

MASTER DEED ESTABLISHING HORIZONTAL
PROPERTY REGIME
PLYMOUTH ROCK CONDOMINIUMS, INC.

THIS MASTER DEED, made and executed by PLYMOUTH CONSTRUCTION
COMPANY, INC.

of Washington County, Tennessee, hereinafter called "Developers," this
day of _____, 1980.

RECITALS, INTEREST AND PURPOSE

WHEREAS, Developers are the sole owner of a tract of land hereinafter
referred to as the "land," in the Fifth Civil District of Carter County,
State of Tennessee, more particularly described as follows:

BEGINNING at an iron pin in the northeasterly right-of-way line of
Plymouth Road, corner to the Johnson City Leased Housing Corpora-
tion; thence leaving Plymouth Road with the Johnson City Leased
Housing Corporation, two calls as follows: N. 46° 01' E. 455.87 feet
to an iron pin, N. 37° 00' E. 430.00 feet to an iron pin the south-
westerly line of Block 2 of the Wiseman Addition; thence leaving the
Johnson City Leased Housing Corporation with the said line of the
Wiseman Addition and Campbell, S. 53° 00' E. 532.80 feet to an iron
pin; thence continuing with Campbell, two calls as follows: S. 46°
06' 30" W. 110.44 feet to an iron pin, S. 45° 24' 30" W. 235.99 feet to
an iron pin at the northeast corner of Charles Wiseman's Subdivision;
thence leaving Campbell with the northerly line of Charles Wiseman's
Subdivision S. 46° 18' 20" 368.77 feet to an iron pin, corner to Toth;
thence leaving the Charles Wiseman's Subdivision with Toth, S. 48°
01' W. 299.41 feet to an iron pin in the northeasterly right-of-way
line of Plymouth Road; thence leaving Toth with the said right-of-way
line of Plymouth Road (25 feet northeast of, and parallel with the
centerline of the present traveled way), N. 37° 35' W. 451.66 feet to
the point of BEGINNING, containing 10.363 acres.

Being the same property conveyed to Plymouth Construction Company,
Inc. by Wade Patrick and wife, Ethel H. Patrick, by Deed dated the
20th day of September, 1979, of record in the Register's Office for
Carter County, Tennessee, in Deed Book 317, Page 571.

I, or we, hereby swear or affirm that the actual consideration
for this transfer or value of the property transferred, whichever
is greater is \$ 40,000⁰⁰, which amount is equal to or greater
than the amount which the property transferred would command at
a fair voluntary sale.

[Signature]
Attorn

Subscribed and sworn to before me this 11 day of June 1980

[Signature]
Johnny H. Hester

Bryant, Price, Brandt,
Jordan & Fox
ATTORNEYS-AT-LAW
JOHNSON CITY, TENNESSEE

WHEREAS, Developers are in the process of constructing 18 condominium buildings containing 72 condominium units upon said tract of land, together with related facilities to be known as PLYMOUTH ROCK.

WHEREAS, simultaneously herewith, the Developers have filed for record in Map or Plat Book _____, Page _____, in the Register's Office for Carter County, at Elizabethton, Tennessee, a certain map or plat entitled, "PLYMOUTH ROCK", hereinafter referred to as "map or plat", which includes a set of floor plans of the buildings constructed on the land, and it is the desire, intent, and purpose of the Developers, by this Master Deed, to submit said land, together with said condominium units and all structures, improvements, and other permanent fixtures now or hereafter erected thereon and all rights and privileges belonging or in any wise appertaining thereto, to the horizontal property regime as allowed and permitted by The Horizontal Property Act, being Chapter 124 of the Public Acts of 1963 of the State of Tennessee, and being Section 64-2701 et seq. of the Tennessee Code Annotated; and to establish a "condominium project" in which each individual unit may be and shall be owned, possessed, sold, conveyed, and encumbered as if it were sole and entirely independent of the other units in the condominium buildings and in which the unit owner has an exclusive ownership of his unit and has a common right to share with other co-owners in the common elements of the land and buildings not constituting an individual unit.

DECLARATION

NOW, THEREFORE, for and in consideration of the premises and in consideration of the reliance hereon by the purchasers of individual units and as authorized by The Horizontal Property Act of the State of Tennessee, Developers, for themselves, their heirs, successors and assigns, do declare, covenant, establish, and confirm unto their grantees and unto their heirs, successors, and assigns, as well as to any and all other persons hereafter having or acquiring any interest of any nature whatsoever in or to any part of said land and buildings as follows:

I.

ESTABLISHING OF HORIZONTAL PROPERTY REGIME

(a) The said land and buildings and all other improvements located on the condominium property shall be and are herewith constituted and established as a condominium project and a horizontal property regime as defined in and as authorized by The Horizontal Property Act and shall continue as such forever unless terminated in the manner hereinafter provided.

(b) Ownership of Units. Each unit, as hereinafter defined, in the building may be and shall be individually transferred, conveyed, and encumbered and shall be the subject of ownership, possession, mortgage, deed of trust, or sale and of all types of juridic acts inter vivos or mortis causa as if it were solely and entirely independent of the other units in the condominium buildings, and the corresponding individual title and interest with respect to each unit shall be recordable. In any deed, mortgage, lease, or other instrument of conveyance or encumbrance of or by which a lien is created upon, any interest or estate in a unit or units within the condominium, it is sufficient to describe any such unit or units by setting forth the name of the property, "PLYMOUTH ROCK", the number of the unit as it appears on the condominium plat and the numbers of the volumes and initial pages of the records of the Register's Office for Carter County, at Elizabethton Tennessee.

(c) Unit Owners Right in Common Elements. A unit owner shall have an exclusive ownership to his unit and shall have a common right to share with other co-owners in the common elements, as hereinafter defined, of the property. Each co-owner may use the elements held in common in accordance with the purpose for which they are intended. Any transfer, conveyance, or encumbrance of an individual unit, whether by deed, mortgage, deed of trust, last will and testament, inheritance, or otherwise, shall be deemed to also transfer, convey, or encumber the undivided interest of the owner in the common elements belonging to and appertaining to said unit without specifically or particularly referring to

the same. No unit owner, whether by deed, mortgage, deed of trust, last will and testament, inheritance, or otherwise, shall have any right to transfer, convey, or mortgage his unit without also transferring, conveying, or mortgaging as an incident thereto his undivided interest in the common elements; conversely, no unit owner shall have any right to transfer, convey, or mortgage any part of his undivided interest in such common elements without also transferring, conveying, or mortgaging his unit to which his undivided interest in such common elements are in incident.

(d) Joint Ownership. Any unit may be held and owned by more than one person, as tenants in common, as tenants by entirety, or in other real estate tenancy relationship recognized under the laws of the State of Tennessee.

(e) No Partition Permitted. The common elements, as hereinafter defined, shall remain undivided and shall not be the object of an action for partition or for division co-ownership by judicial proceedings or otherwise. Likewise, no unit nor the undivided interest in the common elements incidental thereto shall be partitioned in kind nor subdivided into smaller units by judicial proceedings or otherwise, except with the consent of eighty-five percent (85%) or more of all owners granted in a meeting of the Condominium Owners Association.

(f) Owners to Comply with Master Deed and By-Laws. Each owner, his personal representatives, heirs, and assigns shall, at all times, comply with the provisions and requirements of this Master Deed, with the By-Laws hereinafter set forth and all amendments thereof, shall promptly pay, when due, all assessments and his pro rata share of the expenses of administration and of maintenance and repair of the general common elements as hereinafter defined; failure to comply with any such provision or requirement or failure to make any such payment shall be grounds for an action to recover the sum due for damages and for injunctive relief as hereinafter provided.

(g) Tennessee Horizontal Property Act as a Part of this Master Deed. Each and all of the rights, privileges, and benefits and each and all of the duties,

burdens, requirements, and restrictions contained in The Horizontal Property Act of the State of Tennessee, resulting from the establishment of a horizontal property regime in accordance therewith, shall be applicable to the said land and condominium buildings and to each co-owner, both with respect to his unit and to his undivided interest in the common elements, except to the extent that an express contrary provision is validly made in this Master Deed or in the By-Laws forming a part thereof, and, to that end, the said Horizontal Property Act, as amended or as it may subsequently be amended, is incorporated herein by reference as fully as though set out herein in full.

In the event The Horizontal Property Act or any provision thereof is, at any time, declared or found to be unconstitutional or invalid, the provisions of this Master Deed and the plan for an owner to own his unit in fee simple, separately and independently and to own his undivided interest in the common elements and in all other incidents thereto as set out in this Master Deed shall nonetheless continue in full force and effect as authorized by the rules of property of the State of Tennessee.

II.

DEFINITIONS

For the purpose of brevity and clarity, the following words and terms, as used in this Master Deed, survey, condominium plat, by-laws, and association charter, attached hereto, are defined as follows:

" Plymouth Rock Condominiums " - name of the condominium project.

"Condominium Unit" or "Unit" means an enclosed space consisting of one or more rooms occupying all or part of one or more floors in buildings of one or more floors or stories, provided always that any such unit has direct exit to a thoroughfare or to a common element leading to a thoroughfare. The boundary lines of each individual unit are:

(a) The upper and lower boundaries of the unit shall be the following boundaries extended to an intersection with the parametrical boundaries.

(1) Upper boundaries - horizontal plane (or planes), elevation of which coincides with the elevation of the exterior surface of the interior ceiling thereof to include the dry-wall.

(2) Lower boundary - plane of the lowest surfaces of the basement floor slab, if there be a basement, otherwise, lowest surface of unfinished subfloor.

(b) Parametrical boundaries - the parametrical boundaries of the unit shall be the following boundaries extended to an intersection with the upper and lower boundaries:

Exterior building walls and party walls - the intersecting vertical planes adjacent to and which shall include the exterior surfaces of the interior perimeter or main walls and party walls to include the dry wall and fixtures thereon. Where a fireplace and carport are shown in the attached survey or plans as part of an individual unit, such fireplace and carport shall be and constitute a part of the unit, whether enclosed without the perimeter walls or not.

Each unit includes the range, dishwasher, hot water heater, heating and cooling unit, whether contained within or without the unit, and all other fixtures initially included therein. Each unit includes the interior surface of its exterior doors and the frames thereof and the glass within, the interior surface of all, and all glass and/or glazing compound contained within the windows of such unit. Any structural, loadbearing column or main wall or any components or installations of central utilities or any part of the building rationally of common use or necessary to the existence, upkeep, and safety of the condominium building shall constitute a common element, though within the perimeter walls of a unit.

"Common Elements" shall mean and include both General Common Elements and General Common Area and Limited Common Elements and Limited Common Area.

"General Common Elements" and "General Common Area" are synonymous with and shall mean and include all portions of the land, buildings, and property, except the 72 units above defined, as shown on the condominium plat as recorded in said Register's Office and except Limited Common Elements and

Limited Common Area, but shall include the Common Elements within the perimeter walls of a unit as above set forth.

"Limited Common Elements" and "Limited Common Area" are synonymous with and shall mean and include those portions of the common elements such as balcony, patio or deck, and front stoop immediately adjoining each unit and attic immediately above each unit, which aforementioned areas are reserved for the use of each certain individual unit to the exclusion of other individual units, said stoop and balcony or deck being shown on the condominium plat as recorded in said Register's Office.

"Co-Owner" or "Owner" means a person, firm, corporation, partnership, association, trustee, or other legal entity, or any combination thereof, who owns a unit or units within the condominium buildings. When two or more persons own a unit as tenants in common, by the entirety, or otherwise, such persons shall constitute the "Co-Owner" or "Owner" with respect to that unit.

"Condominium Building" means building containing and including the individual condominium units.

"Council of Co-Owners" is the non-profit Tennessee corporation known as Plymouth Rock Condominiums, Inc. ("Plymouth Rock") and refers to all of the co-owners as defined above.

"Majority of Co-Owners" means more than fifty percent (50%) of the Co-Owners.

All pronouns used herein include the male, female, and neuter genders and include the singular or plural nouns, as the case may be.

III.

DESCRIPTION OF LAND AND BUILDINGS

The land, as particularly described in the preamble of this Master Deed, is owned by the Developers in fee simple and embraces the area as shown on the condominium plat or plans and is subject to easements for utility installations, maintenance, and drainage which Developer may hereafter record. These are

condominium buildings now being constructed on said land and in the process of being completed. The buildings situated on the said land embrace the area and include the units and common areas as shown on the condominium plat, survey, or plans.

IV.

DESCRIPTION AND NUMBER OF UNITS

Within the condominium buildings are situated 72 individual units, all for residential purposes. Each unit has the number and location as is shown on the condominium plat, survey, or plans, to which reference is herewith made.

The boundary lines of each unit are those shown on the condominium plat or plans, and the distances shown are the measured distances between the unfinished basement slab floor, if any, or unfinished sub-floor and exterior surface of the interior ceiling and the exterior surface of the interior walls enclosing each unit and the exterior surface of the interior perimeter or main walls bounding a unit; in the event of any variation between the distance as shown on the condominium plat or plans and the actual distance between the boundary lines, the actual distance between the boundary lines shall prevail, as the said exterior of the interior walls bounding a unit, ceilings, basement floors or sub-floor, and the exterior surface of the perimeter or main walls bounding each unit, including fireplace, as shown on the plat are its actual boundaries. Each unit includes each and all of the things and matters mentioned in Paragraph II above, as included in the definition of Unit.

In the event that, by reason of the construction, settlement, reconstruction, or shifting of the buildings, any ceiling, floor, or perimeter wall bounding a unit shifts or changes, then the boundary of such unit shall likewise shift or change with such ceiling, floor, or perimeter wall so bounding it, it being always the intention of this instrument that the actual unfinished exterior of the interior walls, ceilings, basement floor slab or sub-floor and of the perimeter or main walls enclosing a particular unit shall constitute its actual boundaries.

The number of the individual units (the area and location of each being shown on the condominium plat or plans) and the agreed prorata share of expenses and assessments of each and the percentage interest of each in the common elements is as expressed in Exhibit A and shall have a permanent character and shall not be altered without the consent of all owners expressed in an amended declaration duly recorded. The percentage of undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

V.

DESCRIPTION OF GENERAL COMMON ELEMENTS

The "general common elements" and "general common area" are synonymous and are those defined within the definition above set forth.

All general common elements and general common areas are subject to the joint use and enjoyment by each and all of the co-owners.

Without in any wise limiting the generality of the above definition of general common elements and general common area, the said general common elements and general common area shall include, without limitation:

Each and all of those applicable common elements enumerated in Section 64-2702 of the Tennessee Code Annotated, sub-paragraph (g), subsections (1) through (7) thereof; each and all of the land, main walls, roofs, all utility installations up to the point of connection with a unit, (with the exception of fixtures within a unit for the purpose of serving that particular unit) including but not limited to electric wiring, plumbing, and sanitary lines; paved parking area, entrance drive, walks, landscaped areas, service areas, office, and all other areas not included within the definition of "unit," as above defined, or within the definition of "limited common elements" and "limited common area," as above defined.

The undivided right, title, and interest of each unit owner as an incident and appurtenance to his ownership of such unit, in the land and in the other general

common elements and in all of the improvements and facilities thereon (excepting always the 72 units) and his pro rata share in the income, if any, and of expenses and assessments and his percentage interest in the general common elements and facilities and improvements thereon and in the funds and property held by the Board of Administration, shall be that unit's prorata share and percentage interest as set forth in Exhibit A under the column so styled.

VI.

DESCRIPTION OF LIMITED COMMON ELEMENTS

The limited common elements and limited common areas are synonymous and are those defined within the definition above set forth. All limited common elements and limited common areas are reserved for the use of each certain individual unit which they adjoin, to the exclusion of other individual units.

VII.

BY-LAWS FOR ADMINISTRATION

The By-Laws for the administration of Plymouth Rock are attached hereto and made a part hereof as Exhibit B to this Master Deed.

VIII.

BOOKS OF BOARD OF ADMINISTRATION

The Board of Administration, as established by the By-Laws, and its successor shall keep a book with a detailed account in chronological order, of the receipts and expenditures affecting Plymouth Rock and its administration and specifying the maintenance and repair expenses of the common elements and any other expenses incurred. Both said book and the vouchers accrediting the entries made thereupon shall be available for examination by all the co-owners at convenient hours on working days that shall be set and announced for general knowledge.

IX.

EXPENSES PRORATED: NO EXEMPTIONS
PRORATED EXPENSES AND TAXES A LIEN

The co-owners of the units are bound to contribute pro rata toward the expenses of administration and of maintenance and repair of the general common

elements, as assessed from time to time by the Board of Administration or its successor and, in the proper case, of the limited common elements in Plymouth Rock and toward any other expense lawfully agreed upon.

No co-owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or by abandonment of the unit belonging to that co-owner by any other means.

The sale or conveyance of a unit shall in all cases be subject to all unpaid assessments against the owner thereof for his pro rata share in the expenses to which this section refers and, if the same are not paid by the owner thereof prior to sale or conveyance, shall be a lien against the unit and shall be paid by the new owner thereof. Likewise shall taxes and other levies and assessments by governmental taxing bodies be a lien against units.

The lien of prorated expenses established by the Tennessee Horizontal Property Act, shall take precedence over the homestead right of a unit owner; and each subsequent purchaser or assignee of a unit so agrees as a condition of his purchase or assignment.

X.

INSURANCE

The Association shall insure and keep insured the property against fire, liability, windstorms and such other risks in such amounts to insure the full fair market value of said property, but in no event shall the form and amount of such insurance be less than that required by mortgagee holding first mortgages on apartments or condominium units within the Regime. The Association shall further obtain and keep in force comprehensive public liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) in such form as may be required by mortgagees holding first mortgages on apartments or condominium units within Plymouth Rock Condominiums.

XI.

UNITS TO BE SEPARATELY TAXED AS ENTITIES

Each unit shall be taxed as an entity with such unit's percentage interest

in the common elements to be assessed proportionately and paid by the owner of such unit as provided in Tennessee Code Annotated, Section 64-2720:

"Apartments* taxed as entities--- common elements proportioned ---tax sale of building. Taxes, assessments and other charges of any taxing unit of this state, or of any political subdivision, or any other taxing or assessing authority shall be assessed against and collected on each individual unit, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the building or property as a whole. The valuation of the general and limited common elements shall be assessed proportionately among the co-owners thereof. No forfeiture of sale of the building or property as a whole for delinquent taxes, assessments or charges shall ever divest or in anywise affect the title to an individual apartment so long as taxes, assessments and charges to said individual unit are currently paid."

The above provision shall become effective with all such taxes, assessments and other charges of any taxing unit with the calendar year 1979. The developer shall pay all such taxes, assessments, and other charges for the year 19 80 ; and shall be entitled to an apportionment and proration of such taxes with respect to the sale of any unit during the remainder of the year 19 81 , in the manner agreed upon in the contract of sale.

Each co-owner covenants and agrees to the above bases of taxation; and all co-owners, both present and future, irrevocably instruct and empower the Board of Administration to take all steps necessary to insure that the above method and bases of taxation is applied by and respected by any and all taxing units of this state and of any political subdivisions or any other taxing or assessing authority thereof.

XII.

APPURTENANCES TO UNITS

Each unit shall include, without limitation by reason of enumeration, and the same shall pass with each unit as an inseparable appurtenance thereto, whether or not separately described, conveyed, or encumbered, the following right, privileges, and interests:

(a) An undivided share of the common elements, such undivided share to be that percentage interest set forth in Article IV above;

* Apartment shall be synonymous with unit.

(b) Easements for the benefit of the unit;

(c) The above percentage interest in funds, reserves, and assets held by the Board of Administration for the benefit of the unit owner;

(d) All such appurtenances, however, shall be and continue to be subject to the easements for the benefit of other units;

(e) The following easements from each unit owner to each other unit owner:

(1) Ingress and Egress. Easements through the common elements for ingress and egress for all persons making use of such common elements in accordance with the terms of the Master Deed.

(2) Maintenance, Repair, and Replacement. Easements through the units and common elements for maintenance, repair, and replacement of the units and common elements. Use of these easements, however, for access to the units shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

(3) Structural Support. Every portion of a unit which contributes to the structural support of the condominium buildings shall be burdened with an easement of structural support for the benefit of the common elements.

(4) Utilities. Easements through the units and common elements for all facilities for the furnishing of utility services within the building, which facilities shall include but not be limited to conduits, ducts, plumbing, and wiring; provided, however, that the easements for such facilities through a unit shall be substantially in accordance with the plans and specifications of the building.

(g) The right to use and enjoy, in common with the other co-owners, and subject to the rules and regulations made by the Board of Administration, the land, surplus parking space, the driveways, and all other common areas.

XIII.

RESTRICTIVE COVENANTS

(a) The development of Plymouth Rock Condominiums, Inc. is hereby restricted to residential dwellings for single family residential use and uses related to the

convenience and enjoyment of such residential use. All buildings or structures erected in Plymouth Rock shall be of new construction, and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings or structures, other than buildings shown on the condominium plat, shall be built on any parcel where the Developers theretofore platted and constructed a building. No structures of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding, shall be built or used on any portion of the premises at any time as a residence either temporarily or permanently.

(b) Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Developer of said buildings to maintain during the period of construction and sale of said buildings and condominium units, upon such portion of the premises as such developers may choose, such facilities as in the sole opinion of said developers may be reasonably required, convenient, or incidental to the construction and sale of condominium units, including but without limitation a business office, storage area, construction yards, signs, model units, and sales office.

(c) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in or around a unit, provided, however, that each unit owner may have one domestic pet (dog or cat) not exceeding twenty five (25) pounds, and further provided that such domestic pet shall be kept under restraint when not on unit-owner's premises. And further provided that such domestic pet is not kept, bred, or maintained for commercial purposes. The Unit owner must have all required vaccinations on any pet and shall submit evidence thereof to the Board of Administration.

(d) No advertising signs (except one of not more than five square feet "For Sale" sign per parcel), billboards, unsightly objects, or nuisances shall be erected, placed, or permitted to remain on the condominium project, land or buildings, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any condominium unit

or any resident thereof. Further, no commercial business activities of any kind whatsoever shall be conducted in any building or in any portion of the property, except the construction and maintenance of buildings, if any, of the Developer, its agents, and assigns, during the construction and sale period and of the council of co-owners, its successors and assigns, in furtherance of its powers and purposes as hereinafter set forth.

(e) All equipment, garbage cans, service yards, wood piles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring condominium units and streets. All rubbish, trash, or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.

(f) Except in the individual limited common patio areas, no planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon said premises, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the council of co-owners' Board of Administrators or their designated representative. The owners of condominium units are hereby prohibited and restricted from using any land or air space outside the exterior building lines and limited common areas and patio enclosures, except as may be allowed by the council of co-owners' Board of Administration. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all co-owners of condominium units and is necessary for the protection of said co-owners.

(g) Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the common elements shall be taken by the council of co-owners.

(h) The council of co-owners or its duly delegated representative shall maintain, manage, and landscape all parking areas, undedicated streets, and recreational facilities, roofs, common elements, and exteriors of the buildings located upon the above described properties (excluding patios, limited common areas, or elements or windows of condominium units) and shall maintain and other-

wise manage and be responsible for the rubbish removal of all areas within the described property.

(i) No exterior additions or alterations to any building nor construction of or changes in fences, hedges, walls, and other structures shall be commenced, erected, or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location, and approximate cost of sale shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the property by an architectural committee composed of the Board of Administrators of the council of co-owners or by a representative designated by the Board of Administrators. The members of such committee shall not be entitled to compensation for services performed pursuant to this paragraph.

(j) The council of co-owners' Board of Administrators shall have the right and power to provide for the construction of additional recreational and other common facilities, from time to time, as in their discretion appears to be in the best interests of the condominium project. Any such construction, improvements, or additions shall be authorized by an affirmative vote of eighty-five percent (85%) of the Board of Directors at a duly called meeting at which a quorum is present.

(k) In the event any common element, building (exclusive of any party wall), or storage facility is damaged or destroyed through the negligent or culpable act of a co-owner or any of his guests, invitees, agent, or members of his family, such owner does hereby irrevocably authorize the council of co-owners, its attorney in fact, to repair said damaged element, building, or storage facility, and the council of co-owners shall so repair said damaged common element, building, carport, or storage facility. The owner shall then repay the council of co-owners in the amount actually expended for said repairs, less any insurance proceeds received.

Each condominium unit owner further agrees that these charges for repairs, if unpaid within ten (10) days after completion of the work, shall become a lien upon said owner's condominium interest and shall continue to be such lien until fully paid.

(1) The rights and duties of the owners of condominium units within this condominium project with respect to party walls shall be governed by the following:

(la) Each wall, which is constructed as a part of the original construction of the building, any part of which is placed on the dividing line between separate residence units, shall constitute a party wall. With respect to any such wall, each of the adjoining owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto.

(lb) In the event any such party wall is damaged or destroyed through the act of one adjoining owner or any of his guests, invitees, or agent or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then the first of such owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly without cost to the adjoining owner.

(lc) In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining owners, his agents, invitees, guests, or family (including ordinary wear and tear and deterioration from lapse of time), thence in such event, both such adjoining owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly at their joint and equal expense.

(ld) In addition to meeting the other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any owner proposing to modify, make additions to, or rebuild his condominium unit in any manner which requires the extension of other alteration of any party wall, shall first obtain the written consent of the adjoining owner.

(le) In the event of a dispute between owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then upon written request of one of such owners, then the matter shall be submitted to three (3) arbitrators, one chosen by each of the owners and the third by the two

so chosen, or if the two arbitrators cannot agree as to the selection of the third arbitrator within five (5) days, then by a Judge of the Circuit or Chancery Court for Carter County, Tennessee. A determination of the matter signed by any two of the three arbitrators shall be binding upon the owners, who shall share the cost of arbitration equally. In the event one party fails to choose an arbitrator within ten (10) days after receipt of a request in writing for arbitration from the other party, then said other party shall have the right and power to choose both arbitrators.

(lf) These covenants shall be binding upon the heirs and assigns of any owners, but no person shall be liable for any act or omission respecting any party wall except such as took place while an owner.

(m) No exterior television or radio antennas of any sort shall be placed, allowed, or maintained upon any portion of the improvements to be located upon the premises nor upon any structure situated upon said real property, other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in Section 1 of this Article V is caused through the willful or negligent act of an apartment owner, his family, guests or invitees, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs shall be added to and become a part of the assessment to which such owner and his apartment is subject. Each owner shall maintain, repair and replace at his own expense all portions of his apartment which become in need thereof, including the heating and air conditioning system for each apartment, all bathroom and kitchen fixtures and appliances, light fixtures, interior nonload bearing walls, carpeting, drapes, other items within the unit and the limited common elements appurtenant to his apartment. In the event the apartment owner does not make those repairs to be made by him within thirty (30) days from written demand from the Association, then the same may be repaired by the Association and the cost thereof shall be assessed against the apartment owned by such owner.

(n) An owner shall maintain and keep in repair at his own expense the interior of his own unit, including the fixtures thereof and air conditioners, whether contained inside or outside said unit. All fixtures and equipment installed within a condominium unit, commencing at a point where the utility lines, pipes, wires, conduits, or systems (which for brevity are hereafter referred to as "utilities") enter the unit shall be maintained and kept in repair by the owner thereof.

(o) An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament.

(p) It is strictly prohibited to store or park a house trailer, camper, motor, trailer, junk, or inoperable automobiles on or about any of said units unless they are stored or parked inside a completely enclosed garage belonging to said unit. The repairing of automobiles other than on an emergency basis shall be prohibited. No owner shall place or cause to be placed in any of the project area, both common and limited, any furniture, package or objects of any kind. It is prohibited to hang garments, rugs, towels, mops, etc. from the windows or from any of the patios or decks. It is also prohibited to dust rugs, etc. from windows or decks or to clean rugs, etc. by beating on the exterior of the project. If seen from the exterior of the windows, there shall be no curtains, drapes, etc., or other window coverings of any color other than tan, beige, or off-white.

(q) Invalidation of any one or more of the covenants and restrictions or other provision herein or hereafter contained by judgment or court order shall in no way affect any of the other covenants and restrictions herein or hereafter contained which shall remain in full force and effect.

(r) Each co-owner shall comply with the provisions and requirements of this Master Deed, including the administrative By-Laws attached hereto, the decisions and resolutions of the Council of Co-Owners and of the Board of Administration and with reasonable rules and regulations adopted from time to time by the Board of Administration for the common comfort, safety, convenience, and protection of the co-owners in their use and enjoyment of their units and of the common elements and adopted for the orderly administration of the condominium project and of

the condominium buildings and with all amendments thereof. Without in any manner intending to limit the generality of the foregoing, the Board of Administration shall have the right but not the obligation to promulgate rules and regulations limiting the use of the Common Elements to co-owners and their respective families, guests, invitees, and servants.

XIV.

RESTRICTIONS ON SALE, LEASE, OR OTHER ALIENATION

(a) Mortgage. No unit owner may mortgage or encumber his unit, without the approval of the Board of Administration, except to a bank, insurance company, a savings and loan association, a pension trust, or other institutional lender regulated as to the maximum amount of loan by state or federal government and except purchase money notes given to seller to secure balance of purchase price of a sale by unit owner. The approval of any other mortgagee may be upon conditions determined by the Board of Administration.

(b) Sale or Lease. Any owner other than the Board of Administration, as Trustees for the other co-owners who wishes to sell or lease his unit (or any lessee of any unit wishing to assign or sublease such unit) to any person not closely related by blood or marriage to the owner shall give to the Board of Administration not less than fifteen (15) days' prior written notice of the terms of any contemplated sale or lease, together with the name and address of the proposed purchaser or lessee and together with a duplicate executed and certified copy of the contingent or proposed contract of sale or lease. The Board of Administration, as trustee for the other co-owners, shall at all times have the first right and option to purchase or lease such unit at the same price, rental, and terms as contained in the proposed contract of sale or lease, which option shall be exercisable by the Board of Administration for a period of fifteen (15) days following the date of receipt of such notice. If said option is not exercised by the Board of Administration within said fifteen (15) days, the owner (or lessee) may, at the expiration of said fifteen (15) day period and at any time within sixty (60) days after the expiration of

said period, sell or lease (or sublease or assign) such unit to the proposed purchaser or lessee named in such notice upon the terms specified therein but not to any assignee, transferee, or sublease of the proposed purchaser or lessee.

(c) No condominium unit within the project shall be rented for transit or hotel purposes or in any event for any period less than six (6) months. No portion of any condominium unit other than the entire unit shall be leased for any period. Provisions of this subsection shall not apply to any mortgagee of any condominium unit who comes into possession of the unit as a result of a foreclosure sale or other judicial sale or as a result of any proceeding in lieu of foreclosure, or acceptance of a deed in lieu of foreclosure.

(d) Gift. Any owner who wishes to make a gift of his unit ownership or any interest therein to any person or persons who would not be next of kin or heir at law of the owner under the Rules of Descent and Distribution of the State of Tennessee were he or she to die within sixty (60) days prior to the contemplated date of such gift, shall give to the Board of Administration not less than sixty (60) days' written notice of his or her intent to make such gift prior to the contemplated date thereof, together with the name and address of the intended donee and the contemplated date of said gift. The Board of Administration, as trustee for the other co-owners, shall at all times have the first right and option to purchase such unit ownership or interest therein for cash at the fair market value, as herein provided, which option shall be exercisable by the Board of Administration within twenty (20) days after receipt by the Board of Administration of such notice.

(e) Devise. In the event any owner dies leaving a will devising his unit or any interest therein to any person or persons not a next-of-kin or heir at law of the deceased owner the Rules of Descent and Distribution of the State of Tennessee and said will is admitted to probate, the Board of Administration as Trustee for the other co-owners, shall have a like option (to be exercised in the manner herein-after set forth) to purchase said unit either from the devisee or devisees thereof

named in said will, or, if a power of sale is conferred by said will upon the personal representative named therein or, in the event of insolvency, from the personal representative acting pursuant to said power, for cash at fair market value, determined as hereinafter set forth (less a discount of five percent (5%) to cover sale expense). Such option shall be exercisable by the Board of Administration within forty-five (45) days after the probate of the will of such unit owner or the appointment of a personal representative with respect to his estate.

(f) Involuntary Sale.

(1) In the event any unit or interest therein is sold at a judicial, execution, or bankruptcy sale (other than a mortgage foreclosure sale), the person acquiring title through such sale shall, before taking possession of the unit so sold, and, as a condition precedent to any right to occupy such unit, give twenty (20) days' written notice to the Board of Administration, as trustee for the other co-owners, of his purchase and of his intention to so occupy the unit, whereupon the Board of Administration, as trustee for the other co-owners, of his purchase and of his intention to so occupy the unit, whereupon the Board of Administration, as trustee for the other co-owners, shall have an irrevocable option to purchase such unit or interest at the same price for which it was sold at said sale. If said option is not exercised by the Board of Administration within twenty (20) days after a receipt of such notice, it shall thereupon expire, and said purchaser may thereafter take possession of said unit.

(2) In the event any owner shall default in any payments or any performance required under the provisions of any mortgage or deed of trust encumbering his unit, the Board of Administration, as trustee for the other co-owners, shall have the irrevocable right, privilege, and option to purchase the unit of such owner at the fair market value thereof, less a discount of five (5%) percent to cover the cost of sale. This option shall be exercisable by the Board of Administration as trustee for the other co-owners at any time during any such default. The Board of Administration, in exercising said option, shall have the right to purchase the

said unit from the co-owner so in default, upon the assumption of the mortgage indebtedness thereon and shall be credited with the full amount of the mortgage indebtedness upon the option to purchase price.

(g) Exercise of Options. The Board of Administration may exercise any of its foregoing options through giving written notice of its election to exercise such option, signed by its president or any vice presidents and by its secretary or any assistant secretary, after approval of not less than two-thirds (2/3rds) in number of the total number of administrators then composing the Board of Administration. Upon such notice of intention to exercise such option, the option so exercised shall be a binding contract to sell and purchase at the price which the Board of Administration has the right to meet, or where provided in the foregoing provisions, the fair market value of the property determined in the manner hereinafter set forth less a discount of five percent (5%) when applicable.

(h) Fair Market Value. Upon the exercise of an option by the Board of Administration, in the manner hereinabove set forth, the Board of Administration or the other party of the exercised option shall apply to the president of Carter County, Tennessee, Real Estate Board (or to its successor) to appoint three (3) licensed real estate men to appraise the fair market value or the fair rental value, such as the case may be, of the unit. In making this appraisal, the three (3) real estate men so selected shall not consider as relevant nor take into consideration at all the terms of the proposed sale or lease which the Board of Administration has the right and option to meet. In the event of the refusal, inability, or neglect of the president of Carter County, Tennessee, Real Estate Board (or its successor) to so appoint three (3) licensed real estate men to appraise the property or in the event of the failure, refusal, or neglect of the three (3) real estate men to appraise the unit within a reasonable period of time or in the event there being no Carter County, Tennessee, Real Estate Board or successor thereto, then in either or all of such events, the Board of Administration or other party to the exercised option, shall have the right to apply to the Chancellor presiding over the Carter

Division of the Chancery Court of Carter County, Tennessee (or to the successor to such Court) for the appointment of three (3) licensed real estate men to make such appraisal, and the appraisal of the three (3) real estate men so appointed shall be the fair market value of such unit or the fair rental value of such unit, as the case may be, for the purposes of such exercised option.

(i) Closing of Purchase Under Exercised Option. The effective option price, when determined, shall be paid by the Board of Administration upon delivery of the deed. The other party to such exercised option shall be under the duty and obligation to provide abstract and to deliver deed within fifteen (15) days after receiving notice of the exercise of the option, such deed to convey a fee simple marketable title to the unit, subject to all of the provisions of this Master Deed and of the administrative powers and subject to any validly executed mortgage indebtedness shall be credited upon the option price. The Board of Administration shall have the right to possession of the unit immediately upon its delivery of the deed; and may immediately enter into possession and shall be entitled to all rents, issues, and profits from such unit, without accountability to the other party therefor. Taxes on said unit and assessments or maintenance shall be apportioned between the parties as of the date deed is delivered to the Board of Administration.

(j) Board of Administration as Trustees for other Co-Owners. In exercising any options, the Board of Administration shall be acting as trustees for the other co-owners. Neither the trustees individually or the other co-owners individually shall be liable for the option price. A co-owner shall be liable only for his unit's pro rata share of the purchase assessment in the percentages applicable to his unit, as set forth in Article IV above.

(k) Release of Waiver of Option. Upon the written consent of a majority of the total number of the Board of Administration, any of the options contained in this Article may be released or waived, and the unit ownership or interest therein which is subject to an option set forth in this Article may be sold, conveyed, leased, given, or devised free and clear of the provisions of this Article; but no waiver or

release shall be applicable to any later or subsequent proposed sale, conveyance, lease, devise, or gift.

(l) Proof of Termination of Option. A certificate executed and acknowledged by the president or any vice president and by the secretary or any assistant secretary of the Board of Administration stating that the provisions of this Article have been met by an owner or duly waived by the Board of Administration with respect to a proposed sale, conveyance, lease, devise, or gift shall be conclusive upon the Board of Administration and the co-owners in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner who has, in fact, complied with the provisions of this Article or in respect to whom the provisions of this Article have been waived, upon request at a reasonable fee, not to exceed Ten (\$10.00 Dollars).

(m) Financing of Purchase Under Option.

(1) Acquisition of unit ownerships or any interest therein under the provisions of this article shall be made from the unit purchase fund. If said fund is insufficient, the Board of Administration shall levy a unit purchase assessment against each of the other co-owners in proportion to his ownership in the common elements, which assessment shall become a lien upon such unit, but subordinate to the lien of any prior recorded mortgage or trust deed thereon. The Board of Administration may also use any funds in the maintenance fund which it deems safely available for such purpose.

(2) The Board of Administration, in its discretion, may borrow money to finance the acquisition of any unit or interest therein authorized by this Article; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the property other than the unit therein to be acquired.

(n) Title to Acquired Interests. Unit ownerships or interest therein acquired pursuant to the terms of this Article shall be held of record in the name of the Board of Administration or such nominee as it shall designate as trustees for the benefit of all the owners. Said unit ownerships or interests therein shall

be sold or leased by the Board of Administration or such nominee for the benefit of the owners. All proceeds of such sale and/or leasing shall be deposited in the unit purchase fund or the maintenance fund and may thereafter be disbursed at such time and in such manner as the Board may determine from time to time. No purchaser, lessee, or mortgagee from the Board of Administration or from its nominee shall be bound to see the application of the proceeds of any such sale, lease, or mortgage.

(o) Duration of Options and Restrictions Contained in this Article.

The options contained in this Article and all restrictions, conditions, and restraints on sale, leasing, mortgaging, and alienation contained in this Article shall continue in full force and effect to the following date, at which time the same shall terminate and end:

July 1, 2010

XV.

PROVISIONS FOR PROTECTION OF MORTGAGE

(a) Unpaid Maintenance Assessments have Priority Over Mortgage - -

Exceptions. Since the maintenance fund is essential to the repair, replacement, upkeep, operation, and administration of the condominium buildings and common elements and, accordingly is essential to the safety, value, and enjoyment of each individual unit; any unit's pro rata share of maintenance assessments, which are unpaid, shall become a first lien on such unit except for any prior recorded mortgage or deed of trust.

(b) No mortgagee and no beneficiary or trustee under a deed of trust shall become personally liable for or obligated for any unpaid maintenance fund assessment; the Board of Administration, however, may enforce the lien of the unpaid assessment against the encumbered unit, notwithstanding that the mortgagee is not personally liable therefor.

(c) Any unit purchase assessment shall be subordinate.

XVI.

ASSESSMENTS - MAINTENANCE FUND

(a) Each year, on or before December 1st, the Board of Administration shall estimate the total amount necessary to pay the cost of wages, materials,

insurance, services, and supplies, repairs, replacements, and of administration, which will be required during the ensuing calendar year for the rendering of all services, the payment of all common expenses, and the making of any and all necessary repairs, replacements, alterations, and for the proper administration of the Plymouth Rock Condominium buildings, together with a reasonable amount considered by the Board of Administration to be necessary to a reserve for contingencies and replacements (all of which are hereinafter referred to as, and included within the terms, Maintenance Fund and Maintenance Fund Requirements), and shall, on or before December 15th, notify each owner, in writing and, each mortgagee who shall have given written notice of its mortgage to the Board of Administration, as to the amount of such estimate of Maintenance Fund Requirements, with reasonable itemization thereof. Said Maintenance Fund Requirements shall be assessed to the owners according to each unit's pro rata share of expenses and assessments as set forth in Article IV of this Master Deed. On or before January 1st of the ensuing year and the 1st day of each and every month of said year, each owner shall be obligated to pay the Board of Administration or as it may direct 1/12th of the assessment (herein referred to as the monthly installment) made pursuant to this paragraph. If, for any reason, the Board of Administration fails, within the times aforesaid, to make the estimate of the Maintenance Fund Requirements or to give notice thereof to each owner, then monthly installments of maintenance fund assessments for the ensuing year shall continue to be in the same monthly amount as for the preceding year, until the Board of Administration actually makes the new estimate of Maintenance Fund Requirements and gives notice thereof to the owners. On or before the date of the annual meeting of each calendar year, the Board of Administration shall supply all owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual

expenses and reserves shall be credited according to each owner's percentage of ownership in the common elements to the installment next due.

(b) The Board of Administration shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year, shall be charged first against such reserve. If said Maintenance Fund Requirements prove inadequate for any reason, including non-payment of any owner's assessment, the Board of Administration may, at any time, levy a further assessment, which shall be assessed to the owners, according to each owner's percentage of ownership in the common elements. The Board of Administration shall serve notice of such further maintenance fund assessment on all owners by a statement in writing giving the amount and reasons therefor, and the amount of the monthly installments, and such further assessment shall become effective with the next monthly maintenance fund payment which is due not later than ten (10) days after the delivery or mailing of such notice of further assessment. All owners shall be obligated to pay the adjusted monthly amount.

(c) Until December 31 of the year immediately following the conveyance of the first unit to an owner, the annual assessment for Maintenance Fund shall be \$600.00 per unit, to be collected on a monthly basis with each unit owner paying an amount equal to that paid by each of the other unit owners. Assessment after December 31 shall be levied against owners as provided in Paragraph (a) of this article. The annual assessment for Maintenance Fund shall commence as to each unit on the first day of the month following conveyance or occupancy, whichever occurs first, of that unit. Developer shall pay no assessments until December 31, 1980 or until two-thirds (2/3rds) of all units are sold, whichever first occurs, and thereafter payments will be made as the units are completed.

(d) The failure or delay of the Board of Administration to prepare or serve the annual or adjusted estimate on the owner shall not constitute a waiver or release in any manner of such owner's obligation to pay the maintenance costs and necessary

reserves, as herein provided, whenever the same shall be determined and, in the absence of any annual estimate or adjusted estimate, the owner shall continue to pay the monthly Maintenance fund assessment, as above provided, at the then existing monthly rate established for the previous period until the next monthly maintenance payment, which is due not later than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

XVII.

LIEN OF UNPAID ASSESSMENTS

Each unit's pro rata share of expenses and of the maintenance fund assessments, payable in monthly installments as above provided, shall be due and payable on the first of the month for which assessed; and shall become delinquent if not paid by the tenth of the month in which payable. If not paid by the tenth of the month, the assessment shall earn interest from the date of delinquency at the rate of ten percent (10%) per annum. Any delinquent installment shall immediately and without further demand or notice, become a lien upon that unit, and all incidents and appurtenances thereto. Such lien shall have priority over any subsequently recorded mortgage or deed of trust, as provided in Article XV. Any mortgage shall be entitled, however, to the provisions for the protection of mortgagees as set out in Article XV above, and such delinquent installment shall not take precedence over an earlier recorded mortgage or deed of trust.

In any and all events, the lien of any delinquent and unpaid assessment against a unit shall prime and shall take precedence over the lien of any judgment or attachment and shall take precedence over the title of any trustee in bankruptcy. The lien of any delinquent and unpaid assessment which remains unpaid for a period of ten (10) years from date of assessment shall be declared extinguished and paid in full.

XVIII.

REMEDIES FOR DEFAULT AND FOR BREACH OF COVENANTS, RESTRICTIONS, AND REGULATIONS

Each owner, tenant, occupier, or invitee shall be governed by and shall comply with the provisions of this Master Deed, the By-Laws, the decisions, resolu-

tions, and regulations from time to time adopted by the Board of Administration or by the Council of Co-Owners; any failure to comply with the same or any default shall entitle the Board of Administration or other unit owners to the following relief:

(a) Any such default shall be grounds for an action by the Board of Administration in behalf of the other co-owners or by the co-owners to recover any sums or amounts due, to recover damages or to secure injunctive relief, foreclosure of the lien, or any combination thereof.

(b) All unit owners shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Board of Administration, or by insurance carried by any injured or damaged co-owner (where insurance is carried, it is agreed and intended that no insurer shall have any right of subrogation against or any right of action against any co-owner, his lessee, family, or guests).

(c) Costs and Attorney's Fees. In any proceeding arising because of an alleged default by a unit owner, the Board of Administration or co-owners bringing such suit shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the Board of Administration or of a unit owner to enforce any right, provisions, covenant, or condition which may be granted by the Master Deed and By-Laws shall not constitute a waiver of the right of the Board of Administration or unit owner to enforce such right, provision, covenant, or condition in the future.

(e) Power of Sale. For the purpose of enforcing the lien of any unpaid and delinquent assessment, each unit owner grants unto the Board of Administration irrevocable and for a period of time ending on the following date:

July 1, 2010

the power to sell his unit at public outcry to the highest and best bidder for cash.

The Board of Administration is authorized to make such a public sale if and only if such sale is made subordinate to any recorded mortgage or deed of trust upon the unit. The Board of Administration is authorized to enforce any lien by acting in court where priority is asserted over a recorded mortgage or deed of trust.

Any such sale shall be made after first advertising the sale by not less than four (4) weekly publications in some newspaper in Carter County, Tennessee, giving notice of the time and place of such sale and after written notice to the unit owner. Sale shall be in bar of equity of redemption, homestead, distributive share and all other exemptions, all of which are expressly waived by the unit owners.

The proceeds of any such sale whether under the power of sale or by foreclosure suit or by any other means of foreclosure shall be applied first to the payment of the expenses of protecting the property, expenses of litigation, attorney's fees, and sales commission; second, to the payment of real estate and advalorem taxes assessed against the unit and currently due and owing; third, to the payment of all amounts due the Board of Administration and other co-owners under the terms of the Master Deed and By-Laws; fourth, the balance, if any, shall be turned over to the unit owner and his assigns.

Upon any default in the payment of any assessment, the Board of Administration shall have the right to all rents, issues, and profits from the unit in default, and shall have the right to secure the payment through notice to those in possession of the unit or by entry into possession in the same manner as the mortgagee entering into possession following default.

The lien herein provided may, upon default in payment of any contribution or assessment, be perfected by filing in the Office of the Register of Deeds for Carter County, Tennessee, at Elizabethton, Tennessee, a memorandum showing the name of the delinquent apartment owner; the name of the Association as Claimant of the lien; the amount of the claim, and a description of the property on which a lien is claimed. Said memorandum shall be verified by

oath of an officer or agent of the Association.

(f) All rights, remedies, and privileges granted to the Board of Administration or a unit owner, pursuant to any terms, provisions, covenants, or conditions of the Master Deed and By-Laws shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Master Deed and By-Laws or at law or in equity.

(g) Any recorded first mortgage secured on a condominium unit in the project shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Master Deed or By-Laws or any installment thereof shall likewise be a default in such mortgages or in the indebtedness secured thereby, but failure to include such a provision in any mortgage shall not affect the validity or priority thereof, and the protection extended to the holder of such mortgage or the indebtedness secured thereby shall not be diminished by reason of such failure.

XIX.

TERMINATION OF HORIZONTAL PROPERTY REGIME

(a) Merger of Filial Estates with Principal Property. All of the co-owners constituted into a horizontal property regime may by deed waive this regime and re-group or merge the records of the filial estates with the principal property, provided, that the filial estates are unencumbered or, if encumbered, that the creditors in whose behalf the encumbrances are recorded accept as security the undivided portions of the property owned by the debtors. BY THE DEVELOPERS: If there has been no conveyance of an apartment and there is no apartment owner, other than the Developers, the Developers may unilaterally terminate the condominium regime, provided that the holders of all liens affecting the Regime consent thereto or agree thereto by duly recorded instruments.

(b) Horizontal Property Regime Following Merger. The merger provided for in the preceding section shall, in no way, bar the subsequent constitution of the property into another horizontal property regime wherever so desired and upon observance of the provisions of The Horizontal Property Act of the State of Tennessee.

(c) Alternatively, the horizontal property regime herein created may be terminated at any time and in such manner and upon such terms as are mutually agreeable by the unanimous agreement, consent, and act, expressed in writing and duly acknowledged and recorded, of all unit owners, of all lessees of units, and of all mortgagees who have liens upon units.

XX.

COVENANTS RUNNING WITH THE LAND

All provisions, conditions, restrictions, options, benefits, and burdens contained in this Master Deed and in the condominium plat and By-Laws attached hereto and forming a part hereof, shall be construed as covenants running with the land and with every part thereof and every interest therein, including but not limited to every interest therein, including but not limited to every unit and the incidents and appurtenances of every unit owner and every claimant of any interest of any nature at any time in the land, condominium buildings, or any unit, either present or future, and his heirs, executors, administrators, successors, and assigns shall be bound by and entitled to the benefits of the same.

XXI.

GENERAL PROVISIONS AND SEVERABILITY

(a) The Developer, as owner of all of the units at the time of execution of the Master Deed, shall name the original Board of Administration, who shall serve until the annual meeting of the Council of Co-Owners in 19 81 and until their successors are elected; the original members of the Board of Administration need not be unit owners notwithstanding any provision of the By-Laws.

(b) If any term, covenant, restriction, provision, phrase or other element of the Master Deed, plat, or By-Laws is held to be invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify, or

impair in any manner whatsoever any other term, provision, restriction, covenant, or element of the said documents. In the event any covenant or restriction as to the use and occupancy of the units and common elements or in the event any other provision of the Master Deed and By-Laws is invalid or would be invalid by reason of offending the rule against perpetuities, except for this paragraph, then such restriction or other provisions shall not apply.

(c) Captions used in the Master Deed and By-Laws and any index are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Master Deed and By-Laws.

(d) If any provision of this Master Deed of any section, sentence, clause, phrase, or word or the application thereof in any circumstances be judicially held in conflict with the laws of the State of Tennessee, including the Horizontal Property Act then the said laws shall be deemed controlling and the validity of the remainder of this Master Deed and the application of any provisions, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

(e) The restrictions on sale, lease, or other alienation provided in XIV above apply to the transfer of a unit interest by any owner other than the Developers or by foreclosure.

(f) The provisions of this Master Deed, By-Laws, Charter, Condominium Plat, or Plans, irrespective of any other provisions herein contained, may be amended by Developer without vote or notice to any unit owner at any time within two (2) years after the date of recording this Master Deed.

(g) Members of the Council of Co-Owners shall be entitled to cast one (1) vote for each unit interest owned by them. Developers shall be entitled to three (3) votes for each unit owned and unsold until such time as seventy-five (75%) percent of the units are sold.

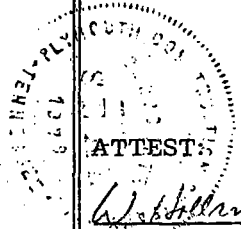
(h) As provided in The Horizontal Property Act, the provisions of the Horizontal Property Act are in addition to and are supplemental to all other provisions of other laws of the State of Tennessee; and it is provided that wherever the appli-

cation of the provisions of The Horizontal Property Act conflict with the application of such other provisions, the provisions of The Horizontal Property Act and of the Master Deed pursuant thereto shall prevail.

IN WITNESS WHEREOF, the Developers have executed this declaration on this the 29 day of February, 1980.

PLYMOUTH CONSTRUCTION COMPANY, INC.

By: Wade H. Patrick
President



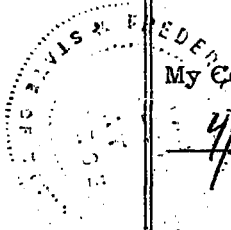
ATTEST:
William Patrick, Jr.
Secretary

STATE OF TENNESSEE)
COUNTY OF Washington)

Personally appeared before me, the undersigned authority, a Notary Public within and for the State and County aforesaid, Wade H. Patrick, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be President of Plymouth Construction Company, Inc., the within named bargainor a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 29 day of February, 1980.

Frederic H. Brandt
Notary Public



My Commission Expires:
7/28/80

EXHIBIT A

UNIT PRO RATA SHARE OF EXPENSES
AND ASSESSMENTS AND PERCENTAGE
INTEREST IN COMMON ELEMENTS

<u>Number of Unit</u>	<u>Percentage</u>	<u>Unit Plan</u>
1-A	1/72	Unit Type - A
1-B	1/72	B
1-C	1/72	A
1-D	1/72	B
2-A	1/72	A
2-B	1/72	B
2-C	1/72	A
2-D	1/72	B
3-A	1/72	A
3-B	1/72	B
3-C	1/72	A
3-D	1/72	B
4-A	1/72	A
4-B	1/72	B
4-C	1/72	A
4-D	1/72	B
5-A	1/72	A
5-B	1/72	B
5-C	1/72	A
5-D	1/72	B
6-A	1/72	A
6-B	1/72	B
6-C	1/72	A
6-D	1/72	B
7-A	1/72	A
7-B	1/72	B
7-C	1/72	A
7-D	1/72	B
8-A	1/72	A
8-B	1/72	B
8-C	1/72	A
8-D	1/72	B
9-A	1/72	A
9-B	1/72	B
9-C	1/72	A
9-D	1/72	B
10-A	1/72	A
10-B	1/72	B
10-C	1/72	A
10-D	1/72	B
11-A	1/72	A
11-B	1/72	B
11-C	1/72	A
11-D	1/72	B
12-A	1/72	A
12-B	1/72	B
12-C	1/72	A
12-D	1/72	B

EXHIBIT A - CONTINUED

<u>Number of Unit</u>	<u>Percentage</u>	<u>Unit Plan</u>
13-A	1/72	Unit Type - A
13-B	1/72	B
13-C	1/72	A
13-D	1/72	B
14-A	1/72	A
14-B	1/72	B
14-C	1/72	A
14-D	1/72	B
15-A	1/72	A
15-B	1/72	B
15-C	1/72	A
15-D	1/72	B
16-A	1/72	A
16-B	1/72	B
16-C	1/72	A
16-D	1/72	B
17-A	1/72	A
17-B	1/72	B
17-C	1/72	A
17-D	1/72	B
18-A	1/72	A
18-B	1/72	B
18-C	1/72	A
18-D	1/72	B

STATE OF TENNESSEE CARTER COUNTY, REGISTER'S OFFICE
 Received for Record the 11 day of June A.D. 1980
 at 11:40 o'clock A.M. Noted in Book 161 Page 382 and recorded in
Open Book 321 Page 505
 State Tax 109.00 Clerk's Fee 50 Recording Fee 111.00
 Total 269.50 Receipt No. 5662
Johnny Holder REGISTER
 JOHNNY L. HOLDER by _____ Deputy

"EXHIBIT B"

BY-LAWS FOR THE ADMINISTRATION OF
PLYMOUTH ROCK CONDOMINIUMS
 A CONDOMINIUM PROJECT

ARTICLE I.

COUNCIL OF CO-OWNERS

All of the co-owners of units within Plymouth Rock Condominiums shall constitute the Council of Co-Owners.

The purpose of the Council of Co-Owners is to administer, on a nonprofit basis, and through a Board of Administration, Plymouth Rock Condominiums, to elect the Board of Administration; amend and supplement from time to time these By-Laws and the system of Administration; and to do and perform any and all other things, matters, or acts required by or permitted by the Co-Owners as an assembly or council under the Horizontal Property Act of the State of Tennessee.

ARTICLE II.

MEETINGS AND VOTING RIGHTS OF CO-OWNERS

Section 1. Eligibility. The owner or owners of a unit, who have become such in compliance with all of the requirements and conditions precedent contained in the Master Deed, including these By-Laws, shall be entitled to attend and vote at all meetings of the Council of Co-Owners.

Section 2. Voting Rights. The owner or owners of a unit shall be entitled to one vote at all meetings of the Council of Co-Owners. Where two or more persons own a unit, the vote allocated to the unit shall be cast by the one authorized by such two or more owners. Where only one of two or more owners of a unit is present in person at a meeting, such one shall be entitled to cast the vote with respect to that unit. Where one person or group of persons owns more than one unit, such person or group shall be entitled to cast one vote for each unit owned.

Section 3. Corporation as Owner. In the event a partnership, trustee, corporation or other entity owns a unit or units, after having complied with all conditions precedent contained in Master Deed, including these By-Laws, the vote

of such may be cast by a partner, trustee or officer of the same or by any person authorized in writing by a partner, trustee or officer thereof, to represent the same.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies, to be valid, shall be in writing for the particular meeting designated therein and any adjournments thereof and shall be filed with the secretary of the meeting prior to voting.

Section 5. Annual Meetings. The annual meeting of the Council of Co-Owners shall be held at the Plymouth Rock Condominium Project, at 7:00 o'clock, P .M. on the first Monday in October of each year, after the sale of the first unit, for the purpose of electing a Board of Administration and of transacting any other business authorized to be transacted by the members; provided, however, that if such day is a legal holiday, then the meeting shall be held at the same hour on the next following day.

Section 6. Special Meetings. Special meetings of the Council of Co-Owners shall be held whenever called by the President and Secretary of the Board of Administrators, or by a majority of the Board of Administrators, or by the written request of one-third (1/3rd) of the entire number of co-owners. When a special meeting is so called, the Secretary shall mail written notice of the meeting to all co-owners.

Section 7. Notice. Notice shall be given to all co-owners of meetings of co-owners, stating the time, place and purpose for which the meeting is called. Such notice shall be in writing and shall be mailed to each member at his address as it appears on the books of the Board of Administrators or may be mailed or delivered to his unit not less than seven (7) days nor more than fifteen (15) days before the meeting. Proof of such mailing or delivery may be given by the written statement of the secretary or other person giving the notice. Notice of a meeting may be waived before, at or after the meeting.

Section 8. Quorum. A quorum at any meeting of the Council of Co-Owners shall consist of persons entitled to cast at least a majority of the votes of the entire number of unit co-owners. The affirmative vote of a majority of co-owners, being more than fifty percent (50%) of the total number of units in attendance, is required to adopt any resolution, elect any director, make any decision or take any action; except that these By-Laws and the system of administration may be modified only in the manner hereinafter set forth.

Section 9. Presiding Officer. The President of the Board of Administration shall preside over all Council meetings; and the Secretary of the Board of Administration shall take and keep the minutes and minute books of all Council meetings, wherein adopted resolutions shall be recorded, and shall serve as Secretary at such meetings.

Section 10. Amendments. The Council of Co-Owners may, at any duly called, held and convened meeting, modify or amend the system of administration of Plymouth Rock Condominiums and these By-Laws for the administration of Plymouth Rock Condominiums by the affirmative vote of co-owners representing at least two-thirds (2/3rds) of the total units in Plymouth Rock Condominiums. The said system of administration and these By-Laws, however, may be only so amended in such manner that each one of the parts required by the Code of Tennessee to be within the contents of the By-Laws, shall always be embodied in the By-Laws. No such modification or amendment of a system of administration or of these By-Laws shall be operative unless and until it is embodied in a written instrument and is recorded in the Register's Office for Carter County, Tennessee, in the same manner as was the Master Deed and these original By-Laws which are a part of the said Master Deed.

ARTICLE III.

BOARD OF ADMINISTRATION

The administration of Plymouth Rock Condominiums, its business and affairs and of the general common elements therein, the Administration shall consist of not less than three (3) nor more than seven (7) persons.

Except for the initial members of the Board of Administration, each member of the Board of Administration shall be either the owner of a unit or of an interest therein, or, in the event of ownership of a unit by a partnership, trustee, corporation or other entity, a partner, trustee, officer or other designated representative thereof.

Section 2. Election of Administrators. The Council of Co-Owners shall, at their annual meeting, elect the Board of Administrators. Each co-owner or co-owners of a unit shall be entitled to one vote per unit for each of the Administrators to be elected. A majority of co-owners, constituting more than fifty percent (50%) of the total number of units, shall be necessary for the election of a director. Each co-owner or co-owners of a unit, on each ballot, is required to cast his vote for as many persons as there are Administrators to be elected.

Section 3. Vacancies. Vacancies in the Board of Administrators may be filled until the date of the next annual meeting by the remaining administrators.

Section 4. Term. The term of each administrator's service shall extend until the next annual meeting of the Council of Co-Owners and thereafter until his successor is duly elected by the Council of Co-Owners and qualified or until he is removed in the manner elsewhere provided, except no administrator shall serve more than two (2) successive terms of one (1) year each.

Section 5. Organization Meeting. The organization meeting of a newly elected Board of Administration shall be held within one (1) week of their election at such place and time as shall be fixed by the administrators at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary, providing a quorum shall be present.

Section 6. Regular Meetings. Regular meetings of the Board of Administration may be held at such time and place as shall be determined, from time to time, by a majority of the Board. Notice of regular meetings shall be given to each administrator, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived.

Section 7. Special Meetings. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of a majority of the members of the Board. Not less than three (3) days' notice of the meeting shall be given, personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 8. Waiver of Notice. Any administrator may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

Section 9. Quorum. A quorum at Administrators' meetings shall consist of the Administrators entitled to cast a majority of the votes of the entire board. The acts of the board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Administration except as specifically otherwise provided in the Master Deed or elsewhere in these By-Laws. If, at any meeting of the Board of Administration, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Presiding Officer. The President of the Board of Administration shall preside at all meetings of the Board; the Secretary of the Board shall serve as secretary of all meetings of the Board. In the absence of either, the Board shall designate one of their number to preside or to serve as secretary, as the case may be.

Section 11. Compensation. No compensation shall be paid to any member of the Board or to any officer for services as such. Any member of the Board or any officer may be reimbursed for expenses actually incurred by him, upon approval by the Board.

Section 12. Removal. Any member of the Board may be removed and relieved of duty as such by the vote of co-owners representing a majority of the total of units

at any regular or special meeting duly called and convened of the Council of Co-Owners. The vacancy created by such removal may be filled by the Council of Co-Owners at the meeting at which such director was removed.

ARTICLE IV.

BOARD OF ADMINISTRATION AS TRUSTEES

The Board of Administration shall elect, from its members:

- A. A President, who shall be the chief administrative officer of the Board; shall execute contracts and agreements in the name and behalf of the Board when directed by the Board; shall preside at all meetings and shall perform such other duties as the chief administrative officer as the Board may, from time to time, direct;
- B. A Vice President, who shall, in the absence or disability of the President, preside at all meetings and perform all duties of the President;
- C. A Secretary, who shall keep the minutes of all meetings and proceedings of the Council of Co-Owners and of the Board of Administration. He shall attend to the giving and serving of all notices to the co-owners of meetings of the Council of Co-Owners, and to the administrators at meetings of the Board of Administration. He shall keep all other records of the Council of Co-Owners and of the Board. An Assistant Secretary may also be elected to perform the duties of the Secretary when the Secretary is absent; and
- D. A Treasurer, who shall have the custody of all property of the Board, including funds, securities, evidences of indebtedness, books, assessment rolls and accounts of the co-owners. He shall keep the books in accordance with good accounting practice, and he shall perform all other duties incident to the office of treasurer.

No compensation shall be paid to any administrator or officer for services as such, except upon approval by the Council of Co-Owners. This provision shall not preclude, however, the Board of Administration from employing an independent contractor for the above services or employing an officer or administrator as an employee of the association, such as a manager or as a bookkeeper, auditor, attorney or the like.

Depository. All monies and funds of the Board of Administration shall be deposited in such bank or banks as may be designated from time to time by the Board of Administration. Withdrawals of monies from such accounts in banks shall be only by checks or drafts signed by such persons or as are authorized by the Board of Administration, at least two signatures being required for the signature of any check or draft.

An Audit of the accounts and books of the Board of Administration shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each co-owner not later than February 1 of the year following the year for which the report is made.

Fidelity Bonds shall be required by the Board of Administration covering all officers and employees of the Board and any agents or managers handling or responsible for funds of the Board of Administration for assessments made of members. The amount of such bond or bonds shall be determined by the Board of Administration but shall be at least in the amount of one and one-half (1-1/2) times the total annual assessments and reserves against members for common expenses. Premiums on such bonds shall be paid by the Board of Administration from the maintenance fund. The Fidelity Bonds shall name the Board of Administration as the "named insured."

Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of meetings of the Council of Co-Owners and of the Board of Administration, subject to any paramount provisions of the statutes of Tennessee and provisions of the Master Deed, including these By-Laws.

ARTICLE VI.

POWERS OF THE BOARD OF ADMINISTRATION

In addition to the rights, powers and duties conferred upon the Board of Administration by the Master Deed, the Horizontal Property Act of Tennessee and by other provisions of these By-Laws and without in anywise limiting the same, the Board of Administration shall have the following additional and cumulative rights, powers and duties:

A. To hold title and possession to funds and property, including the maintenance funds and other assessments and including title to any purchased unit or purchased leasehold interest pursuant to the options hereinabove conferred, as trustee for the use and benefit of the co-owners of units;

B. To make and collect maintenance fund assessments against members to defray the costs of the condominium, including without limitation, all costs and expenses of maintaining, repairing, replacing, improving, altering, operating and administering the building and common elements and of engaging all necessary services and employees therefor;

C. To make and collect unit purchase assessments in proper cases and to exercise options to purchase, where deemed in the best interest of a majority of co-owners, to consummate such purchases and to take title as trustees to the unit purchased for the benefit of the other co-owners;

D. To use the proceeds of assessments in the exercise of its powers and duties;

E. The maintenance, repair, replacement, operation and administration of the condominium property, including building and common elements;

F. The reconstruction of improvements after casualty and the further improvement of the property, including building and common elements;

G. To make and amend regulations respecting the use of the property in the condominium, including the buildings and common elements;

H. To approve or disapprove proposed purchasers, lessees and mortgages of units in the manner allowed by the Master Deed and to exercise options in proper cases;

I. To enforce by legal means, or otherwise, the provisions of the Master Deed, including the By-Laws and the regulations for the use of the property in the condominium;

J. To contract for the management of the condominium and to delegate to such manager the management duties of the Board of Administration, to be performed by such manager under the supervision of the Board of Administration. Any

agreement entered into by the Board of Administration for professional management of the condominium project, or any other contract providing for services of the developer, sponsor, or builder, may not exceed three (3) years. Any agreement so entered into shall provide for termination by either party, without cause, and without payment of a termination fee, on ninety (90) days or less written notice.

K. To pay any taxes and assessments which are liens against any part of the condominium other than individual units and the appurtenances thereto and to assess the same against the unit subject to such liens; to oppose the levying of any such taxes;

L. To carry insurance for the protection of unit owners and the Board of Administration against casualty and liabilities;

M. To pay the cost of all power, water, sewer and other utility services rendered to the condominium and not billed to owners of individual units; and

N. To employ personnel for reasonable compensation to perform the services required for proper administration of the condominium, including without limitation, auditors, attorneys, bookkeepers and managers.

ARTICLE VII.

INSURANCE

The insurance which shall be carried on the condominium project shall be governed by the following provisions:

1. Authority to Purchase. Except Builder risk and other required insurance furnished by Developer during construction, all insurance policies upon the property, (except as hereinafter allowed) shall be purchased by the Board of Administration for the benefit of the unit owners and their respective mortgagees as their interests may appear and shall provide for the issuance of certificates of insurance mortgage endorsements to the holders of mortgages on the units or any of them and unless prohibited by that policy, shall provide that the insurer waives its rights of subrogation as to any claims against unit owners and the Board of Administration.

Such policies and endorsements shall be deposited with the Board of Administration or the Insurance Trustee (as hereinafter provided for), who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

2. Unit Owners. Each condominium unit owner may obtain additional insurance, at his own expense, affording coverage upon his personal property - including a condominium unit owners endorsement for improvements and betterments to the unit made or acquired at the expense of the owner and upon that part of the building within the perimeter boundaries of his individual physical unit and for his personal liability and as may be required by law, but all such insurance shall contain the same waiver of subrogation as that referred to in Article VII, 1 hereof (if the same is available) and must be obtained from an insurance company from which the Board of Administration obtains coverage against the same risk, liability, or peril, if the Board of Administration has such coverage.

3. Coverage.

A. Casualty. The condominium project, including all insurable improvements upon the land and all personal property as may be owned by the Board of Administration as trustees for the co-owners, shall be insured in an amount equal to the full replacement value without deduction or allowance for depreciation thereof (exclusive of excavation and foundations) as determined annually by the Board of Administration affording such coverage with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against at least the following:

(1) Loss or damage by fire and other hazards covered by the standard extended coverage endorsements together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction.

(2) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location, and use of

the building, including but not limited to vandalism, malicious mischief, windstorm, and water damage and such other insurance as the Board of Administration may determine.

B. Automobile and public liability and property damage in such amounts and in such forms as shall be required by the Board of Administration.

C. Workmen's Compensation policy to meet the requirements of any applicable law;

D. All liability insurance shall contain cross-liability endorsements to cover liabilities of the unit owners as a group to unit owner.

E. Such other policies of insurance, including insurance for other risks or similar to dissimilar nature, as are or shall hereafter be considered appropriate by the Board of Administration.

4. Premiums. Premiums upon insurance policies purchased by the Board of Administration shall be paid by the Board of Administration and charged as common expenses.

5. All insurance policies purchased by the Board of Administration shall be for the benefit of the Board of Administration and the unit owners and their mortgagees as their respective interests may appear and shall provide that all proceeds payable as a result of casualty losses shall be paid to either the Board of Administration or, if deemed desirable, to a national bank at Elizabethton or Johnson City, Tennessee, as Insurance Trustee. The Board of Administration or such bank trustee is herein referred to as the Insurance Trustee. The Insurance Trustee (unless the Board of Administration is the same) shall not be liable for payment of premiums nor for the renewal of the policies nor for the sufficiency of coverage nor for the form or contents of the policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners, their respective mortgagees and the Board of Administration, in the following shares, but such shares need not be set forth upon the records of

the Insurance Trustee.

A. Common Elements. Proceeds on account of damage to the common elements - that percentage interest in common elements of each unit owner and his mortgagee, if any, which is set forth in Article IV of the Master Deed.

B. Units. Proceeds on account of units shall be held in the following undivided shares:

(1) Partial destruction when the building is to be restored - for the owners of damage suffered by each damaged unit. Upon the request of the Insurance Trustee, the Board of Administration shall certify to the Insurance Trustee the appropriate portions as aforesaid, and each unit owner shall be bound by and the Insurance Trustee may rely upon such certificate.

(2) Total destruction of the condominium or building or where the building is not to be restored - for all unit owners, the share of each being the percentage interest in common elements as set forth in Article IV of the Master Deed.

C. Mortgages. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear.

6. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners after first paying or making provision for the payment of the expense of the Insurance Trustee in the following manner:

A. Reconstruction or Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

B. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be

reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by him.

C. Certificate. In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Board of Administration as to the names of the unit owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Board of Administration forthwith shall deliver such certificate.

D. Payments. The Insurance Trustee shall make payments and disbursements of the insurance proceeds during the course of reconstruction upon the presentation of certificates requesting payments executed by the Board of Administration and upon certificates of the supervising architect or engineer that reconstruction or repair has progressed to the extent of the payment or partial payment certified for payment.

7. No Subrogation. Unless the insurance policy shall expressly prohibit a waiver of subrogation or shall be rendered invalid by an agreement providing for a waiver of subrogation, neither the co-owners, their mortgagee, nor the Board of Administration nor the insurers shall have any right of action against any other co-owner or the Board of Administration, it being the intention of this provision that all insurance carried for the use and benefit of any unit owner shall inure to protect every other unit owner and the Board of Administration, including the family, servants, agents, invitees, and guests of each.

8. Limitations. Any insurance obtained pursuant to the requirements of this article shall be subject to the following provisions:

A. All policies shall be written with a company or companies licensed to do business in the State of Tennessee and holding a rating acceptable to said mortgagee.

B. All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium project.

ARTICLE VIII.

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

If the whole or any part of the common elements shall be damaged by fire, casualty, or any other disaster, the determination of whether or not to reconstruct or repair and upon whether or not to apply the insurance indemnity to reconstruct or repair shall be made as follows:

1. Partial Destruction Where Two-Thirds of the Condominium Building is Damaged or Destroyed. In the event two-thirds (2/3rds) or less of the total number of units are destroyed or rendered untenable, the buildings shall be reconstructed and repaired, and the entire insurance indemnity and insurance proceeds shall be applied to that end.

2. Destruction of the Whole or More than Two-Thirds of the Building. In the event that all the condominium buildings are destroyed or more than two-thirds (2/3rds) of the total number of units in the buildings be rendered untenable, then the buildings shall not be reconstructed unless ninety (90%) percent of the owners agree to said reconstruction at a meeting of the Council of Co-Owners to be called and held after such destruction or after the rendering of more than two-thirds (2/3rds) of the total number of units untenable. In the event of the provisions of this subparagraph becoming operative, the insurance indemnity and all insurance funds shall be distributed to the co-owners and to their respective mortgagees in accordance with the applicable provisions of Article VII of these By-Laws.

3. Insufficient Insurance. Where reconstruction or repair is required under the provisions of subparagraph 1 above (Partial Destruction) and where the buildings are not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction or repair, the new building costs shall be paid by all the co-owners directly affected by the damage, in proportion to their respective percentage interest in the common elements as set forth in Article IV of the Master Deed; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed with the reconstruction at the expense

of all the co-owners benefited thereby, upon proper resolution setting forth the circumstances of the case and the cost of the works, with the intervention of the Council of Co-Owners. The provisions of this section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurred.

Each co-owner's share of the expenses and new building costs for such reconstruction and repair shall be a lien upon his unit in the same manner and enforceable by the same means as set forth in the Master Deed with respect to a maintenance fund assessment.

4. Plans. Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications.

5. Encroachments. Encroachments upon or in favor of units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the unit owner upon whose property such encroachments exist, provided that such reconstruction was either substantially in accordance with the original plans and specifications or as the building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the buildings stand.

6. Responsibility. If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Board of Administration.

7. Estimate of Costs. Immediately after a casualty causing damage to property for which the Board of Administration has the responsibility of maintenance and repair, the Board of Administration shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Administration desires.

8. When the damage is to both common elements and units, the insurance proceeds shall be applied first to the costs of repairing the common elements and the balance to the unit in the shares above stated.

9. Insurance Adjustments. Each unit owner shall be deemed to have delegated to the Board of Administration his right to adjust with insurance companies all losses under policies purchased by the Board of Administration except in any case where the damage is restricted to one unit, subject to the rights of mortgages of such unit owners.

ARTICLE IX.

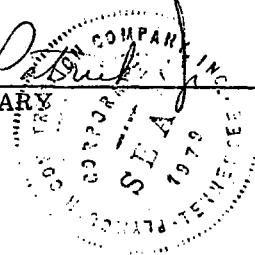
OTHER PROVISIONS

Members of the Council of Co-Owners shall be entitled to cast one (1) vote for each Unit interest owned by them. Developers shall be entitled to three (3) votes for each unit owned and unsold until such time as seventy-five (75%) percent of the units are sold and transferred or until December 31, 19 82, whichever occurs first.

ARTICLE X.

CONSTRUCTION

These By-Laws are intended to be read in conjunction with the Master Deed, and if there is any conflict between the By-Laws and the said Master Deed, the Master Deed shall control.

W. Hollan Patrick
SECRETARY


STATE OF TENNESSEE CARTER COUNTY, REGISTER'S OFFICE
Received for Record the 11 day of June AD. 19 80
at 11:10 o'clock AM Noted in Book 160 Page 352 and recorded in
Misc Book 37 Page 46
State Tax \$ 48.00 Clerk's Fee 2.665 Recording Fee 48.00
Total \$ 98.665 Receipt No. 25665
Johnny Holder
REGISTER
JOHNNY L. HOLDER by _____ Deputy