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THE WINDSOR TERRACE CONDOMINIUMS

Article I

Members
(Unit Owners)

Section 1. Eligibility. The members of The Windsor Terrace Condominiums Homeowners' Association, a Tennessee not-for-profit corporation, shall consist of the Unit Owners of the Property known as The Windsor Terrace Condominiums, located in Bellevue, Davidson County, Tennessee, said Property being more particularly described in Exhibit "A" which is attached hereto and made a part hereof (the "Property"). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner, or employee of such Unit Owner or beneficiary.

Section 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer, or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Regular Meeting. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board; provided, however, that the First Meeting shall be held not less than thirty (30) days, nor more than one hundred twenty (120) days after Developer has sold and delivered deeds for at least fifty-one (51%) percent of the Units. For purposes of this provision, fifty-one (51%) percent of the Units shall mean Units which

correspond, in the aggregate, to fifty-one (51%) percent of the undivided ownership of the Common Elements, as set forth in Exhibit "B" of the Master Deed. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within fifteen (15) days of the anniversary of the First Meeting. All such meetings of Unit Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meeting. Special meetings of Unit Owners may be called by the President or by a majority of the Directors of the Association, or by Unit Owners having at least two-fifths (2/5) of the votes entitled to be cast at such meeting. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of the meeting, stating the date, time, and place of the special meeting and the matters to be considered.

Section 5. Delivery of Notice of Meeting. Notices of meetings shall be delivered either personally or by mail to Unit Owners at the addresses given to the Board by Unit Owners for such purpose, or to a Unit Owner's Unit if no separate address for such purpose has been given to the Board.

Section 6. Voting. Each Unit shall have one (1) vote. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided, but shall be exercised as if Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote, such persons shall not be recognized, and such vote shall not be counted. Developer may exercise the voting rights with respect to Units owned by it.

No Unit Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote until he has cured such default. A Unit Owner shall be deemed to be in default if he has not paid his assessment to the Board, or its agent, within fifteen (15) days after the due date thereof. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of his protest to the Board.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election, and Term of Office. The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administrators" and sometimes referred to herein as the "Board") shall consist of seven (7) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that until such time as the First Meeting of members is held, the Directors (hereinafter called "members of the First Board") shall be appointed by Developer. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified. Three (3) members of the First Board shall hold office until the first regular annual meeting of Association members, and two (2) other members of the First Board shall hold office until the third regular annual meeting of Association members.

Section 2. Qualification. Except for members of the First Board, each Director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a Director may be a beneficiary of such trust; and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner, or employee of such Unit Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof, except that a vacant position on the board which was last filled by a member of the First Board shall be filled by a person appointed by Developer. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall consist of three (3) members appointed by the Board to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting, and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the annual meetings.

Section 5. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each Director,

delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute waiver of notice of said meeting.

Section 6. Removal. Any Director may be removed from office with or without cause by the vote of two-thirds (2/3) of Unit Owners.

Section 7. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Unit Owners.

Section 8. Quorum. Four (4) Directors shall constitute a quorum.

Section 9. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between Developer, on behalf of the Association, and a professional management organization, to act as Managing Agent for the Property which contract shall provide that the Homeowner's Association shall have the right to terminate the contract without cause once control of the property has been transferred to the Association, upon not more than ninety (90) days notice by the Association to the appropriate party;

(d) to formulate policies for the administration, management, and operation of the Property and the Common Elements;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation, and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

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

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

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

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

(j) to fix the estimated annual budget, and to provide the manner of assessing and collecting from Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to enter into any lease agreement for lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board may approve; provided however, no lease shall be for less than six (6) months;

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

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

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

(o) to exercise all other powers and duties of Unit Owners as a group referred to in the Horizontal Property Act of the State of Tennessee, or in the Master Deed or these Bylaws.

Section 10. Authority of Board to Act for Association. Whenever in these Bylaws the Association is given the power to take any action, it is the intention of these Bylaws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Unit Owners.

Section 11. Non-Delegation. Nothing in these Bylaws shall be considered to grant to the Board, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to Unit Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular annual meeting of the Board, the Directors present at such meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a Director, who shall preside over meetings of the Board and of Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary; and who may be a representative of the Managing Agent;

(c) A Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until his successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

Section 5. Compensation. The officers shall receive no compensation for their services as officer, unless expressly provided for in a resolution duly adopted by Unit Owners.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take

into account the estimated common expenses and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation, or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. The proportionate share for each Unit Owner shall be based upon his respective ownership interest in the Common Elements as set forth in Exhibit "B" to the Master Deed. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay any assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

Section 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessment for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit, each Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Supplemental Budget. In the event that, during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article II, Section 9(c) hereof and expenditures and contracts specifically authorized by the Master Deed and Bylaws, the Board shall not approve any expenditure in an amount in excess of ten (10%) percent of the annual budget for the then current year, unless required for emergency repair, protection, or operation of the Common Elements

or Limited Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of Unit Owners representing two-thirds (2/3) of the total ownership of the Common Elements.

Section 7. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses as provided in the Master Deed, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of assessments when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment shall also bear interest at the rate of ten (10%) percent per annum, or such greater percentage as may then be permitted under the laws of the State of Tennessee. Such delinquent payment, together with penalty and interest, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property.

The Association, or its successors and assigns, acting through the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees to be fixed by the court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses, and such Unit Owner withholds payment thereof after demand by the Association in writing setting forth the amount claimed, the Association shall have the right to possession of such Unit. The Association, acting through the Board, shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Master Deed, or these Bylaws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

Section 8. Records and Statements of Account. The Board shall cause to be kept detailed and accurate records in chronological order of its receipts and

expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

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

Section 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

Section 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessment as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessment) shall be deemed to be held for the benefit, use, and account of all of the Unit Owners in the percentages set forth on Exhibit "B" to the Master Deed.

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. No unlawful, noxious, or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owners shall display, store, or use any clothing, sheets, blankets, laundry, or other article outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the Rules and Regulations of the Association), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or C.B. radio transmitters, or other equipment, fixtures, or items of any kinds, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accordance with the Board's direction. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a patio which is a Limited Common Element appurtenant to this Unit. No Unit Owner shall display, hang, store or use any sign outside his Unit, in a hallway, or elsewhere, which may be visible from the outside of his Unit, without the prior written permission of the Managing Agent, acting in accordance with the Board's direction.

No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof.

Section 2. Animals. No animals shall be raised, bred, or kept in any Unit, except for dogs, household cats, and small birds owned as household pets by a Unit Owner, provided that no such pet shall be kept for any commercial purpose, and

provided that all such pets shall be kept in strict accordance with Rules and Regulations relating to household pets from time to time adopted or approved by the Board, and provided that no such pet shall, in the judgment of the Board, constitute a nuisance to others.

Section 3. Trash. Trash, garbage, and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time by Rules and Regulations of the Association.

Section 4. Use by Developer. During the period of sale by Developer or any Units, Developer, and Developer's agents, employees, contractors, and subcontractors, and their respective agents and employees shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of Units. In addition, Developer reserves the right to enter into, upon, over, and under any Unit for a period of one (1) year after the date of sale of the Unit for such purposes as may be reasonably necessary for Developer or its agents to service any Unit. While Developer owns any of the Units and until each Unit sold by it is occupied by purchasers, Developer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

Section 5. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing, and other articles, shall not be stored or kept in the corridors, hallways, lobby, or other Common Areas, except in the common storage area and in the storage locker specifically designated for the respective Unit Owner by the Board or by the Managing Agent acting in accordance with the Board's direction. Storage of boats, trailers, campers, and

motor homes on the Property shall be subject to the Rules and Regulations of the Association applicable thereto.

Section 6. Wiring. No Unit Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories, or equipment to the heating or plumbing system without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accordance with the Board's direction.

Section 7. Rules and Regulations. Unit Owners shall be subject to such further restrictions as may be contained in Rules and Regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time to time by the Board. All such rules and Regulations shall be binding Rules and Regulations of the Association unless rejected by at least sixty (60%) percent of the votes of Unit Owners, and copies of such Rules and Regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

ARTICLE VI

Contractual Powers

No contract or other transaction between this Association and one or more of its Directors, or between the Association and any corporation, firm, or association in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board

or committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves, or ratifies a contract or transaction.

ARTICLE VII

Amendments

These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the Unit Owners. Such amendments shall be recorded in the Office of the Register of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to these Bylaws, and Developer, against all contractual and other liabilities to others arising out of contracts made by, or other acts of such directors, officers, committee members, or Developer, on behalf of Unit Owners, or arising out of their status as Directors, officers, committee members, or Developer, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgment paid and amount paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceedings, whether civil, criminal, administrative or

otherwise, in which any such Director, officer, committee member, or Developer may be involved by virtue of such person's being or having been such Director, officer, committee member, or Developer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, committee member, or Developer, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer, committee member, or Developer.

Section 2. Success on Merits. To the extent that Developer or a member of the Board, or an officer of the Association, or a member of any committee appointed pursuant to these Bylaws has been successful on the merits or otherwise in defense of any action, suit or proceedings referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any

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

ARTICLE IX

Mortgages

Section 1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of his mortgage and shall file a conformed

copy of the note and deed of trust or mortgage with the Board; and the Board shall maintain such information in a book entitled "Mortgage of Units."

Section 2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgage of a Unit, shall promptly report any then unpaid common charges due from, or any other default by, the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

Section 5. Interest of Valid First Mortgagee. The interest of a valid first mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated the terms of these Bylaws, the Master Deed and the contract in its deed of trust, then said first mortgagee may at its option declare a default in its deed of trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the deed of trust notwithstanding any enforcement instituted by the Board.

ARTICLE X

Definition of Terms

The terms used in these Bylaws, to the extent they are defined therein, shall have the same meaning as set forth in the Master Deed for The Windsor Terrace Condominiums, of record in the Office of the Register of Davidson County, Tennessee.

The term "member" as used in these Bylaws means "Unit Owner" as defined in the Master Deed.

ARTICLE XI

Conflicts

These Bylaws are set forth to comply with the requirements of Chapter 27 of Title 64, Tennessee Code Annotated, as it may be amended from time to time, and to allow the Bylaws to control in specific situations where such law allows. In the event any of the Bylaws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.

and Phase 2(B) to the Plat, which phases are attached hereto as Exhibit "B" and incorporated herein by reference.

NOW, THEREFORE, pursuant to the authority contained in paragraph 18 of the Master Deed the Developer hereby declares that the aforementioned Master Deed of record in Book 7150, page 921, in the Register's Office for Davidson County, Tennessee, shall be amended as set forth above.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has set his hand, this 29th day of December, 1987.

DEVELOPER:

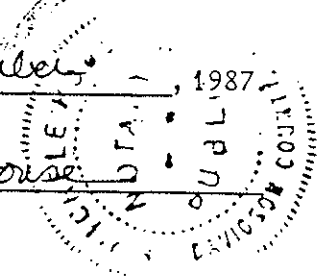
Steven G. Hall
Steven G. Hall, Trustee

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, a Notary Public, Steven G. Hall, Trustee, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 29th day of December, 1987.

Michelle House
NOTARY PUBLIC



My Commission Expires: 4/17/88

EXHIBIT "A"

Windsor Terrace Condominiums
Phase II Tract A

Being a tract of land in the First Civil District of Nashville, Davidson County Tennessee said tract being generally located on the south side of Memphis - Bristol Highway 70S, State Route 1, 2800 feet more or less east of its intersection with Old Hickory Boulevard at Bellevue Tennessee and also being shown as a portion of the Windsor Terrace Condominiums Property as of record in Plat Book 6250, Page 869 R.O.D.C. and being more particularly described as follows;

Beginning at the northwest corner of said Windsor Terrace Condominiums said point also being in the south margin of Highway 70S;

Thence, with said south margin N 66 degrees 57' 25" E, 156.53 feet to a point, said point also being the northwest corner of Phase One of Windsor Terrace Condominiums;

Thence, with a curve to the left having a central angle of 0 degree 12' 18" and a length of 44.60 feet to a point;

Thence, leaving Highway 70S, with the west line of Phase One the following calls; S 22 degrees 11' 35" E, 57.00 feet, S 61 degrees 59' 05" E, 120.00 feet, S 11 degrees 59' 05" E, 45.00 feet, S 29 degrees 58' 53" W, 35.00 feet, S 32 degrees 46' 18" E, 296.20 feet to a point;

Thence, leaving Phase One with a new line and a curve to the left in a northerly direction, said curve having a central angle of 90 degrees 00' 00" and a length of 19.64 feet to a point;

Thence, S 57 degrees 13' 42" W, 94.66 feet to a point in the west property line of Windsor Terrace Condominiums, said point also being in the east line of the Harvey P. Wells property as of record in Deed Book 1583, Page 85, R.O.D.C.,

Thence, with Wells east line, N 26 degrees 06' 42" W, 97.00' feet to an iron pin;

Thence, N 49 degrees 47' 04" W, 109.36 feet to an iron pin;

Thence, N 12 degrees 43' 02" W, 87.39 feet to an iron pin;

Thence, N 61 degrees 59' 05" W, 143.61 feet to an iron pin;

Thence, N 45 degrees 05' 25" W, 142.05' feet to the point of beginning.

Containing 1.66 acres more or less.

Being part of the property conveyed to Steven G. Hall, by deeds from Harvey P. Wells and wife, Dorothy Wilma Wells, of record in Book 6614, page 6, and Book 6800, page 413, said Register's Office

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EXHIBIT "A" CONT'D

BOOK 7436 PAGE 670

Windsor Terrace Condominiums
Phase II Tract B

Being a tract of land in the First Civil District of Nashville, Davidson County Tennessee said tract being generally located on the south side of Memphis - Bristol Highway 705, State Route 1, 2800 feet more or less east of its intersection with Old Hickory Boulevard at Bellevue Tennessee and also being shown as a portion of the Windsor Terrace Condominiums Property as of record in Plat Book 6250, Page 869 R.O.D.C. and being more particularly described as follows;

Beginning at a point in the east property line of Windsor Terrace Condominiums, being S 15 degrees 25' 00" E, 480.00 feet from said Condominiums northeast corner and also being a point in the west property line of the H.G. Hill Realty Co. Property as of record in Deed Book 0888, Page 315, R.O.D.C.;

Thence, continuing with Hills west property line, S 15 degrees 00" E, 282.54 feet to a point;

Thence, leaving said east property line with a new line, S 74 degrees 35' 00" W, 148.96 feet to a point;

Thence, N 15 degrees 25' 00" W, 171.56 feet to a point;

Thence, N 32 degrees 46' 18" W, 45.45 feet to a point in the southwest corner of Windsor Terrace Condominiums, Phase One;

Thence, with the south line of Phase One, N 57 degrees 13" 42" E, 25.00 feet to a point;

Thence, N 51 degrees 07' 56" E, 151.14 feet to the point of beginning;

Containing 0.36 acres more or less.

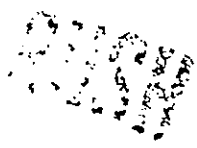
Being part of the property conveyed to Steven G. Hall, by deeds from Harvey P. Wells and wife, Dorothy Wilma Wells, of record in Book 6614, Page 1 and Book 6800, page 413, said Register's Office.

9:37:50.

IDENTIFI REFERENCE

DEC 29 10 53 AM '87

REC'D L. WILSON II REGISTER
DAVIDSON COUNTY, TN



LIX L. WILSON II REGISTER
DAVIDSON COUNTY, TN

FEB 5 3 03 PM '88

IDENTIFI REFERENCE

03150.

RE-RECORD

add page III

BOOK 7661 PAGE 40

This instrument prepared by:
Mark E. Morrison
323 Union Street
Nashville, TN 37201

Box 21

SECOND AMENDMENT TO MASTER DEED

THIS AMENDMENT made on the date hereinafter set forth by STEVEN G. HALL, TRUSTEE, hereinafter referred to as "Developer."

WITNESSETH:

WHEREAS, Developer is the owner of certain property in Davidson County, Tennessee, being shown on the Plat of record in Book 6250, page 869, in the Register's Office for Davidson County, Tennessee; and

WHEREAS, the Master Deed for the Windsor Terrace Condominiums (the "Master Deed") of record in Book 7150, page 921, said Register's Office was filed to establish for Developer's own benefit and for the mutual benefit of all future owners or occupants of Windsor Terrace Condominiums, and any other persons thereafter acquiring any interest in the property, that they would hold said interest subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficiary restrictions and obligations with respect to the property use, conduct and maintenance therefor for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property; and

WHEREAS, said Master Deed has been previously amended by Amendment to Master Deed of record in Book 7436, page 667, and re-recorded in Book 7464, page 297, in the Register's Office for Davidson County, Tennessee; and

WHEREAS, said Master Deed contained the legal description (Exhibit "A" to the Master Deed) and the Plat (Exhibit "C" to the Master Deed) of Phase I of Windsor Terrace Condominiums; and

WHEREAS, Developer is desiring of amending the legal description attached as Exhibit "A" to the Master Deed, as amended, to add additional property to said description, being Phase III, said additional property being further described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Developer is further desirous of amending the Plat attached as Exhibit "C" to said Master Deed of record in Book 7150, page 921, as amended by instrument of record in Book 7436, page 667, and rerecorded in Book 7464, page 297, said Register's Office, by adding Phase III to the Plat, which phase is attached hereto as Exhibit "B" and incorporated herein by reference.

NOW, THEREFORE, pursuant to the authority contained in paragraph 18 of the Master Deed the Developer hereby declares that the aforementioned Master Deed of record in Book 7150, page 921, as amended by instrument of record in Book 7436, page 667, and rerecorded in Book 7464, page 297, in the Register's Office for Davidson County, Tennessee, shall be amended as set forth above.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has set his hand, this 15th day of September, 1988.

0599 09/15 0101 03CREEK 12.0

7:06:35

TELETYPE

SEP 26 9 25 AM '88

RECEIVED

DEVELOPER:

Steven G. Hall, Trustee
Steven G. Hall, Trustee

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, a Notary Public, Steven G. Hall, Trustee, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 15th day of September, 1987.

[Signature]
NOTARY PUBLIC

My Commission Expires: 1-21-90