The undersigned natural person, having capacity to contract, and acting as the incorporator of an association under the Tennessee General Corporation Act, adopts the following charter for such association:

ARTICLE I

NAME

The name of the association is Westcliff Homeowners Association, Inc.

ARTICLE II

DURATION

The duration of the association is perpetual.

ARTICLE III

PRINCIPAL OFFICE

The address of the principal office of the association in the State of Tennessee shall be 5709 Lyon's View Road, Knoxville, Knox County, Tennessee.

ARTICLE IV

NOT FOR PROFIT

The association is not for profit.

ARTICLE V

PURPOSES

The purposes for which the association is organized are:

1. To serve as the association of co-owners for the Westcliff Condominium and, in that capacity, to manage, operate and administer the condominium property constituting the Westcliff Condominium and the common elements of such condominium property as such words are defined in the master deed for Westcliff Condominium ("Master Deed") to be recorded together with the bylaws of the association in the Registrar's Office for Knox County, Tennessee.
2. To promote the health, safety and welfare of the co-owners of Westcliff Condominium.

ARTICLE VI

POWERS

In order to carry out the purposes for which this association has been formed, the association shall, except as otherwise specified in this charter or the bylaws, have all powers granted associations under the laws of the State of Tennessee and all powers necessary to carry out the purposes and objects for which this association is formed including, but not limited to, the following:

1. The power to exercise all of the privileges and powers and perform all of the duties and obligations of the association as set forth in the Master Deed and as set forth in any amendment to the Master Deed.

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2. To fix, levy, collect and enforce payment by any lawful means of all charges or expenses pursuant to the terms of the Master Deed; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the association including all licenses, taxes or governmental charges levied or imposed against the common elements or any other property of the association.

3. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise, dispose of real or personal property in connection with the affairs of the association.

4. To dedicate, sell or transfer all or any part of the common elements or facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the co-owners. No such dedication or transfer shall be effective unless an instrument has been signed by co-owners and first mortgagees (as those terms are defined in the Master Deed) entitled to the percentage of the total membership vote as set forth in the Master Deed.

5. To participate in mergers and consolidations with other non-profit associations organized for the same purposes provided that any such merger or consolidation shall have the consent of at least two-thirds (2/3) of the membership vote of the co-owners and their respective first mortgagees.

6. To exercise all of the powers set forth in the bylaws of the association.

ARTICLE VII

DIRECTORS

The Board of Directors shall consist of five (5) individuals three (3) of whom shall be appointed by the Developer of Westcliff Condominium. The three Board members appointed by the Developer shall each serve for a period of five (5) years and shall not be removed or replaced except by the Developer during the five-year term.

ARTICLE VIII

MEMBERSHIP

Membership in the association shall be limited to the co-owners (as defined in the Master Deed), and every co-owner who is subject to assessment by the association shall automatically be a member of the association. Members shall not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership in the association shall be appurtenant to and may not be separated from apartment ownership. The membership of each co-owner shall terminate when such co-owner ceases to be a co-owner; and upon the sale,

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transfer or other disposition of his ownership interest in an apartment, his membership in the association shall automatically be transferred to the new co-owners succeeding to such ownership interest.

ARTICLE IX
DISSOLUTION

The association may be dissolved only upon the signed written consent of co-owners entitled to not less than three-quarters (3/4) of the total membership votes. Upon dissolution of the association, other than incident to a merger or consolidation, the remaining property of the association (tangible and intangible) shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this association was created. In the event such dedication is refused acceptance, such property shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization devoted for similar purposes.

ARTICLE X
AMENDMENT

This charter may be amended by the affirmative vote of members entitled to at least three quarters (3/4) of the entire vote of the membership.

ARTICLE XI
INCORPORATOR

The name and address of the incorporator is:
Attorney Albert J. Harb, 918 State Street, Knoxville, Tennessee 37902.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 5th day of May, 1981.

Albert J. Harb

Sworn to and subscribed before me this 11th day of May, 1981.

Albert J. Harb
Notary Public

My Commission Expires: 1/1/81

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