

ARTICLE I

Form of Apartment Administration

SECTION 1. Apartment Unit Ownership. The property located on Mallory Station Road at Sunrise Circle, Franklin, Williamson County, Tennessee, has been submitted to the provisions of Chapter 27 of Title 66 of Tennessee Code Annotated by a Master Deed and Amended Master Deed recorded in the Register's Office of Williamson County, Tennessee, simultaneously herewith, to which these By-Laws are appended to and recorded with, and shall hereinafter be known as **Villages of Morningside (Phase One, Lot 4), a Senior Living Community, a Condominium** (hereinafter called the "**Condominium**").

SECTION 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the property of the Condominium and to the use and occupancy thereof. The term "**Property**" as used herein, shall include the land, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, all of which are submitted to the provisions of said Chapter 27 of Title 66 of Tennessee Code Annotated.

SECTION 3. Application. These By-Laws and each change made in accordance herewith and pursuant to Tennessee Code Annotated, §66-27-111 and §66-27-112, are and shall be covenants running with each apartment and binding on each successive co-owner, lessee or mortgagee of each apartment in the Condominium. All present and future owners, mortgagees, lessees and occupants of apartments and their employees, and any other persons who may use the facilities of the property in any manner are subject to these By-Laws, the Master Deed and the Rules and Regulations. The acceptance, whether from **Developer** or a co-owner, of a deed or conveyance, or mortgage, or the entering into of a lease with the **Developer** or co-owner, or the act of occupancy of an apartment shall constitute a covenant and an agreement by the grantee, conveyee, mortgagee, lessee or occupant that these By-Laws, the Rules and Regulations and the provisions of the Master Deed, as they may be amended from time to time, are accepted, ratified, and will be complied with, and further, that he will make the provisions herein known to any subsequent purchaser, lessee or mortgagee.

SECTION 4. Office. The office of the Condominium and of the Board of Managers shall be located at 2033 Richard Jones Road, Nashville, Davidson County, Tennessee 37215, or at such other location as the Board of Managers may from time to time designate.

SECTION 5. Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board of Managers.

ARTICLE II

Board of Managers

SECTION 1. Number and Qualifications. The affairs of the Condominium shall be governed by the Board of Managers. The Board of Managers shall be composed of five (5) members, who shall be owners or spouses of owners or in the case of partnership owners, shall be members or employees of such partnership; or in the case of corporate owners, shall be officers stockholders, or employees of such corporation; or employees of such fiduciaries.

SECTION 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the condominium and may do all such acts and things except as by law or by the Master Deed or by these By-Laws may not be delegated to the Board of Managers by the co-owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common elements in accordance with the other provisions of these By-Laws.
 - (a-1) The granting of permits, licenses and easements over the Common Area as deemed necessary by the Board for utilities, roads and other purposes reasonably necessary for the proper maintenance or operation of the condominium project.
- (b) Determination of the common expenses required for the affairs of the condominium including, without limitation, the operation and maintenance of the property.
- (c) Collection of the common charges from the co-owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.
- (e) Adoption and amendments of rules and regulation covering the details of the operation and use of the property.
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all apartment owners, apartments offered for sale or lease or surrendered by their owners to the Board of Managers.
- (h) Purchasing of apartments at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all co-owners.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with apartments acquired by, and subleasing apartments leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all co-owners.

(j) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of apartments on behalf of all co-owners.

(k) Granting of licenses for vending machines.

(l) Obtaining of insurance for the property, including the apartments, pursuant to the provisions of Article V, Section 2, hereof.

(m) Making of repairs, additions and improvements to or alterations of the property and repairs to and restoration of the property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

SECTION 3. Managing Agent and Manager. For a period of three (3) years after the Board of Managers has been completely elected by the owners, the **Developer**, or its assignee, shall continue as exclusive Managing Agent and/or Manager and shall be entitled to reasonable compensation therefor; provided, however, either the **Developer** or the Association may terminate this agreement without cause and without payment of a termination fee on ninety (90) days written notice. Thereafter, the Board of Managers may employ for the Condominium a Managing Agent and/or a Manager at a compensation established by the Board of Managers, to perform such duties and serves as the Board of Managers shall authorize, including, but not limited to, the duties listed in subdivision (a), (c), (d), (k), (l) and (m) of Section 2 of This Article II. The Board of Managers may delegate to the Manager or Managing Agent, all of the powers granted to the Board of Managers by these By-Laws other than the power set forth in subdivisions (a-1), (b), (e), (f) and (j) of Section 2 of this Article II. A member of the Board of Managers may be Manager and/or Managing Agent. The fee charged by the **Developer**, with regard to maintenance, management, repair, administration and operation of the property, shall be in keeping with customary charges in Williamson County, such fee to be above actual costs expended by **Developer**.

SECTION 4. Election and Term of Office. Members of the Board of Managers shall be elected by written ballot at the annual meeting of the co-owners. The Board of Managers shall seek, by written request, nominations from the unit owners to fill vacancies. This request shall be mailed to all co-owners at least sixty (60) days prior to the annual meeting and require that nominations be returned by U.S. mail as directed, post marked within thirty (30) days of such mailing. The official notice of the annual meeting will include a list of all those nominated. Voting will be at the annual meeting, and those nominees receiving the highest number of votes shall be elected to fill the existing vacancies. Term of office shall be for three (3) years, except in case of a vacancy due to early resignation or removal. Regular vacancies shall be filled first based on the highest number of votes.

SECTION 5. Removal of Members of the Board of Managers. At any regular or special meeting of the co-owners whereby a quorum is present, any one or more of the members of the Board of Managers may be removed with or without cause by a majority vote of the owners present in person or by proxy. Any member of the Board whose removal has been proposed shall be given an opportunity to be heard in advance of a vote being taken for his removal.

SECTION 6. Vacancies. A vacancy on the Board of Managers shall be filled by a vote of a majority of the remaining members at a regular or special meeting of the Board of Managers. Each person so elected shall serve the remaining term of the vacancy, or until a successor to that position can be elected at the next annual meeting of co-owners.

SECTION 7. Organization Meeting. The organizational meeting of the elected Board of Managers shall be held within fifteen (15) days following the annual meeting of co-owners. A majority of the Board members shall be present at that meeting.

SECTION 8. Regular Meetings. Meetings of the Board of Managers shall be held at such time and place as determined by Board. The Board of Managers shall meet no less than twice annually, one such meeting to occur within fifteen (15) days of the annual meeting of co-owners. Notice of regular meetings shall be delivered to each member of the Board of Managers by any reasonable means at least three (3) business days prior to the meeting.

SECTION 9. Special Meetings. Special meetings of the Board of Managers may be called by the President, or by the President or Secretary upon written request of at least three (3) Board members. Notice of such meetings shall be given to all members in writing, by mail or delivery, at least three (3) days prior to such meeting and shall state time, place, and purpose of such meeting.

SECTION 10. Waiver of Notice. Any member of the Board of Managers may waive notice of a regular meeting before, at, or after the meeting and such waiver shall be deemed equivalent of the giving of notice. Attendance by a member at a meeting shall constitute a waiver of notice of that meeting.

SECTION 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members shall be present in order to constitute a quorum. A quorum shall be present for the transaction of business, and a majority vote of those present shall constitute the decisions rendered by the Board. If a quorum is not present at any such meeting then a majority vote of those present may adjourn the meeting. Any business scheduled for the adjourned meeting may be transacted at the next meeting of the Board.

SECTION 12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums of such bonds shall constitute a common expense. Such fidelity bonds shall

also be required for the employees and officers of any management company who is responsible for the handling of funds of the Association.

SECTION 13. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the co-owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The co-owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws, and except to the extent of a Board member's proportionate liability due to his status as a co-owner as described in this section. The liability of any co-owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder, as his interest in the common elements bear to the interest of all the co-owners in the common elements. Every agreement made by the Board of Managers or its designee, on behalf of the Condominium shall provide that the members of the Board of Managers or its designee, are acting only as agents for the Council of Co-owners and shall have no personal liability thereunder (except as co-owners), and that each co-owner's liability thereunder, shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all co-owners in the common elements.

SECTION 14. Rules and Regulations. The rules and regulations attached to these By-Laws as Exhibit "1" shall be the rules and regulations relating to the use and occupancy until such time as a majority of the Board of Managers, pursuant to the power stated in Section 2 (e) of Article II hereof, shall amend them or adopt new ones.

SECTION 15. Declaration of Default. Should a majority of the Board of Managers determine that any co-owner is in default in the performance of any of the co-owner's obligations contained in the Master Deed or these By-Laws, or if such co-owner should be in violation of any of the same or the Rules and Regulations established by the Board of Managers, then the Secretary or designee of the Board of Managers, shall send written notice of such default to such co-owner, and if such default is not cured to the satisfaction of such Secretary or designee of the Board within two (2) weeks from the date of sending notice, then the Secretary shall proceed to enforce the remedies given herein or by law. Nothing contained herein shall be construed as a waiver or extension of the time required for payment of the common charges as set forth under other provisions of these By-Laws.

SECTION 16. Committees. Committees may be appointed by the Board of Managers.

Committees Having Board Authority: The Board of Managers may, by resolution approved by vote or written consent by a majority of the whole Board, designate committees as deemed necessary to consist of two (2) or more of the Board of Managers. Any such committee, to the extent provided in said resolution, shall exercise all of the authority of the Board of Managers in the management of the business and affairs of the Condominium, except as provided under Article

V, Section 9, and where action of the full Board is required by law, the Master Deed or these By-Laws.

Other Committees: Other committees not having and exercising the authority of the Board of Managers in the management of the affairs of the condominium may be designated and appointed by a resolution adopted by a majority of the Board of Managers at a meeting at which a quorum is present, or by the President if he is authorized by a like resolution of the Board Managers. Membership on such committees may, but need not be, limited to members of the Board of Managers or co-owners.

ARTICLE III

Co-owners

SECTION 1. Annual Meeting. The annual meeting of co-owners shall be held in September of each year, excluding Saturdays and Sundays. At such meetings the co-owners shall elect members to fill the vacancies on the Board of Managers and transact other business. These elections shall be in accordance with requirements set forth in Article II Section 4 of these By-Laws.

SECTION 2. Place of Meetings. Meetings of the co-owners shall be held at a place and time convenient to the co-owners as designated by the Board of Managers.

SECTION 3. Special Meetings. It shall be the duty of the President to call special meetings of the co-owners, if so directed by a resolution of the Board of Managers, or upon a petition signed and presented to the Board secretary by the co-owners. The petition must represent at least 25% of the total co-owners. Notice of special meetings shall state time, place, and purpose of such meetings. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 4. Notice of Meetings. It shall be the duty of the Secretary to mail, cause to be mailed, or deliver a written notice of each annual or special meeting of co-owners. The notice shall be given to each co-owner at least ten (10) but not more than twenty (20) days prior to such meetings. The mailing or delivery of such notice in accordance with this section shall be considered service of notice.

SECTION 5. Adjournment of Meetings. At any meeting of co-owners where a quorum is not present, a majority vote of the co-owners present either in person or by proxy may reschedule and adjourn the meeting.

SECTION 6. Order of Business. The order of business at all meetings of the co-owners shall be as follows:

- a- Roll call

- b- Proof of notice of meeting
- c- Reading of minutes of preceding meeting
- d- Reports of Officers
- e- Reports of Committees
- f- Reports of Board of Managers
- g- Election of members to the Board of Managers
- h- Unfinished business
- i- New business
- j- Adjournment.

SECTION 7. Reserved for Future Use.

SECTION 8. Voting. The owner or owners of each apartment, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such apartment at all meetings of co-owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the co-owner or co-owners so designating. Any or all of such co-owners may be present at any meeting of the co-owners and (those constituting a group acting unanimously), may vote or take any other action as a co-owner either in person or by proxy. Each co-owner (including the Developer, if the Developer shall then own one or more apartments) shall be entitled to cast one vote at all meetings of the co-owners for each apartment owned. A fiduciary shall be the voting member with respect to any apartment owned in a fiduciary capacity. It is clearly understood that there shall be only one vote for each unit.

SECTION 9. Majority of Co-owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners present in person or by proxy and voting at any meeting of the co-owners determined in accordance with the provisions of Section 8 of this Article III.

SECTION 10. Quorum. Except as otherwise provided in these By-Laws or by Tennessee statute, the presence in person or by proxy of co-owners representing forty (40%) percent of the total then existing apartments in the Horizontal Property Regime shall constitute a quorum at all meetings of the co-owners.

SECTION 11. Majority Vote. The vote of a majority of the votes of the co-owners a meeting at which a quorum shall be present shall be binding upon all co-owners for all purposes except where the laws of the State of Tennessee relating to Horizontal Property Regimes, the Master Deed or these By-Laws require a higher percentage vote or a difference method of voting. However, if the meeting has been recalled, pursuant to Section 5 above, because a quorum was not present at the first meeting, a vote of the majority of those present at such meeting shall be binding upon the co-owners, except where Tennessee law requires a higher percentage; provided, however, all co-owners are provided notice of the time and place of the recalled meeting at least seven (7) days prior to such meeting.

SECTION 12. Reserved for Future Use.

SECTION 13. Restrictions as to Housing of Older Persons. In accordance with 42 U.S.C.A. §3607, this development is intended for the occupancy by persons 55 years of age and older. Accordingly, 80 percent of the occupied units of this development are restricted to occupancy by at least one person who is fifty five (55) years or older.

SECTION 14. Title to Apartments. Any apartment may be owned by one (1) person or more than one person, as defined in the Horizontal Property Act, and in any real estate tenancy relationship recognized under the laws of the State of Tennessee.

ARTICLE IV

Officers

SECTION 1. Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board may appoint from within the Board, a vice-president and such other officers or assistants as in its judgment may be necessary. The Offices of Secretary and Treasurer may be held by the same person under the designation of Secretary-Treasurer.

SECTION 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the first meeting of each fiscal year, and shall hold office at the pleasure of the Board of Managers.

SECTION 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

SECTION 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the co-owners and of the Board of Managers. He shall have all of the powers and perform those duties vested in him by the Board of Managers.

SECTION 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform other duties as shall be imposed upon him by the Board of Managers or the President.

SECTION 6. Secretary. The Secretary shall keep the minutes of all meetings of the Council of Co-owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall perform such other duties as the Board

of Managers shall impose upon him and such functions as are generally performed by a Secretary of a business corporation.

SECTION 7. Treasurer. The Treasurer or other person or persons as may be designated by the Board of Managers shall have the responsibility for oversight of association funds and securities. He shall be responsible for keeping in chronological order, full and accurate financial records and books of account showing all receipts and disbursements affecting the buildings and their administration specifying the maintenance and repair expenses of the common elements and any other expenses incurred and for the preparation of all required data. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Managers, or its designee, on behalf of the Board of Managers, in such depositories as may from time to time be designated by the Board and in general shall perform all the duties and other functions as the Board shall impose upon him.

SECTION 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Board of Managers or by such other person or persons as may be designated by the Board of Managers, provided however, that such delegation shall not be in conflict with any restrictions set forth in the Master Deed or these By-Laws.

ARTICLE V

Operation of the Property

SECTION 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the co-owners to meet the expenses of administration and of maintenance and repair of the general common elements, and in the proper case, of the limited common elements of the property, and any other expenses lawfully agreed upon. The Board of Managers shall allocate and assess such common charges among the co-owners on an equal per unit basis. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Insurance Trustee, or at the option of the Board, the insurance may be billed individually, apart from the monthly common expense. The common expense may also include such amounts, as the Board of Managers may deem proper for the operation and maintenance of the property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficits in the common expense for any prior year. The Board of Managers shall advise all co-owners, promptly in writing, of the amount of common charges payable by each of them, respectfully, as determined by the Board of Managers. The Board shall furnish copies of each budget on which such common charges are based, to all co-owners and their mortgagees upon request.

SECTION 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

(a) Replacement cost fire insurance with extended coverage, vandalism and malicious mischief endorsement insuring the entire buildings [including all of the apartments fences and carports, air conditioning, heating, and other equipment, bathroom and kitchen fixtures, kitchen and bathroom cabinetwork, parquet floors, carpeting, light fixtures, wallpaper, paint, drywall, ceramic tile, bathroom and kitchen floor covering] initially installed therein and paid for by the original owner to the builder of the buildings, but not including furniture, furnishings, or other property supplied or installed by owners or tenants, and covering the interest of the Condominium, the Board of Managers and the Council of Co-owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the entire buildings, without deduction for depreciation. Each of such policies shall contain a Tennessee standard mortgage clause in favor of each mortgagee of an apartment which will provide that the loss, if any, shall be payable to such mortgagee as its interest may appear subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth. Such insurance policies shall contain a standard deductible clause for each occurrence as determined by the Board of Managers.

(b) Rent insurance covering the rents of the apartments or other areas owned by the Council of Co-owners and which are rented if any.

(c) Workers' Compensation Insurance, if applicable.

(d) Boiler and machinery insurance as the Board of Managers may determine. The Board shall also be responsible for obtaining fidelity bonds (see Article II Section 12). All such policies shall provide that adjustments of loss shall be made by the Board of Managers, and that the net proceeds thereof, if \$20,000.00 or less, shall be payable to the Board of Managers and if more than \$20,000.00, the net proceeds shall be payable to the Insurance Trustee, as designated by the Board of Managers. It is clearly understood, however, that the Insurance Trustee is an escrow agent only and will make disbursements as directed by the Board of Managers. Nothing contained herein shall be construed to prevent the Board of Managers from serving as Insurance Trustee. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any act of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of apartments. Duplicate originals of all policies of physical damage insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartments at least ten (10) days prior to expiration of the current policies.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent, the Manager, and each co-owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Co-owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any co-owner and provided further that each co-owner pay his pro-rata portion of insurance obtained by the Association.

SECTION 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of any building as a result of fire or other casualty (unless 2/3rds of all buildings require reconstruction), the Board of Managers shall in its sole and absolute discretion determine and without intervention of any co-owner, arrange for the prompt repair and restoration of the building or buildings (including any damaged apartments and damaged kitchen and bathroom fixtures, bathroom vanities, kitchen and bathroom cabinetwork, parquet floors, carpeting, light fixtures, wallpaper, paint and drywall, ceramic tile, bathroom and kitchen floor covering initially installed therein and paid for by the original owner), but not including any wall, ceiling or floor decorations or covering or other furniture, furnishings, fixtures or equipment installed by tenants or co-owners in the apartments, unless insurance thereof is specifically provided for in the insurance policy obtained by the Board of Managers. The Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractor engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the Board of Managers may assess all the co-owners directly affected by the damage for such deficit as part of the common charges.

If two thirds (2/3) or more of all buildings are destroyed, the property may be sold; in which event the net proceeds of the sale, together with the net proceeds of insurance policies, shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the co-owners in proportion to their respective common interests, after paying out of the share of each co-owner the amount of any unpaid liens on his apartment, in the order of priority of such liens. If there shall have been a repair or restoration pursuant to the first paragraph of Section 3 and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among the co-owners in the same manner.

SECTION 4. (a) Payment of Common Charges. All co-owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine. No co-owner shall be liable for the payment of any part of the common charges assessed against his apartment subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article VII of these By-Laws) of such apartment, together with the appurtenant interests as defined in Section 3 of Article VII hereof. Any first mortgagee who obtains title to a condominium unit pursuant to the remedies provided in the deed of trust will not be liable for such units' unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee. The Developer is exempt from payment of common charges until the construction of

any unit is complete and either sold or occupied. The Developer will pay no common charges by reason of its ownership of unimproved unit pads or partially constructed units.

SECTION 4. (b) Mortgage and Deed of Trust Protection. The lien for assessments payable by unit owner shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of said unit owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date which the mortgagee or beneficiary thereunder either takes possession of the unit encumbered thereby, accepts the conveyance of any interest therein (other than as security) or forecloses its mortgage or deed of trust. This sub-paragraph (b) shall not be amended, changed, modified or rescinded without the written consent of all mortgagees and beneficiaries of record.

SECTION 5. Collection of Assessments. The Board of Managers shall assess common charges against the co-owners from time to time and at least annually and shall take prompt action to collect any common charge due from any co-owner, which remains unpaid for more than thirty (30) days from the due date.

SECTION 6. Default in Payment of Common Charges. In the event of default by any co-owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such co-owner shall be obligated to pay interest at the maximum legal rate of such common charges from the due date thereof, together with all expenses, late charges as established by the Board of Managers, and attorney's fees incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges together with interest thereon, reasonable late charges and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such co-owner, or by foreclosure of the lien of such apartment granted by Section 66-27-116 of Tennessee Code Annotated, or both.

SECTION 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on an apartment because of unpaid common charges, the co-owner shall be required to pay a reasonable rental, but not less than Thirty-five (\$35.00) Dollars per diem rent, from the date of the commencement of the foreclosure action for the use of his apartment, and the complainant in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of the Council of Co-owners, shall have the power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

SECTION 8. Statement of Common Charges. The Board of Managers shall promptly provide any co-owner so requesting the same in writing, with a written statement of all unpaid common charges due from such co-owner.

SECTION 9. Abatement and Enjoinment of Violations by Co-owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any by-law contained

herein, or the breach of any provision of the Master Deed, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws;

(a) After reasonable notice, to enter the apartment in which such violation or breach exists and to summarily abate or remove, at the expense of the defaulting co-owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers, or its designee, shall not thereby be deemed guilty in any manner of trespass.

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

SECTION 10. Maintenance and Repair. Except as provided in Section 3 of this Article V

(a) All maintenance and repairs to any apartment, structural or non-structural, ordinary or extraordinary, (other than the maintenance of any repairs to any common elements contained therein, and not necessitated by the negligence, misuse, or neglect of the owner of such apartment) shall be made by the owner of such apartment. Each co-owner shall be responsible for all damages to any or all other apartments and/or common elements, which his failure to maintain and repair his apartment may cause. Each apartment owner shall be under a duty to report to the Board of Managers any condition with regard to the common elements within or adjacent to his apartment, which requires maintenance or repair. The Board of Managers may make such repairs and charge the cost to the affected co-owner or co-owners.

(b) All maintenance, repairs, replacements to the common elements, whether located inside or outside of the apartment units, (unless necessitated by the negligence, misuse or neglect of a co-owners, in which case such expense shall be charged to such co-owner), shall be made by the Board of Managers and be charged to all the co-owners as a common expense,

(c) All maintenance, repairs and replacements to any limited common elements (except patios and storage areas) identified on the plat of record or to otherwise herein (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of any owner of the abutting apartment, or by any agent, invitee, contractor or guest of any such owner) shall be made by the Board of Managers and be charged to the co-owners who abut such limited common element, as a common expense allocable to such co-owners alone, unless already paid for by such affected co-owners.

(d) It is expressly understood that the patio fences (albeit limited common elements) will be maintained by the co-owner or co-owners who abut such limited common elements. If the co-owner or co-owners fail to maintain such fences the Board shall maintain same and charge the costs to the owner or co-owners who abut same and such charges shall be paid by the owner or co-owners and added to his or their maintenance fees.

(e) Regulations by the City of Franklin. It shall be expressly understood and agreed to by each unit owner that the City of Franklin, Tennessee, is hereby authorized and empowered to require the Association and each unit owner, jointly and/or severally, to provide for the orderly

maintenance and upkeep of the common areas. In the event that the City of Franklin, Tennessee, or any agent thereof, determines in its sole discretion, that the common areas are being maintained in a manner which may be considered dangerous or detrimental to the health, safety and welfare of the community, pursuant to the provisions of the Franklin municipal Charter and Code, the City of Franklin, Tennessee, and its agents, may upon ten (10) days notice to the Association, enter upon the common areas and make any repairs or improvements to the common areas which City of Franklin and its agents deem necessary to remedy such conditions. Thereafter, the Association and each unit owner shall be obligated to pay to the City of Franklin its costs for all improvements, work and/or labor, supplied or furnished to the common areas. The obligation to pay said costs shall be a personal obligation of the Association and each unit owner, jointly and severally. All such costs shall be paid to the City of Franklin, Tennessee, within five (5) days of receipt from the city of Franklin, Tennessee, of a statement for such costs, which receipt shall be required to be served upon the President of the Association only. All unit owners hereby waive notice of receipt of said statement for such costs. In order to secure payment at and after the due date, there shall arise a continuing lien and charge against each lot in favor of the City of Franklin, the amount of which shall include costs and reasonable attorney's fees to the extent permissible by law. The City of Franklin, Tennessee, may bring an action at law against the Association and/or any unit owner, or foreclose the lien against any property owned by any unit owner. Neither the Association or any unit owner may waive or otherwise escape liability for the cost incurred by the City of Franklin, Tennessee, as described herein.

SECTION 11. Patios, Porches, Carports, and Storage Areas. A patio, porch, carport and storage area to which an apartment has sole access, shall be for the exclusive use of the owner of said apartment. The owner shall keep these areas free and clean of snow, ice, and any accumulation of water. The owner shall make all repairs thereto in accordance with Section 10 of this Article V. Without consent in writing by the Board of Managers, (1) no patio, porch, or carport shall be enclosed, decorated, or landscaped, (2) no lighting shall be added to such patio, porch or carport, and (3) no cover shall be installed over the patio. If the consent herein required is granted, the unit owner shall thereafter maintain such additions. If the unit owner fails to properly maintain same, as determined by the Board of Managers, the Association shall perform the necessary maintenance, including the removal, at the Board's discretion, and such charge shall be paid by the unit owner and added to his maintenance fee as set forth under other sections of the By-Laws.

SECTION 12. Restrictions on use of Apartments. In order to provide for congenial occupancy of the property and for the protection of the values of the apartments, the use of the property shall be restricted to and shall be in accordance with the following provisions:

- (a) Each of the apartments shall be used for single family residences only.
- (b) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of apartments.
- (c) No nuisances shall be allowed on the property nor shall any use or practice be allowed

which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the property by its residents.

- (d) No immoral, improper, offensive, or unlawful use shall be made of the property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with.
- (e) No portion of an apartment (other than the entire apartment) may be leased or rented, and no transient tenants may be accommodated therein. No unit may be leased or rented for a period less than thirty (30) days.
- (f) No garage or yard sale shall be conducted on the premises of the co-owner. An estate sale or moving sale requires advanced approval of the Board of Managers. A community-wide sale may be approved by the Board of Managers.

SECTION 13. Addition, Alterations or Improvements by Board of Managers. Whenever in the judgment of the board of Managers the common elements shall require additions, alterations or improvements, and the making of such additions, alterations or improvements, shall have been approved, by a majority of the co-owners where necessary under these By-Laws, and the provisions of Section 12 of Article III hereof having been complied with, the Board of Managers shall proceed with such additions, alterations, or improvements and shall assess all co-owners for the cost thereof as a common charge.

SECTION 14. Additions, Alterations or Improvements by Co-Owners. No co-owner shall make any addition, alteration or improvement in or to an apartment that would affect its structural integrity without the prior written consent of the Board of Managers. A lien for labor or materials shall attach to such co-owners interest in the Condominium and not the Condominium as a whole. The Board of Managers shall have the obligation to answer any written request by the co-owner for approval of a proposed structural addition, alteration or improvement in such co-owners apartment within thirty (30) days after such request. Failure to do so within the stipulated time shall constitute consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the government of Franklin, Williamson County, Tennessee, or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any apartment shall be obtained by the Board of Managers only, without, however, including any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 14 shall not apply to apartments owned by the Developer until such apartment shall have been initially sold by the Developer.

SECTION 15. Use of Common Elements and Facilities. (a) A co-owner shall not place or cause to be placed in the common areas or common facilities, or areas designated by the Board of Managers, any furniture, packages or objects of any kind, except with the written consent by the Board of Managers or its designee.

(b) Any limited common elements, which have been designated as such herein, in the Master Deed or Plat of record, shall be used only by that or those apartments which abut directly thereon, and the use thereof shall be limited only to that to which the same are reasonably suited and which are incident to the use and occupancy of such abutting apartments or as otherwise restricted herein or on the Plat of record or the Master Deed.

SECTION 16. Right of Access. A co-owner shall grant a right of access to his apartment to the Board of Managers or its designee to make inspection for the purpose of correcting any condition originating or existing in his apartment that threatens another apartment or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his apartment unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any mortgage covering another apartment provided that request for entry is made in advance, and that such entry is at a time reasonably convenient to the apartment owner. In case of an emergency, such right of entry shall be immediate, whether the co-owner is present at such time or not.

SECTION 17. Rules of Conduct. Rules and regulations concerning the use of the apartments and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each co-owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as **Exhibit "1"**.

SECTION 18. Electricity, Gas, Water and Sewer Charges. Electricity, gas, water and sewer serving the apartments shall be provided by separate meters to those apartments and paid by the owner of each apartment on an individual basis. Water, electricity, sewer and any other utilities serving the common elements shall be paid by the co-owners as a common charge and included in their common expenses as assessed by the Board of Managers. The Board of Managers may, in their sole and absolute discretion, allocate utility charges on a different basis than the allocation of other common charges. The allocation must be applied as uniformly as possible.

SECTION 19. Special Assessments. In addition to the other common charges authorized herein, if at least either fifty-one (51%) percent of the co-owners with the concurrence of the Board of Managers or eighty (80%) percent or more without Board approval, decide upon and vote for the construction of additional recreational and other common facilities, or the alteration, remodeling, demolition or removal of existing recreational and other common facilities from time to time, then the cost of said activities may be financed by increasing the common charges paid by all co-owners upon the same basis as other common charges are paid and such increased common charges may be paid monthly over a term of years if satisfactory financing can be obtained.

ARTICLE VI

Mortgages

SECTION 1. Notice to Board of Managers. A co-owner who mortgages his apartment unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Apartments".

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

SECTION 3. Notice of Default. The Board of Managers, when giving notice to a co-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 apartment whose name and address has been furnished to the Board of Managers.

SECTION 4. Examination of Books. Each co-owner and each mortgagee of an apartment shall be permitted to examine the books of account of the Condominium at a reasonable time, on business days, but not more than once a month. Annual financial statements, By-Laws, Declaration and other rules affecting the Condominium unit will be made available to each co-owner and mortgagee upon request.

ARTICLE VII

Sales, Leases, and Mortgages of Units

SECTION 1. No Severance of Ownership. The interest, rights and privileges to which a co-owner is entitled by reason of the ownership of an apartment are herein designated Appurtenant Interests and include, but are not limited to: An undivided interest in the common elements of the Horizontal Property Regime, the rights and privileges to use and enjoy the common elements, the interest of a co-owner in an apartment or apartments acquired by the Board of Managers or its designee on behalf of all co-owners and the proceeds of the sale or lease thereof, if any, the right to attend and vote at the meetings of co-owners and the interest of a co-owner in any other assets of the Horizontal Property Regime.

No co-owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his apartment without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any apartment

may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of such part of the Appurtenant Interest of all apartments.

The selling co-owner should furnish to the Buyer, on or before closing, copies of the Master Deed, By-Laws, and the Rules and Regulations of the Horizontal Property Regime along with any and all keys to common facilities issued to or in possession of the Seller. The co-owner should further furnish to the Board of Managers, or their designee, evidence of proof that the Buyer has seen the Master Deed, By-Laws and Rules and Regulations and a statement signed by the Buyer that he will abide by all the rules, regulations, duties, and obligations therein contained.

SECTION 2. Leases. Any co-owner who desires to lease his apartment shall furnish the name of the Lessee to the Board of Managers, along with the date the Lessee shall take possession of the apartment. The leasing co-owner shall furnish to the Lessee copies of the Master Deed, By-Laws and rules and regulations of this Horizontal Property Regime. The co-owner shall further furnish to the Board of Managers evidence of proof that the Lessee has seen the By-Laws, Master Deed and rules and regulations and a statement signed by the Lessee that he will abide by all the rules and regulations and duties and obligations therein contained. Nothing contained in this paragraph shall be construed to mean that the duties and obligations of the co-owner of the apartment are in any way diminished or affected by any lease agreement he might execute. No unit may be leased or rented for a period less than thirty (30) days.

SECTION 3. Transfers. A reasonable transfer fee as established by the Board of Managers, but no event less than Forty (\$40.00) Dollars shall be charged each purchaser of an apartment, provided, however, this fee is not applicable to the owner of an apartment who first purchases from the Developer. In consideration therefor, the Board of Managers shall cause the records of the Association to be changed to reflect the name and address of the new owner and shall furnish to him a copy of the By-Laws and Rules and Regulations of the Association, along with the list of current Board Members, directory of owners, if such directory is available, and keys to any common areas where applicable. This fee shall constitute a common charge pursuant to Article V.

ARTICLE VIII

Condemnation

SECTION 1. Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the common elements, the Board of Managers shall represent the co-owners in any proceedings or negotiations, settlements, or agreements. The award made for such taking shall be payable to the Board of Managers for and on behalf of the Council of Co-owners, if such award amounts to \$20,000.00 or less and to the Insurance Trustee if such award amounts to more than \$20,000.00. If a majority of the Board of Managers in their sole and absolute discretion approve the repair and restoration of such common elements, the Board of Managers shall arrange for the repair and restoration of such common elements and the Board of Managers or the

Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments.

In the event that the Board of Managers do not duly and promptly approve the repair and restoration of such common elements, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration to the damage, as provided in Article V Section 3 of these By-Laws. In the event of a loss of more than two-thirds (2/3) of the property by eminent domain proceedings, the provisions of Article V Section 3 shall apply.

ARTICLE IX

Records

SECTION 1. Records and Audits. The Board of Managers or its designee shall keep detailed records of the actions of the Board of Managers and Managing Agent, minutes of the meetings of the Board of Managers and co-owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment which, among other things, shall contain the amount of each assessment of common charges against such apartment, the date when due, the amount paid thereon, and the balance remaining unpaid.

Promptly after the end of each fiscal year, the Board of Managers shall render a written report summarizing all receipts and expenditures of the Condominium to all co-owners. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board of Managers to all mortgagees of apartments who have requested the same.

ARTICLE X

Rules and Regulations for Recreational Facilities Shared with the Residents of MORNINGSIDE MANOR (Morningside of Franklin Assisted Living)

The owners of Morningside of Franklin Assisted Living of record in Plat Book 1445 page 240 enjoy a right of rental agreement to the use and benefit of the pool and clubhouse of this regime. Said right was created by rental agreement, a copy of which is attached to these By-Laws as Exhibit "2". Morningside of Franklin Assisted Living must, in turn, contribute to the expense, care, management, and maintenance of said pool and clubhouse as specified in the agreement.

The Board of Managers of this regime or a committee appointed by the Board of Managers and one (1) person designated by Morningside of Franklin Assisted Living shall jointly establish rules and regulations governing the use and maintenance of the clubhouse and recreational facilities. This sharing of benefits and expenses relates only to the pool and clubhouse.

ARTICLE XI

Miscellaneous

SECTION 1. Notices. United States mail notices hereunder may be sent by regular, registered, or certified mail. All notices shall be deemed to have been given when received. Nothing in this section shall preclude notices from being hand delivered.

SECTION 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

SECTION 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way defines, limits or describe the scope of these By-Laws, or the intent of any provision thereof.

SECTION 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

SECTION 5. Waiver. No restrictions, condition, obligations or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

SECTION 6. Insurance Trustee. The Insurance Trustee shall be designated by the Board of Managers. Nothing contained in these By-Laws shall be construed as prohibiting the Board of Managers from serving as the Insurance Trustee, or it may, at its discretion designate a Trustee. The Board of Managers shall pay the expenses of any Insurance Trustee and such expenses shall constitute a common expense for the condominium.

SECTION 7. Proxy. Any act or approval in writing shall be binding upon the person approving same, and shall be revocable at any time by written notice to the Secretary.

ARTICLE XII

Amendment to By-Laws

SECTION 1. Amendment to By-Laws. These By-Laws may be modified or amended by the written consent or vote of sixty-seven (67%) percent of all co-owners of the then existing apartments in the Condominium. However, due to the importance of proper repair and maintenance of Condominium properties to both the Developer and co-owners and the mutual benefits to both parties arising therefrom, the contractual rights set forth in Article II, Section 3, relating to the Developer as Exclusive Agent are not subject to modification or amendment, except for legal cause shown.

ARTICLE XIII

Conflicts

SECTION 1. Conflicts. These By-Laws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time and to allow the By-Laws to control specific situations where such law allows. In case any of these By-Laws 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.

Terms which are not defined in the Master Deed and the Plan of Record in Book 24 page 92 Register's Office of Williamson County or in these By-Laws shall be deemed to be the same as defined in such Act.

ARTICLE XIV

Further Assurances to Mortgagees

As further assurances to mortgagees, the following shall be deemed a part of these By-Laws:

1. Except as provided by statute in case of condemnation or substantial loss to the units and/or common elements of the Condominium project, unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned), or owners (other than the sponsor, developer, or builder) of the individual condominium units have given their prior written approval, the Condominium Homeowners Association shall not be entitled to:
 - (a) by act of omission, seek to abandon or terminate the Condominium project;
 - (b) change the pro-rata interest or obligations of any individual condominium unit

for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (ii) determining the pro-rata share of ownership of each condominium unit in the common elements;

- (c) partition or subdivide any condominium units;
 - (d) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause); and
 - (e) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such condominium property.
2. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the condominium project as a whole.
 3. No provision of these By-Laws or the Master Deed is intended to give a Condominium unit owner, or any other party, priority over any rights of the first mortgage in the case of a distribution to such unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.
 4. Condominium dues or charges shall include an adequate reserve fund for maintenance repairs and replacement of those common elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.
 5. A first mortgagee, upon request, will be entitled to written notification from the Board of Managers of any default in the performance by the individual unit Borrower of any obligation under the Condominium constituent documents which is not cured within sixty (60) days.
 6. The first mortgagee shall also be entitled to timely notice of any condemnation loss or casualty loss which affects a material portion of the project or of the unit secured by mortgage in favor of said first mortgagee. A first mortgagee shall likewise be entitled to notice of any lapse, cancellation or material modification of any insurance policy maintained by the Association, as well as any proposed action that requires the consent of a specified percentage of mortgage holders.

SECRETARY'S CERTIFICATE

IN WITNESS WHEREOF, the Secretary of the Association, being authorized so to do, has executed this Restated By-Laws of Villages of Morningside (Phase One, Lot 4) on behalf of the Association certifying that this document was approved by at least sixty-seven percent (67%) of the members of the Association in accordance with Article XII of the then-existing By-Laws.

VILLAGES OF MORNINGSIDE CONDOMINIUM ASSOCIATION

By: Christine M. Bess
Secretary

STATE OF TENNESSEE)
)
COUNTY OF WILLIAMSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Christine M. Bess with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence), and who upon oath acknowledged that he/she executed the foregoing instrument for the purposes therein contained and who further acknowledged that he/she is Secretary of the Villages of Morningside Condominium Association, and is authorized to execute this instrument on behalf of the Villages of Morningside Condominium Association.

Witness my hand and seal, at office in Nashville, Tennessee, this 30th day of May, 2003.

Betty McClain
Notary Public
My commission expires: _____



State of Tennessee, County of WILLIAMSON
Received for record the 10 day of
JUNE 2003 at 2:32 PM. (RECR 55133B)
Recorded in official records
Book 2866 Pages 973- 996
State Tax \$.00 Clerks Fee \$.00,
Recording \$ 122.00, Total \$ 122.00,
Register of Deeds SADIE WADE
Deputy Register NICOLE BONDANZA

The instrument prepared by:
Alvin L. Harris
Hubbard, Berry & Harris, PLLC
Suite 1420, SunTrust Bank Building
201 Fourth Avenue, North
Nashville, Tennessee 37219

Enclosure A

APR 11 2007

DEED OF AMENDMENT TO AMENDED MASTER DEED ESTABLISHING A HORIZONTAL PROPERTY REGIME OF VILLAGES OF MORNINGSIDE (Phase One, Lot 4)

This Deed of Amendment to Amended Master Deed Establishing a Horizontal Property Regime of Villages of Morningside (Phase One, Lot 4) (the "Deed of Amendment") is made this _____ of _____, 2007 by the co-owners of apartments within the residential real estate development located in Williamson County, Tennessee known as Villages of Morningside, Phase One, Lot 4 (the "Development").

WITNESSETH:

WHEREAS, certain property was previously submitted to the Amended Master Deed Establishing a Horizontal Property Regime of Villages of Morningside (Phase One, Lot 4) of record in Book 1511, page 765, Register's Office for Williamson County, Tennessee (as amended) (the "Master Deed");

WHEREAS, the co-owners of apartments within the Development desire to amend the Master Deed to prohibit the leasing of apartments within the Development;

WHEREAS, pursuant to Paragraph 14 of the Master Deed, the Master Deed may be amended by a deed of amendment joined in by co-owners representing at least sixty-seven percent (67%) of the total apartments within the Development, which deed shall be recorded with the Register's Office for Williamson County, Tennessee;

WHEREAS, as evidenced by their signatures below, co-owners representing at least sixty-seven percent (67%) of the total apartments within the Development have joined in this Deed of Amendment.

NOW, THEREFORE, for and in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the co-owners of apartments within the Development, being empowered so to do, hereby amend the Master Deed as follows:

Frances E. Carson
CO-OWNER'S SIGNATURE

PRINT NAME FRANCES CARSON

PRINT APARTMENT ADDRESS 8098 Sunrise Circle

STATE OF TENNESSEE)
COUNTY OF Williamson)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Frances Carson, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence), and who upon oath acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

Witness my hand and seal, at office in Williamson, Tennessee, this 9 day of April, 2007.

Robert Felty
Notary Public
My Commission Expires: March 14, 2010



CO-OWNER'S SIGNATURE

PRINT NAME _____

PRINT APARTMENT ADDRESS _____

STATE OF TENNESSEE)
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence), and who upon oath acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

Witness my hand and seal, at office in _____, Tennessee, this ____ day of _____, 2007.

Notary Public
My Commission Expires: _____

The instrument prepared by:
Villages of Morningside Condominium Association
c/o Home Management Company
2033 Richard Jones Road
Nashville, Tennessee 37215

BK 2866 PG 973

**AMENDED AND RESTATED BY-LAWS OF
VILLAGES OF MORNINGSIDE (PHASE ONE, LOT 4)**

This Amended and Restated By-Laws of Villages of Morningside (Phase One, Lot 4) (the "Restated By-Laws" or "By-Laws") is made this ~~30th~~ day of May, 2003 by the Villages of Morningside Condominium Association (the "Association");

WITNESSETH:

WHEREAS, Villages of Morningside is a residential senior living community located in Franklin, Williamson County, Tennessee (the "Condominium");

WHEREAS, Villages of Morningside and the Association are subject to that certain document entitled Amended By-Laws of record in Book 1511, page 733, Register's Office for Williamson County, Tennessee (the "Old By-Laws");

WHEREAS, pursuant to Article XII of the Old By-Laws, that document may be amended by the written consent or vote of sixty-seven percent (67%) of all co-owners of the Condominium;

WHEREAS, at a duly called meeting of the co-owners held on September 26, 2002, as certified herein by the Secretary of the Association, the Restated By-Laws were approved by at least sixty-seven percent (67%) of the co-owners as required by Article XII;

WHEREAS, the Association mistakenly recorded a document entitled "Proposed By-Law Changes for Co-Owner Approval" in Book 2695, page 792, which document did not accurately reflect the amendments approved by the co-owners; and

WHEREAS, the Association desires to correct and supercede said erroneous filing by executing and recording these Restated By-Laws.

NOW, THEREFORE, for and in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Association, being empowered so to do, hereby adopts the Restated By-Laws as set forth below: