

SUPPLEMENTAL DECLARATION OF COVENANTS AND
RESTRICTIONS AND MASTER DEED FOR
CUMBERLAND POINT CONDOMINIUMS

This Supplemental Declaration of Covenants and Restrictions and Master Deed for Cumberland Point Condominiums ("Supplemental Declaration and Master Deed") is made this 26th day of March, 1987, by Renegade Limited Partnership, a Tennessee Limited Partnership ("Developer").

Developer is the owner in fee simple of the real property described on Exhibit "A", attached hereto and incorporated herein by reference, and further delineated, together with the real property improvements situated thereon, ("Phase I Property") on that plat entitled "Cumberland Point Condominiums - Phase I", recorded in Plat Book 9, page 165, in the Office of the Register of Cumberland County, Tennessee ("Phase I Plat"). Developer is also the owner in fee simple of the real property depicted on the Phase I Plat as "Reserved Property", a legal description for which is attached hereto as Exhibit "B", and incorporated herein by reference ("Reserved Property"). The real property described on Exhibit "A" and "B" is part of a real estate development in Cumberland County, Tennessee, known as Cumberland Gardens, formerly known as Renegade Resort. Any reference herein to Renegade Resort shall mean Cumberland Gardens.

On July 26, 1972, the Developer, joined by the Renegade Community Club, Inc., a Tennessee not-for-profit corporation, executed and recorded a "Declaration of Covenants and Restrictions with Protective Covenants", recorded in Deed Book 124, page 5, et seq., Register's Office, Cumberland County, Tennessee.

Pursuant to Article II of the Declaration of Covenants and Restrictions, the Developer is authorized, through execution and recordation of a Supplemental Declaration to the Master Declaration, to make additional real property and real property improvements subject to the provisions of the Master Declaration. The Developer wishes to commit the Phase I Property and the Reserved Property to

for 1st amendment, see D.B. 336, pg. 706, 5-19-87, M.M.
for 2nd amendment, see D.B. 338, pg. 140, 6-12-87, M.M.
for 3rd amendment, see D.B. 341, pg. 5, 8-4-87, M.M.
for 4th amendment, see D.B. 344, pg. 114, 10-28-87, M.M.
for 5th amendment, see D.B. 346, pg. 121, 10-28-87, M.M.

* for amendment, see D.B. 447, pg. 236, 3-31-93, M.M.

the terms of the Master Declaration through recordation of this Supplemental Declaration and Master Deed.

The Developer also wishes, pursuant to the Tennessee Horizontal Property Act, codified at Tennessee Code Annotated §66-27-101, et seq. ("Horizontal Property Act"), to create a condominium project upon the Phase I Property, consisting of Apartments, General Common Elements, and Limited Common Elements, to be known as Cumberland Point Condominiums (hereafter, the "Condominium Project" or "Cumberland Point"). The Developer reserves the right to subject all or any portion of the Reserved Property to the Condominium Project in accordance with the provisions of this Supplemental Declaration and Master Deed.

The Cumberland Gardens Community Club (Community Club) is the property owners association of the development known as "Cumberland Gardens", located in Cumberland County, Tennessee. The Phase I Property and the Reserved Property are located within Cumberland Gardens. The Community Club has agreed that the Phase I Property and the Reserved Property are acceptable as additions to Cumberland Gardens and joins in the execution of this Supplemental Declaration and Master Deed to agree to the terms and conditions set forth herein, including the terms and conditions of the membership of Apartment Owners in the Community Club.

Cumberland Point Condominium Property Owners Association, a Tennessee not-for-profit corporation ("Association"), has been organized as the operating entity of the Condominium Project and joins in the execution of this Supplemental Declaration and Master Deed to agree to the terms, conditions and responsibilities set forth herein.

SUBMISSION OF PROPERTY

The Developer hereby submits the Phase I Property and the Reserved Property to the provisions of the Master Declaration, except as otherwise noted above. The Developer hereby submits the Phase I Property to the provisions of the Horizontal Property Act for the purpose of creating a horizontal property regime thereon. Upon

recordation of this Supplemental Declaration and Master Deed, the Phase I Property and the Reserved Property are and shall be held, occupied, maintained, improved, transferred, sold, leased, assigned, conveyed, increased, modified or altered subject to this Supplemental Declaration and Master Deed. The Developer specifies that this Supplemental Declaration and Master Deed shall constitute restrictive and protective covenants, conditions, restrictions, and reservations which shall run with the property committed hereto and shall bind and inure to the benefit of the Developer, its successors and assigns, and all subsequent Owners, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

As used in this Supplemental Declaration and Master Deed and Exhibits attached hereto, and all amendments hereof, unless the context otherwise requires, the following definitions shall prevail:

A. The term "Apartment" shall mean those individual units within the Condominium Project as delineated on the Phase I Plat and any such units within the Condominium Project as expanded pursuant to Article VIII of this Supplemental Declaration and Master Deed.

B. The term "Association" shall mean Cumberland Point Condominium Property Owners Association, a Tennessee not-for-profit corporation. The Association is responsible for the operation of the Condominium Project.

C. The term "Association Properties" shall mean any real and/or personal property owned by the Association from time to time in accordance with the terms of this Declaration.

D. The term "Board of Directors" shall mean the Board of Directors of the Association.

E. The term "Building" shall mean a structure containing two (2) or more units comprising a part of the Condominium Project.

F. The term "By-Laws" shall mean the By-Laws of the Association, as they exist from time to time.

G. The term "Common Areas" shall mean and include all of the property of the Condominium Project with the exception of Condominium Units as defined below. Common Areas include General Common Elements and Limited Common Elements.

H. The term "Common Surplus" shall mean the excess of all receipts of the Association, including but not limited to, assessments, rents, profits, and revenues on account of the Common Areas, over and above the amount of common expenses.

I. The term "Community Club" shall mean the Cumberland Gardens Community Club.

J. The term "Condominium Project" shall mean the Phase I Property and such portions of the Reserved Property developed and subjected to this Supplemental Declaration and Master Deed pursuant to Article VIII.

K. The term "Condominium Unit" or "Unit" shall be synonymous with "Apartment". The physical boundaries of each Unit are more particularly defined in Article III of this Declaration. The arrangement and location of all Units and areas occupied by Units in Phase I are shown on the Phase I Plat.

L. The term "Developer" shall mean Renegade Limited Partnership, its successors and assigns.

M. The term "Horizontal Property Act" shall mean and refer to Tennessee Code Annotated §66-27-101, et seq., as it exists on the date this Supplemental Declaration and Master Deed is recorded. It is the intent of the Developer that the provisions of the Horizontal Property Act shall control the creation of the Condominium Project. If there is any conflict between the Horizontal Property Act and this Supplemental Declaration and Master Deed, the Horizontal Property Act shall control only to the extent that the Horizontal Property Act applies to the Condominium Project and does not allow variances. If any clause contained herein is found to violate the Horizontal Property Act, such clause shall be severed

from the remaining provisions and the remaining provisions shall remain in full force and effect.

N. The term "Limited Common Areas" shall mean and include those Common Areas which are reserved for the use of a certain Unit or Units to the exclusion of all other Units.

O. The term "Management Agreement" shall mean that certain agreement between the Association and any entity providing for the management of the properties within the Condominium Project.

P. The term "Management Firm" shall mean the entity identified as the Management Firm in the Management Agreement attached to this Supplemental Declaration and Master Deed, it successors and assigns, or such other firm or entity which shall be responsible for the management of the Condominium Project.

Q. The term "Occupant" or "Guest" shall mean any person or persons in possession of an Unit.

R. The term "Person" shall mean an individual, firm, corporation, partnership, association, trust, or any other legal entity, or any combination thereof.

S. The term "P.O.A." shall mean the Cumberland Point Condominium Property Owners Association, a non-profit corporation organized under the laws of Tennessee.

T. The terms "Unit Owner", "Co-Owner", or "Owner" shall mean any person or other entity owning one or more Units, including those Owners under purchase contract, but shall not include a mortgagee unless such mortgagee has acquired title pursuant to foreclosure or other process in lieu of foreclosure.

ARTICLE II

NAME

The name by which this Condominium Project is to be identified shall be "Cumberland Point Condominiums".

ARTICLE III

IDENTIFICATION AND DESCRIPTION OF UNITS

There are three (3) buildings in Phase I of the Condominium Project, designated respectively as Building No. 11, Building No. 12, and Building No. 13 on the Phase I Plat. Each Building has two (2) stories. Each building contains eight (8) units, four (4) of which are lower floor units and four (4) of which are upper floor units. Building No. 11 contains Unit Nos. 1101-1108. Building No. 12 contains Unit Nos. 1201-1208. Building No. 13 contains Unit Nos. 1301-1308. There are eight (8) unit configurations designated respectively as Lower Floor Units Nos. A, B, C and D, and Upper Floor Units Nos. E, F, G and H.

Lower Floor Units A, C and D contain 575 square feet of interior space. Lower Floor Unit B contains 625 square feet of interior space. Upper Floor Units E, G and H contain 695 square feet of interior space. Upper Floor Unit F contains 745 square feet of interior space. The floorplans of Lower Floor Units Nos. A, B, C and D are shown on Exhibit "C" attached hereto. The floorplans of Upper Floor Units Nos. E, F, G and H are shown on Exhibit "D" attached hereto.

The following chart shows the appropriate floorplan for each Unit in Buildings No. 11, 12 and 13:

<u>Unit Number</u>	<u>Floor Plan</u>
1101, 1201, 1301	A
1102, 1202, 1302	E
1103, 1203, 1303	B
1104, 1204, 1304	F
1105, 1205, 1305	C
1106, 1206, 1306	G
1107, 1207, 1307	D
1108, 1208, 1308	H

The boundaries of each Lower Floor Unit and Upper Floor Unit shall be as follows:

- A. The lower (horizontal) boundary of each Lower Floor Unit shall be the horizontal plane of the upper surface of the undecorated floor slab of the Unit.

- B. The lower (horizontal) boundary of each Upper Floor Unit shall be the horizontal plane of the upper surface of the joists or other structure supporting the floor of the Unit.
- C. The upper (horizontal) boundary of each Lower Floor Unit and each Upper Floor Unit interior is the horizontal plane of the lower surface of the ceiling joists of the Unit.
- D. The vertical (perimetric) boundaries of each Lower Floor Unit and each Upper Floor Unit shall be the vertical planes of the perimeter walls as measured from the face of exposed brick or masonry and the interior surface of all studs or other support structures, with all doors and windows in such walls and all lath, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint or other materials constituting any part of the finished surface thereof, shall be a part of the Unit, while all other portions of such perimeter walls shall be a part of the Common Areas.

The Floor Plan of the Lower Floor Units is attached hereto as Exhibit "C". The Floor Plan of the Upper Floor Units is attached hereto as Exhibit "D".

ARTICLE IV

OWNERSHIP OF COMMON ELEMENTS

Each Unit Owner in the Condominium Project shall own an initial undivided interest in the Common Areas in the percentage set forth in Article VII.

The fee title to the property in the Condominium Project conveyed to an Owner shall include both the Unit and the Owner's respective undivided interest in the Common Areas. The undivided interest in the Common Areas shall be conveyed or encumbered with the Owner's respective Unit. Any attempt to separate the fee title to an Unit from the undivided interest in the Common Areas appurtenant to such Unit shall be null and void.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

A. Membership and Voting Rights in the Association.

There shall be one (1) person with respect to each Unit who shall be entitled to vote at any meeting of the Association (the "Voting

Member"). If a Unit is owned by more than one (1) person, the Owners of that Unit shall designate one (1) of them as the Voting Member, or in the case of a corporate Owner, a designated officer or employee of the corporation shall be the Voting Member. Each Owner or a group of Owners shall be entitled to one (1) vote for each Unit owned. The designation of the Voting Member shall be as provided in the By-Laws.

Notwithstanding the above, the Developer reserves the right to appoint a majority of the directors on the Association's Board of Directors until the earlier of the following event occurs:

- (1) Four (4) months after seventy-five (75%) per cent of the Units in the project have been conveyed to Unit purchasers, or
- (2) Five (5) years following the first conveyance of a Unit.

B. Membership and Voting Rights in the P.O.A. Each Owner of a Unit shall be a member of the P.O.A. There shall be one (1) membership and one (1) vote in the P.O.A. for each Unit owned.

ARTICLE VI

COMMON EXPENSE AND COMMON SURPLUS

The common expenses of the Condominium Project shall be shared by the Unit Owners in accordance with their respective ownership interest in the common areas and common surplus as defined in Articles VII and VIII. Common expenses shall specifically include, but not be limited to, expenses of administration and of maintenance and repair of common areas.

The common profits shall be applied to the payment of common expenses and the rights in any surplus remaining shall appertain to the units in proportion to the liability for common expenses appertaining to each such unit. Any surplus shall be credited to the next assessment chargeable to the Unit Owners, absent some other designation for the surplus by the Board of the Association.

695

ARTICLE VII
INITIAL PERCENTAGE OF OWNERSHIP

Unless and until the Condominium Project is expanded in accordance with Article VIII, each Unit located within the Condominium Project shall have a 1/24th interest in and to the Common Areas and Common Surplus, and shall be responsible for 1/24th of the Common Expenses of the Condominium Project.

The interests in the Common Areas and Common Surplus have been determined as of the date of this Declaration in accordance with the number of Units in Phase I having an interest in the Common Areas and facilities. In the event the Condominium Project is expanded as provided in Article VIII below, the percentage of ownership interest attributable to that Unit shall be as provided therein.

ARTICLE VIII
EXPANSION

The Developer, as sole owner of the Phase I Property and Reserved Property, expressly declares that the Condominium Project may be expanded, at the sole discretion of the Developer, to include any or all of the Reserved Property. Additional Buildings to be subject to this Declaration may be constructed upon the Reserved Property from time to time and added to this Supplemental Declaration and Master Deed by written amendment hereto as provided in Article IX. Each portion of the Reserved Property and each Building added shall be an addition to the Condominium Project. Each addition shall be designated as a separate phase, commencing with Phase II. All additional Buildings added to the Condominium Project shall be of similar quality, constructed in a workmanlike manner and in the same general architectural style as the original Buildings of the Condominium Project. Construction of any such Building shall conform generally to the specifications in this Supplemental Declaration and Master Deed.

If additional Buildings are added to this Condominium Project, upon completion, the pro-rata interest of each Unit in Common Areas will be adjusted downward, in accordance with the following formula:

$$\frac{1}{\text{Total number of Units in Condominium Project}}$$

Each Unit in the Condominium Project shall have an undivided interest in and to the Common Areas and Common Surplus and shall be responsible for a proportionate share of the Common Expenses of the Condominium Project in accordance with the above formula.

At the time of each such expansion and addition to the Condominium Project, an amendment to this Supplemental Declaration and Master Deed shall be recorded in the Office of the Register of Deeds for Cumberland County, Tennessee, in accordance with Article IX.

The Developer reserves the right to use all or any part of the reserved property for purposes other than the Condominium Project.

ARTICLE IX

METHOD OF AMENDMENT OF DECLARATION

This Supplemental Declaration and Master Deed may be amended at any regular or special meeting of the Association, called and convened in accordance with the By-Laws, by the affirmative vote of Voting Members casting not less than sixty-seven (67%) per cent of the total vote of the members of the Association. Such amendment shall not be effective until certified by the President and Secretary of the Association and recorded in the public records of Cumberland County, Tennessee. Except as provided in this Supplemental Declaration and Master Deed, no amendment shall change, affect or alter an Owner's percentage interest in the Unit and Common Areas, nor a Unit's proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Unit, unless the record Owners of all Units affected by the amendment and all record

owners of first mortgages on such Units shall join in the execution of the amendment. No amendment shall be passed which shall impair or prejudice the rights and priorities of any first mortgagee or change the provisions of this Supplemental Declaration and Master Deed with respect to first mortgages without the written approval of all first mortgagees of record. No amendment shall change the rights and privileges of the Developer without the Developer's written approval so long as the Developer shall own one (1) Unit.

Notwithstanding the above:

(a) The Developer reserves the right to change the interior design and arrangement of all Units and to alter the boundaries between the Units so long as the Developer owns the Units so altered. If the Developer shall make any changes in the Units as provided in this paragraph, such changes shall be reflected by an amendment to this Supplemental Declaration and Master Deed, reflecting such alteration of Units, and except as otherwise provided above, said amendment need only be executed and acknowledged by the Developer and any holders of first mortgages encumbering the altered Units.

(b) The Developer, so long as it owns one (1) Unit, reserves the right at any time to otherwise amend this Supplemental Declaration and Master Deed as required by any lending institution or public body or as the Developer may determine to be necessary; provided, such amendment shall not change, affect or alter the proportion of common expenses borne by the Unit Owners or the ownership of Common Areas.

(c) The Developer, at its sole discretion, reserves the right to amend this Supplemental Declaration and Master Deed for the purpose of expanding the Condominium Project as provided in Article VIII, and any such amendment shall require execution solely by the Developer. Any such amendment shall designate with particularity the portion or portions of the Reserved Property that is subjected to the provisions of this Supplemental Declaration and Master Deed and shall contain a plat of such property and plans of each and every Building

located on the land. No such amendment shall be effective until duly recorded in the Register's Office of Cumberland County, Tennessee.

ARTICLE X

BY-LAWS

The operation of the Condominium Project shall be governed by the By-Laws attached to this Supplemental Declaration and Master Deed as Exhibit "E", and made a part hereof.

No modification or amendment of the By-Laws shall be valid unless set forth in a duly recorded amendment to this Supplemental Declaration and Master Deed. The By-Laws may be amended in the manner provided for therein, but no amendment to the By-Laws shall be adopted which affects or impairs the validity or priority of any first mortgage covering any Unit, or which changes the provisions of the By-Laws with respect to first mortgages without the written approval of all first mortgagees of record. Further, so long as the Developer owns one (1) Unit, no amendment shall change the rights and privileges of the Developer without the Developer's written approval. Any amendment to the By-Laws shall be executed by the parties, as required in this Article and in Article IX above, and recorded in the public records of Cumberland County, Tennessee.

ARTICLE XI

THE OPERATING ENTITY

The operating entity of the Condominium Project shall be the Association. The Association shall have all of the powers and duties set forth in the Act, as well as all of the powers and duties granted to or imposed upon it by this Supplemental Declaration and Master Deed, the By-Laws, and the Association's Articles of Incorporation. A copy of the Articles of Incorporation is attached as Exhibit "F" hereto, and made a part hereof. The Association shall have all of the powers and duties necessary to operate the Condominium Project as set forth in this Supplemental Declaration and Master Deed and the By-Laws, as amended from time to time.

Each Unit Owner, whether he has acquired his Unit by purchase, gift, conveyance, operation of law, or otherwise, shall be bound by the By-Laws and Articles of Incorporation of the Association, the provisions of this Supplemental Declaration and Master Deed and the Management Agreement.

The Association shall act through and be governed by the Board of Directors.

ARTICLE XII

ASSESSMENTS: FEES AND LIEN RIGHTS

The Association, through its Board of Directors, shall have the power to fix and determine the sums necessary and adequate to provide for the Common Expenses of the Condominium Project and such other assessments specifically provided for in this Supplemental Declaration. The procedure for determination of all such assessments shall be as set forth in the By-Laws and this Supplemental Declaration and Master Deed.

The Common Expenses shall be assessed against each Unit Owner as provided in Article VI of this Supplemental Declaration and Master Deed. Common expenses will be assessed against units owned by the Developer.

The Association will hold all special and regular assessments collected from Unit Owners in an insured bank account. Each year the Association shall have a budget projection and expenses and income prepared for the upcoming year. The amount of regular and special assessments will be set pursuant to the discretion of the Association's Board of Directors and in appropriate proportion with such budget. The Board shall structure such assessments so there exists an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to Common Areas.

Assessments and installments that are unpaid for over ten (10) days after the due date shall bear interest at the highest legal rate of interest allowed under Tennessee law from the due date

until paid, and at the sole discretion of the Board of Directors, a late charge of Twenty-Five and no/100 (\$25.00) Dollars may be imposed. Regular assessments shall be due and payable monthly on the first day of each month, and there shall be no necessity to send or deliver monthly bills or statements, although such may be done for the convenience of Owners.

The Association shall have a lien on each Unit, for unpaid assessments and interest thereon. Such liens upon the aforesaid tangible property shall be subordinate to prior bona fide liens of record. Reasonable attorney's fees incurred by the Association incident to the collection of such assessments or the enforcement of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, shall be payable by the Unit Owner and secured by such lien. The Board of Directors may take any action it deems necessary to collect assessments by personal action or by enforcing and foreclosing such a lien, and may settle and compromise the same if deemed in its best interest. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose an assessment lien, and to apply as a cash credit against its bid, all sums due, as provided herein and covered by the lien enforced. In case of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit plus the percentage of common expenses attributable to such Unit for the period of time said unit is occupied by the Unit Owner or anyone by, through or under said Unit Owner, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect same from the Unit Owner and/or occupant.

Any person who acquires an interest in a Unit, except through foreclosure of a first mortgage of record or acceptance of deed in lieu of foreclosure, including without limitation, persons acquiring title by operation of law and purchasers at judicial sales, shall be not entitled to occupancy of the Unit or enjoyment of the

limited common elements until such time as all unpaid assessments due and owing from the former Unit Owner have been paid. The Association, acting through its Board of Directors may enforce its claim and lien rights for the recovery of any unpaid assessments owed to the Developer, any Unit Owner, or group of Unit Owners, or any third party.

In addition to the assessment of the Association, the Unit Owners must pay dues to the Cumberland Gardens Community Club for their membership in the Community Club.

Where the mortgagee of a first mortgage of record or other Unit Owner obtains title to an Unit as a result of foreclosure of the first mortgage, such acquirer of title, his or its successors and assigns, shall not be liable for the shares of Common Expenses or assessments by the Association pertaining to such Unit and the interest in Common Areas attributable to such Unit, or chargeable to the former Unit Owner of such Unit which became due prior to the acquisition of title as a result of the foreclosure. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all Unit Owners, including such acquirer, his or its successors and assigns.

Any person who acquires an interest in an Unit (except through foreclosure of a prior lien, including without limitation, persons acquiring title by operation of law and purchasers at judicial sales) shall not be entitled to occupy the Unit or enjoy the Common Areas until all unpaid assessments of the former Unit Owner are paid. The Association may assign its claim and lien rights for the recovery of any unpaid assessments owed to the Developer, any Unit Owners, or group of Unit Owners, or any third party. Delinquent assessments of Maintenance Fees which are extinguished pursuant to the foreclosure of a prior lien may be reallocated and assessed to all of the Units as common expense. Any sale or transfer pursuant to a foreclosure does not relieve the purchaser or transferee of an Unit from liability for, nor the Unit from the lien of, any assessments, Maintenance Fees, or similar charges made thereafter.

In addition to the assessment of the Association, the Unit Owners must pay dues to the Community Club. Every Unit Owner acquiring title, legal or equitable, to any Unit in the Condominium Project shall be a member of the Community Club as long as he is an Owner of such Unit. Membership shall not apply to persons holding an interest in an Unit as security for the performance of an obligation to pay money; for example, mortgages or deeds of trust. If a mortgagee realizes upon its security and becomes the Owner of an Unit, such mortgagee will be subject to the requirements and limitations imposed by these restrictions on Unit Owners and members of the Community Club.

The Community Club shall have all of the powers set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including but not limited to, the power to levy annual dues against each member of the Community Club. Annual dues shall be payable monthly. The amount of annual dues shall be determined by the Board of Directors of the Community Club after consideration of current maintenance expenses and future needs of the Community Club. No such charge shall be made against or be payable by the Developer, the Community Club, or any corporation or corporations that may be created to acquire title to and operate those facilities presently being operated and maintained by the Community Club.

If the periodic dues are not paid when due, they shall bear interest at the rate specified in the Master Declaration from the date of delinquency. The periodic dues, if unpaid within thirty (30) days of their due date, shall become a lien upon the Unit. The acceptance of a deed to an Unit or the execution of a contract of sale for the purchase of an Unit shall be construed as a covenant on the part of the grantee or purchaser to pay the charge. The Community Club may publish a list of the delinquent members and may record a lien to secure payment of the unpaid dues plus costs and reasonable attorney fees. Such lien may be foreclosed at any time. In addition to the remedy of lien foreclosure, the Community Club

may sue for such unpaid charges, interest, costs and reasonable attorney fees. Each Unit Owner, whether he has legal or equitable title to the Unit, shall be conclusively held to have covenanted to pay all charges that the Community Club makes pursuant to this Supplemental Declaration and Master Deed, the Master Declaration, or the Community Club's By-Laws. Any Unit acquired is taken subject to the lien for any prior unpaid charges, except as provided for herein.

Upon request of any member, the Community Club shall furnish a certificate, in writing, signed by an officer of the Community Club certifying that charges on the specified Unit have been paid or remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the Community Club for the issuance of the certificates. Such certificates shall be conclusive evidence of payment of any charges which are stated as paid.

The lien of a mortgage or deed of trust, if a first lien on any Unit for construction and/or permanent financing and recorded in accordance with the laws of Tennessee, shall be from the date of recordation superior to any Community Club lien. A lien for common expenses assessments is not affected by any sale or transfer of an Unit, except a sale or transfer pursuant to the foreclosure of a mortgage shall extinguish a subordinate lien for assessments, which become payable prior to such sale or transfer. However, any such delinquent assessments which are extinguished pursuant to the foreclosure provision may be reallocated and assessed to all of the Units as a common expense. Any such sale or transfer pursuant to a foreclosure does not relieve the purchaser or transferee of an Unit from personal liability for, nor the Unit from the lien of, any assessments made thereafter.

The Board of Directors of the Community Club has the right to suspend the voting rights, if any, of a member and such member's right to use the properties owned, operated or maintained by the Community Club, (1) for any period during which such member's Community Club dues remain unpaid; (2) during the period of any

continuing violation of this Supplemental Declaration and Master Deed after the existence of the violation is declared by the Board of Directors of the Community Club; and, (3) during the period that any utility bill for water or sewer service rendered to the member remains unpaid.

The Association shall collect, in addition to its monthly assessment, the periodic dues for the Community Club which are all a part of the common expense. The lien of the Association and the lien of the Community Club to secure the payment of the annual dues shall be concurrent and on equal parity.

In addition to the aforementioned assessments, a contribution shall be made at closing to a non-refundable Working Capital Fund which shall be maintained by the Association or its designee. The amount of such contribution shall be equal to that regular assessment which would be charged by the Association over a two (2) month period. Such funds shall be maintained in an account for the sole use and benefit of the Association. The purpose of the fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advanced payment of regular assessments.

ARTICLE XIII

INSURANCE PROVISIONS

I. INSURANCE:

Unit Owners shall be responsible for purchasing, maintaining and insuring their furniture, appliances, and any other personal affects belonging to each Unit Owner which may be located in or about the Unit.

A. Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the insurable improvements within the Condominium Project, together with such other insurance as the Association deems necessary, for the interest of the Association, all Unit Owners and their mortgagees, as their interest may appear. The

amount of insurance shall be equal to the maximum insurable replacement value of the improvements as determined annually. The premiums for said coverage and other expenses in connection with said insurance shall be assessed against the Unit Owners as a part of the Common Expense. The named insured shall be the Board of Directors of the Association, or their designee, as trustee for the Unit Owners, without naming them, and as trustee for their mortgagees.

Provisions shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Insurance policies shall provide that payment for losses by the insurer shall be made to the insurance trustee, and all policies and endorsements on the policies shall be deposited with the insurance trustee. Notwithstanding the foregoing, the provisions of such insurance shall be without prejudice to the right of each Unit Owner to insure his own Unit for his benefit. Unit Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expenses.

B. Coverage:

(1) Casualty: All buildings and improvements upon the Property shall be insured in an amount equal to the maximum insurable replacement value. All personal property included in the Common Area shall be insured for its value. Insurance coverage shall be determined annually by the Association. Such coverage shall afford protection against:

- (a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;
- (b) Loss or damage by flood; and,
- (c) Such other risks customarily covered with respect to buildings similar in construction, location and use, including but not limited to, vandalism and malicious mischief.

(2) Public Liability: Public liability insurance shall be obtained in such amounts and with such coverage required by the Association. The amount of such insurance shall not be less than \$250,000.00, including but not limited to, hired automobile and

non-owned automobile coverages, and with cross liability and endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

(3) Worker's Compensation: Worker's compensation insurance sufficient to meet the requirements of the law shall be obtained.

(4) Fidelity Bond: The Association shall obtain a fidelity bond in an amount it deems reasonable to cover the misfeasance and/or malfeasance within the scope of their employment of any of its officers, directors, agents, or employees.

C. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

D. Insurance Trustee and Shares of Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees, as their interests may appear. Such policies shall provide that all proceeds covering property losses shall be paid to the Board of Directors as insurance trustee. The duty of the insurance trustee shall be to receive insurance proceeds, to make distribution of such proceeds as provided herein, and in the interim to hold such proceeds in trust for the benefit of the Unit Owners and their mortgagees in the following shares, which shares need not be set forth on the records of the insurance trustee:

(1) Common Areas: Proceeds on account of damage to Common Areas shall be held in undivided shares for each Unit Owner, each such share being in the same proportion as the undivided share in the Common Areas appurtenant to such Owner's Unit.

(2) Condominium Units: Proceeds on account of damage to Units shall be held in the following undivided shares:

(a) When the Building is to be restored - for the Owners of damaged Units in proportion to the cost of repairing the damage suffered by Unit Owner, which cost shall be determined by the Association.

- (b) When the Building is not to be restored - an undivided share for each Unit Owner, each such share being in the same proportion as the undivided share in the Common Areas appurtenant to such Owner's Unit.

(3) Mortgagee: In the event a mortgagee endorsement has been issued as to an Unit, the share of the Unit Owner shall be held in trust for the Unit Owner and the Mortgagee, as their interests may appear. No mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired. No mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except distributions made to the Unit Owner and mortgagee pursuant to the provisions of this Supplemental Declaration and Master Deed.

E. Distribution of Proceeds: Proceeds of insurance policies received by the insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(1) Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs of such reconstruction or repair. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, remittance to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of an Unit and may be enforced by such mortgagee.

(2) Failure to Reconstruct or Repair: If it is determined that the damage shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their mortgagees being made jointly to them. This is a covenant for the benefit of any mortgagee of an Unit and may be enforced by such mortgagee.

F. Association as Agent: The Association is irrevocably appointed Agent for each Unit Owner, each mortgagee or lien holder, and for each Owner of any other interest in the Condominium Project

to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

G. Notice of Insurance Coverage: In any legal action in which the Association may be exposed to liability in excess of insurance coverage, the Association shall give notice of the exposure within a reasonable time to all Unit Owners. Such Unit Owners shall have the right to intervene in the action and defend.

H. Inspection of Insurance Policy: A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit owners at any reasonable time.

I. Developer's Interest: All insurance purchased by the Association on behalf of the Unit Owners shall include the Developer, as its interest may appear, and the Developer shall share in the proceeds of any insurance payment.

II. RECONSTRUCTION OR REPAIR AFTER CASUALTY:

A. Damage or Destruction Occurring by Fire, Casualty or Other Unexpected Hazard During First Ten Years of Regime: Except as may be otherwise prescribed by Tennessee law, in the event of any damage or destruction to any part of the Condominium Project by virtue of fire, casualty, or other unexpected hazard which shall occur during the first ten (10) years of the Condominium Project (which shall be determined from the date this Supplemental Declaration and Master Deed is recorded), the Association shall forthwith cause such damage to be repaired and the Building or Buildings reconstructed and shall so apply any available insurance proceeds. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Association shall assess and the Unit Owners shall pay the costs thereof or deficiency in proportion to their percentage interest in the remainder, unless the damage was caused by the intentional or negligent act or omission of any Unit Owner, his family, guests, invitees, or lessees, in which event, the deficiency shall be paid by such Unit Owner and a lien

filed against his Unit in accordance with the provisions of this Supplemental Declaration and Master Deed if same is not paid within ten (10) days of submission of a bill by the Association.

B. Determination to Reconstruct or Repair: If all or any part of the Condominium Project shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in accordance with the applicable Tennessee law which is in existence as of the time such casualty occurs, and if not provided for by Tennessee law at such time, then in accordance with the following provisions:

(1) Common Areas. If the damaged improvement is a part of the Common Areas, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium Project shall be terminated. The Association shall cause such repair or reconstruction to be done and shall so apply all available insurance proceeds. If the repair or reconstruction is not covered by insurance, or if available insurance proceeds are insufficient, the Association may impose a special assessment and Owners shall pay such costs or deficiency in proportion to their respective interests.

(2) Lesser Damage. If a Building or Buildings are damaged or destroyed and the Board of Directors of the Association determines that fifty (50%) per cent of the total number of Units in the Condominium Complex are tenantable, the damaged Building(s) or Unit(s) shall be reconstructed, unless within sixty (60) days of such casualty, the Condominium Project is terminated. The Association shall cause such repair or reconstruction to be done and shall so apply all available insurance proceeds. If the repair or reconstruction is not covered by insurance, or if available insurance proceeds are insufficient, the Association shall impose a special assessment and Owners shall pay such costs or deficiency in proportion to their respective interests.

(3) Major Damage. If a Building or Buildings containing Units are damaged or destroyed and the Board of Directors

determines that less than fifty (50%) per cent of the total Units in the Condominium Project are tenantable, the damaged Building(s) and Unit(s) shall not be repaired and reconstructed, unless at least sixty (60%) per cent of the Owners vote to continue the condominium regime.

C. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the original design and plans of the Condominium Project.

D. Responsibility: If the damage is only to those parts of an Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

E. Estimates of Cost: Immediately after a determination is made to repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

F. Assessments: The amount of any deductible shall be assessed against all Unit Owners in proportion to their shares in the Common Areas, provided that the cost of such insurance was a common expense. If the proceeds of such assessments and of the insurance are not sufficient to defray the estimated costs of reconstruction and repair or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against the Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments shall be in proportion to the Owner's share in the Common Areas.

G. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held and funds collected from assessments against the Unit Owners, shall be disbursed by the Insurance Trustee in payment of such costs in the following manner and order:

(1) Association - Lesser Damage: If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than Five Thousand and no/100 (\$5,000.00) Dollars, then the construction fund shall be disbursed in payment of such costs by the Association; provided, however, that upon request by a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) Association - Major Damage: If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than Five Thousand and no/100 (\$5,000.00) Dollars, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect licensed in Tennessee and employed by the Association to supervise the work.

(3) Unit Owner: The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an Unit Owner shall be paid to the Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee jointly, who may use such proceeds as they may deem appropriate.

(4) Surplus: It shall be presumed that the first monies disbursed in payment of costs and reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Owners of the fund in the manner elsewhere stated; provided, however, that the part of a distribution to a beneficial Owner which is not in excess of assessments paid by such Owner into the construction fund shall not be made payable to any mortgagee.

H. If it is determined in accordance with this Supplemental Declaration and Master Deed that there shall be no reconstruction or repair of a Building (or any portion of a Building or Unit), then all debris shall be promptly removed and the property shall be cleared and restored to the condition that existed prior to the construction of the Building. The Association shall assure that said restoration shall be compatible with the surrounding areas. The Architectural Control Council for Cumberland Gardens, or other body exercising such function, shall have the right to approve the restoration. If the restoration does not meet the approval of the committee, the committee may require whatever additional action is reasonably necessary to restore the property to meet the approval of such committee. The Association shall be required to expend such funds and make such assessments against the Unit Owners as are necessary to fulfill the requirement of this paragraph.

ARTICLE XIV

USE AND OCCUPANCY

A. Residential Use Restriction: The Owner of a Unit shall occupy and use his Unit as a single-family dwelling for himself and the members of his family, his social guests, lessees, licensees, and invitees. Such designation shall not prohibit the Owner from renting his Unit to third parties through a rental management agreement with a property management firm. The Developer, so long as it continues to own and promote the sale of a Unit, shall be entitled to utilize Unit(s) as sales model(s) and to carry on such other activities in furtherance of its development plan as it deems appropriate.

B. Prohibited Acts: The Unit Owners shall not permit or suffer anything to be done or kept in any Unit which will increase the rate of insurance on the Condominium Project, or which will obstruct or interfere with the rights of other Unit Owners, or annoy them by unreasonable noises, or otherwise. Further, the Unit Owners shall not commit or permit any nuisance or any immoral or illegal act in or about the Condominium Project.

713

C. Restrictions on Alterations: The Owner of a Unit shall not cause anything to be affixed or attached to, or hung, displayed, or placed on the exterior walls, doors or windows of the Units, the Limited Common Areas or the Common Areas. The Owner of a Unit shall not grow any plant, shrubbery, flower, vine or grass outside such Owner's Unit. The Owner of an Unit shall not cause awnings or storm shutters, screens, enclosures and the like to be affixed to any Units, the Limited Common Areas, or the Common Areas. The Owner of a Unit shall not place any furniture or equipment outside the Unit, except on Limited Common Areas, or with the prior written consent of the Association. No clothes line or similar device shall be allowed on any portion of the Condominium Project, nor shall clothes be hung anywhere except where designated by the Association.

D. Use of Condominium Project: No person shall use any part of the Condominium Project in any manner contrary to the Rules and Regulations from time to time promulgated by the Association. All Unit Owners agree that by acceptance of a deed and/or use and occupancy of Units in the Condominium, that they will be bound by and subject to such rules and regulations as are duly adopted by the Board of Directors of the Association.

ARTICLE XV

MAINTENANCE AND ALTERATIONS

A. The Board of Directors of the Association may contract with any firm, person, or corporation, or may join with other condominium associations in contracting for the management, maintenance and repair of the Condominium Project and may delegate to the Contractor or Manager all such powers and duties of the Association not prohibited by law. Any contract entered into by the Association prior to passage of control of the Association from the Developer to the Unit Owners shall be terminable by either party upon ninety (90) days' notice to the other party, without cause or penalty. The contractor or manager may be authorized to determine the budget, make assessments for common expenses, and collect assessments, as provided by this Declaration, by the By-Laws, and by

Exhibits hereto. The Association, through its Board of Directors, has entered into a Management Agreement attached hereto as Exhibit "G" and incorporated herein by reference.

B. Each Owner of a Unit agrees:

(1) To maintain his Unit and all interior surfaces within his Unit (such as the surfaces of the walls, ceilings, and floors), whether or not a part of the Unit, Limited Common Area, or Common Areas, in good condition and repair, to maintain and repair the fixtures in his Unit and to pay for any utilities which are separately metered to his Unit.

(2) Not to make or cause to be made any structural addition, alteration, decoration, repair, replacement, or change to the Limited Common Area or Common Areas or to any outside or exterior portion of the Building, whether within a Unit or part of the Common Areas, without the prior written consent of the Association.

(3) To allow the Association, or the agent or employees of any Management Firm, to enter into any Unit for the purpose of maintenance, inspection, repair, replacement of the improvements within the Units, Limited Common Areas, or the Common Areas, to determine and correct in case of emergency circumstances threatening Units, Limited Common Areas or the Common Areas, or to determine compliance with the provisions of this Supplemental Declaration and Master Deed and the By-Laws of the Association.

(4) Not to display signs, advertisements or notices of any type or erect any exterior antenna, dish or aerials on the Common Areas, Limited Common Areas, or Units, except as consented to by the Association. The Developer may display any signs as it deems necessary to promote the sale of Units.

C. In the event the Unit Owner fails to maintain his Unit and Limited Common Areas as required herein or makes any alterations or additions without the required written consent of the Board of Directors, or otherwise violates or threatens to violate the provisions of this Supplemental Declaration and Master Deed, the Association shall have the right to proceed in a court of equity for

715

an injunction to seek compliance with the provisions contained herein. In lieu thereof and in addition thereto, the Association shall have the right to levy an individual charge against the Unit Owner for such necessary sums to remove any unauthorized addition or alteration and to restore the property to good condition and repair. The Association shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter a Unit at all reasonable times to do such work as the Association or Management Firm deems necessary to enforce compliance with the provisions of this Supplemental Declaration and Master Deed.

D. The Association shall determine the exterior color scheme of the Buildings, Limited Common Areas, and interior color scheme of the Common Areas. No Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto without the written consent of the Association.

E. The Association shall be responsible for the maintenance, repair, and replacement of the Common Areas, including but not limited to all property not required to be maintained, repaired and/or replaced by the Unit Owners. Notwithstanding the Unit Owner's duty of maintenance, repair, replacement and the other responsibilities as to his Unit as provided in this Supplemental Declaration and Master Deed, the Association, at its election, may enter into agreements to provide certain regularly scheduled Unit maintenance, pest exterminating, air conditioning service, and other services on behalf of the Unit Owners. Such agreements shall be entered into by the Association on behalf of and as agent for all Unit Owners on terms acceptable to the Association, in its sole discretion. The monthly assessment due from each Unit Owner for common expenses shall be increased by an amount necessary to pay for such services. The aforesaid assessment shall be deemed to be an assessment under the provisions of this Declaration.

ARTICLE XVI

LIMITED COMMON AREAS

Areas may be reserved for the use of certain Unit Owners to the exclusion of other Unit Owners. If so reserved, such

7/6

areas shall be designated as "Limited Common Areas". Such areas include, but are not limited to, the wooden decking, porch, steps, and maid's closet associated with each Unit. Any expense for the maintenance, repair or replacement relating to Limited Common Areas shall be paid for as part of the Common Expenses of the Association, unless otherwise specifically provided in this Supplemental Declaration and Master Deed or in an amendment thereto.

ARTICLE XVII

TERMINATION

A. If all Unit Owners and holders of all liens and mortgages affecting any of the Units execute and duly record an instrument terminating the Condominium Project, or upon any other termination of the Condominium Project, said property shall be thereafter owned in common by the Unit Owners. The undivided interests of each such Unit Owner in the property shall be identical to the undivided interest previously owned by such Owner in the Common Areas.

B. No Owner or other person or entity acquiring any right, title, or interest in an Unit shall seek or obtain through any legal procedures, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration of each successive ten-year period voted by a majority of Owners.

ARTICLE XVIII

MANAGEMENT AGREEMENT

Pursuant to the Management Agreement attached hereto as Exhibit "G", the Association has delegated to the Management Firm the power of the Association to determine the budget, make assessments for Common Expenses, and collect assessments. Each Unit Owner, his heirs, successors and assigns, by acquiring title to such Unit or executing a contract therefor, shall be deemed to:

(1) Adopt, ratify, confirm and consent to the execution of said Management Agreement by the Association;

(2) Adopt, ratify, confirm and approve each and every provision of said Management Agreement and acknowledge that all of the terms and provisions of such agreement are reasonable;

(3) Covenant and promise to perform each and every covenant, promise and undertaking to be performed by Unit Owners as provided in said Management Agreement;

(4) Recognize that some or all of the persons comprising the original Board of Directors of the Association are or may be stockholders, officers, and directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible ground to invalidate such management association, nor as possible grounds to invalidate such Management Agreement, either in whole or in part;

(5) Agree that the parties acting as directors and officers of the Association entering into such an Agreement have not breached any of their duties or obligations of the Association; and,

(6) Adopt, ratify, confirm and consent to the acts of the Board of Directors and officers of the Association in entering the Management Agreement.

ARTICLE XIX

ASSOCIATION PROPERTIES

All property acquired by the Association, real, personal or otherwise, shall be held for the use and benefit of all Unit Owners in the Condominium Project. The Developer also reserves the right, but has no obligation, to create recreational or park facilities adjacent to the Condominium Project, and convey such facilities to the Association, either singly or jointly with other such Associations, for the benefit of Owners in the Condominium Project and other regimes located in Cumberland Gardens.

ARTICLE XX
DEVELOPER'S RIGHTS

In addition to each and every right of the Developer as set forth in the Master Declaration and in this Supplemental Declaration and Master Deed, the Developer specifically reserves the following:

A. The right to use the Common Areas for the purpose of aiding in the sale of Units, including without limitation, the right to use portions of the Condominium Project for parking for prospective purchasers and such other parties as the Developer determines. The foregoing right shall include the right to display placards and to store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Areas.

B. The exclusive right to contract for or provide water service and sewerage disposal service to the Condominium Project and Unit Owners. Pursuant to the foregoing, the Developer may contract with an utility company which may include an utility district, property owners association, a municipal or governmental agency, a quasi-governmental authority, or a private company for the furnishing of said services. The Association and Unit Owners agree to pay the charges for utility service and to comply with all of the terms and conditions of such Agreement.

C. The right to grant such easements for utility service, drainage, pedestrian and vehicular traffic, or otherwise, as may be necessary or desirable for the use of the Condominium Project or to provide such utility service, drainage, pedestrian and vehicular access to other property owned by Developer. Developer expressly reserves a perpetual easement over all driveways and parking areas constituting a part of the Common Areas, plus over any other parts of Common Areas necessary or desirable to connect said driveways and parking ares with other driveways and parking areas within the boundaries of Cumberland Gardens. The location of the easement shall be selected by Developer, but shall not interfere with any Building or

Unit. Such easement shall be considered an easement appurtenant to land of Developer within Cumberland Gardens, to run with title to said land.

D. The Developer specifically reserves an easement for the purposes of installation, repair and replacement of utilities, including by way of example and not limitation, sewer, water and electricity.

ARTICLE XXI

MISCELLANEOUS PROVISIONS

A. The Unit Owners shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors, and ceilings surrounding their respective Units. The Unit Owners shall not own pipes, wires, conduits, or other public utility lines running between or through their respective Units which serve more than one Unit, all of which shall be a part of the Common Areas. Each Unit Owner, however, shall own non-loadbearing walls and partitions contained within the boundaries of that Owner's Unit. Each Owner shall also own the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, including plaster, paint, and wallpaper. All loadbearing walls, subflooring, floor joists and other flooring components other than the finished surface of loadbearing walls and all floors in each Unit, together with the roof of each Building, are Common Areas.

B. Each Unit Owner shall have an easement for ingress and egress over such streets, walks and other rights-of-way serving the Units within the Condominium Project necessary to provide reasonable access to public ways. Such easement shall extend to the guests, invitees, and licensees of the Unit Owner. In the event that any such easement(s) for ingress and egress is encumbered by any leasehold or lien other than those on the Units, such leaseholds or liens shall be subordinate to the use rights of any other Unit Owner.

C. Each Unit Owner shall have as an appurtenance to such Unit, a perpetual easement for ingress and egress to and from his Unit over stairs, terraces, balconies, walks and other Common Areas.

D. If any portion of an Unit, Common Areas, or Limited Common Areas encroaches upon another, a valid easement for the encroachment and the maintenance of same shall exist so long as the encroachment exists. In the event any of the Buildings is partially or totally destroyed and then rebuilt, the Owners agree that encroachments on parts of the Common Areas, Limited Common Areas, or Units due to construction shall be permitted. A valid easement for said encroachments and maintenance shall exist so long as such Building as rebuilt exists.

E. The Condominium Project is subject to all matters of record, the rights of the United States of America, the State of Tennessee, and any governmental authority or agency having jurisdiction over the Condominium Project. The Developer reserves to itself, its successors and assigns, such easements as it determines in its sole discretion may be necessary for use by any such governmental authority or agency in the exercise of its jurisdiction.

F. No Unit Owner may exempt himself from liability for contribution toward the Common Expenses by waiver of the use and enjoyment of an Unit, the Limited Common Areas, the Common Areas, recreational facilities, if any, or by abandonment of the Unit.

G. For the purposes of ad valorem taxation, the interest of the Owner in his Unit and the Common Areas appurtenant to such Unit shall be considered one parcel. The value of such parcel shall be equal to the percentage interest of that Unit in the entire Condominium Project. The total of all such percentages shall equal one hundred (100%) per cent of the value of all the land and improvements in the Condominium Complex.

Each Unit Owner shall be responsible for listing that Unit for the purpose of ad valorem taxes with the governmental officer or authority having jurisdiction over such matters. Each Unit Owner shall be responsible for the payment of taxes against that Unit.

H. All provisions of this Supplemental Declaration and Master Deed and any amendment hereto, shall be construed as covenants

running with the land. Every Unit Owner and occupant of the Condominium Project, or any part thereof, or of any interest therein, and his heirs, successors, and assigns, shall be bound by all of the provisions of this Supplemental Declaration and Master Deed, as amended from time to time.

I. Should it become necessary by the Developer, or the Owner or Owners, of Units in the Cumberland Point Condominiums to initiate legal action to enforce any provision of this Supplemental Declaration and Master Deed, By-Laws, rules and regulations adopted by the Board, or any other document governing the operation of Cumberland Point Condominiums and should said Developer or Unit Owners be successful in the prosecution of that suit against the Unit Owner who has violated the provisions of these documents, in addition to any damages awarded by the Court, the successful party shall specifically be entitled to recover its reasonable attorney fees.

J. If any of the provisions of this Supplemental Declaration and Master Deed, the By-Laws, the Articles of Incorporation, the Management Agreement, the Horizontal Property Act, or any section, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Supplemental Declaration and Master Deed, the By-Laws, the Articles of Incorporation, the Management Agreement, and the application of the Horizontal Property Act to any such provision, section, clause, phrase, or word, shall not be affected thereby.

L. Whenever notices are required to be sent hereunder, the same may be delivered to Unit Owners either personally or by mail, addressed to such Unit Owners at the place of residence on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any management firm shall be given by the affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary or the President of the Association. The change of the mailing address of any party specified herein shall not require an amendment to this Declaration.

Notices to the Developer shall be delivered by mail
at:

Renegade Limited Partnership
P. O. Box 95
Crab Orchard, Tennessee 37723

Notices to the initial management firm shall be
delivered by mail at:

Renegade Management Company, Inc.
P. O. Box 95
Crab Orchard, Tennessee 37723

Upon written request to the Association identifying
the name and address of any holder, insurer or guarantor of an
indebtedness secured by a mortgage on an Unit, and the Unit number or
address, any mortgage holder, insurer or guarantor of an indebtedness
secured by a mortgage on an Unit, will be entitled to timely written
notice of:

1. Any condemnation or casualty loss that affects
either a material portion of the project or the Unit securing its
mortgage.
2. Any sixty (60) day delinquency in the payment of
assessments or charges owed by the Owner of any Unit on which it
holds the mortgage.
3. A lapse, cancellation, or material modification
of any insurance policy or fidelity bond maintained by the owners
association.
4. Any proposed action that requires the consent of
a specified percentage of mortgage holders.

All notices shall be deemed received when mailed. Any
party may change his or its mailing address by written notice, duly
receipted for. Notices required to be given the personal
representatives or a devisee of a deceased Owner may be delivered
either personally or by mail to such party at his address appearing
in the records of the Court wherein the estate of such deceased Owner

is being administered. The change of the mailing address of any party, as specified herein, shall not require an amendment to this Supplemental Declaration and Master Deed.

M. Each Unit Owner shall be governed by and shall comply with this Supplemental Declaration and Master Deed, the By-Laws, and the Rules and Regulations of the Association. Failure to do so shall entitle the Association or any Unit Owner to recover sums due for damages or injunctive relief or both. Actions may be maintained by or against an Unit Owner or the Association in a proper case by or against one or more Unit Owners, and the prevailing party shall be entitled to receive reasonable attorney fees. Such relief shall not be exclusive or other remedies provided by law.

N. Whenever the context so requires, the use herein of any gender shall be deemed to include all genders. The use herein of the singular shall include the plural, and the plural shall include the singular. The provisions of this Supplemental Declaration and Master Deed shall be liberally construed to effectuate its purposes of creating an uniform plan for the operation of the Condominium Project.

O. The captions used in this Supplemental Declaration and Master Deed are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning contained herein.

P. Where a first mortgage, by some circumstance, fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, it nevertheless, for the purpose of this Supplemental Declaration and Master Deed, shall be deemed to be a first mortgage.

Q. Subject to the provisions of the Horizontal Property Act, the Developer specifically disclaims any intent to have made any warranty or representation in connection with the Condominium Project in any sales or promotional documents, except as specifically set forth, in writing, therein, and no person shall rely upon any warranty or representation not so specifically made therein. Maintenance fees, Common Expenses, taxes or other charges may vary

from time to time and no warranty, guaranty or representation regarding such matters is made or intended, nor may one be relied upon. The Developer makes no representations regarding the investment potential of condominiums in this Condominium Project, potential rental income and the potential for depreciation in value and authorizes no one, on its behalf, to make such representations.

R. The Association, by its execution of this Supplemental Declaration and Master Deed, approves the foregoing and all of the covenants, terms and conditions, duties and obligations imposed upon it by this Supplemental Declaration and Master Deed. The Unit Owners, by virtue of their execution of a Purchase Contract and/or acceptance of a deed to their Unit, and other persons by virtue of their occupancy of Units, thereby approve the foregoing and all of the terms and conditions, duties and obligations of this Supplemental Declaration and Master Deed, as amended.

ARTICLE XXII

PERSON TO RECEIVE SERVICE OF PROCESS

The Chairman or President of the Board of Directors, is hereby designated to receive service of process in any action which may be brought against or in relation to this Condominium Project.

ARTICLE XXIII

COMMON AREAS AND FACILITIES NOT SUBJECT TO PARTITION OR DIVISION

The Common Areas and Limited Common Areas shall remain undivided and no Unit Owner or any other person shall bring any action for partition or division of any part thereof, except as may be provided for in this Supplemental Declaration and Master Deed, or as may be required under the Act.

IN WITNESS WHEREOF, Renegade Limited Partnership, a
Tennessee limited partnership, has caused this instrument to be
executed in its corporate name by its Corporate General Partner, on
this 26th day of March, 1987.

RENEGADE LIMITED PARTNERSHIP, a
Tennessee limited partnership

BY: RENEGADE MANAGEMENT COMPANY,
INC., General Partner

BY 

CUMBERLAND POINT CONDOMINIUM
PROPERTY OWNERS ASSOCIATION

BY 

CUMBERLAND GARDENS COMMUNITY CLUB

BY 

State of Tennessee)
County of Cumberland)

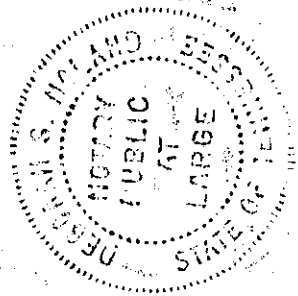
Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared

Heimer Schuster, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Vice-President of Renegade Management Company, Inc., a corporation, general partner for Renegade Limited Partnership, a Tennessee limited partnership, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as general partner by himself as such officer.

WITNESS my hand and signature on this 26th day of March, 1987.

Deborah S. Noland
NOTARY PUBLIC

My commission expires: 10-28-90



State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared

Thomas W. Mason, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be a Director of Cumberland Point Condominiums Property Owners Association, a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

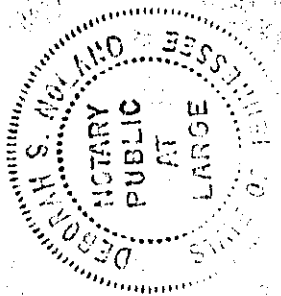
WITNESS my hand and seal of office on this 26th day of March, 1987.

Deborah S. Noland
NOTARY PUBLIC

My commission expires: 10-28-90

727

-40-



State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared

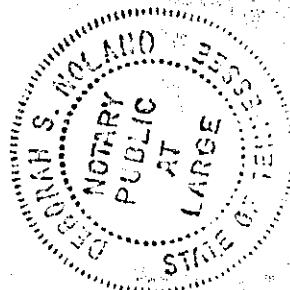
Thomas W. Mason, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to

be a Director of Cumberland Gardens Community Club, a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and seal of office on this 26th day of March, 1987.

Robert S. Noland
NOTARY PUBLIC

My commission expires: 10-28-90



Being a parcel of land located in the FOURTH CIVIL DISTRICT of Cumberland County, Tennessee and lying on the Northerly margin of a 50 foot wide right-of-way into Cumberland Point in Cumberland Gardens, said parcel being Phase 1 of the Cumberland Point plat and being more particularly described as follows:

BEGINNING at an iron pin set located at the intersection of the Northerly margin of Bush Head and the Northwesterly margin of 50 foot wide right-of-way into Cumberland Point;

THENCE, North 59° 06' 16" West, 138.13 feet to an iron pin set;

THENCE, North 09° 32' 38" West, 171.07 feet to an iron pin set;

THENCE, North 45° 02' 27" East, 256.93 feet to an iron pin set;

THENCE, North 62° 50' 16" East, 208.64 feet to an iron pin set common corner to Phase 2 of Cumberland Point;

THENCE, South 13° 57' 47" East, 201.32 feet along common line of Phase 2 to an iron pin set;

THENCE, 128.15 feet along a curve to the left having a radius of 564.80 feet and a chord bearing of South 44° 21' 44" West, and a chord distance of 127.87 feet along said right-of-way line to an iron pin set;

THENCE, South 38° 02' 46" West, 291.59 feet to the point of beginning, containing 113,265 square feet or 2.60 acres, more or less.

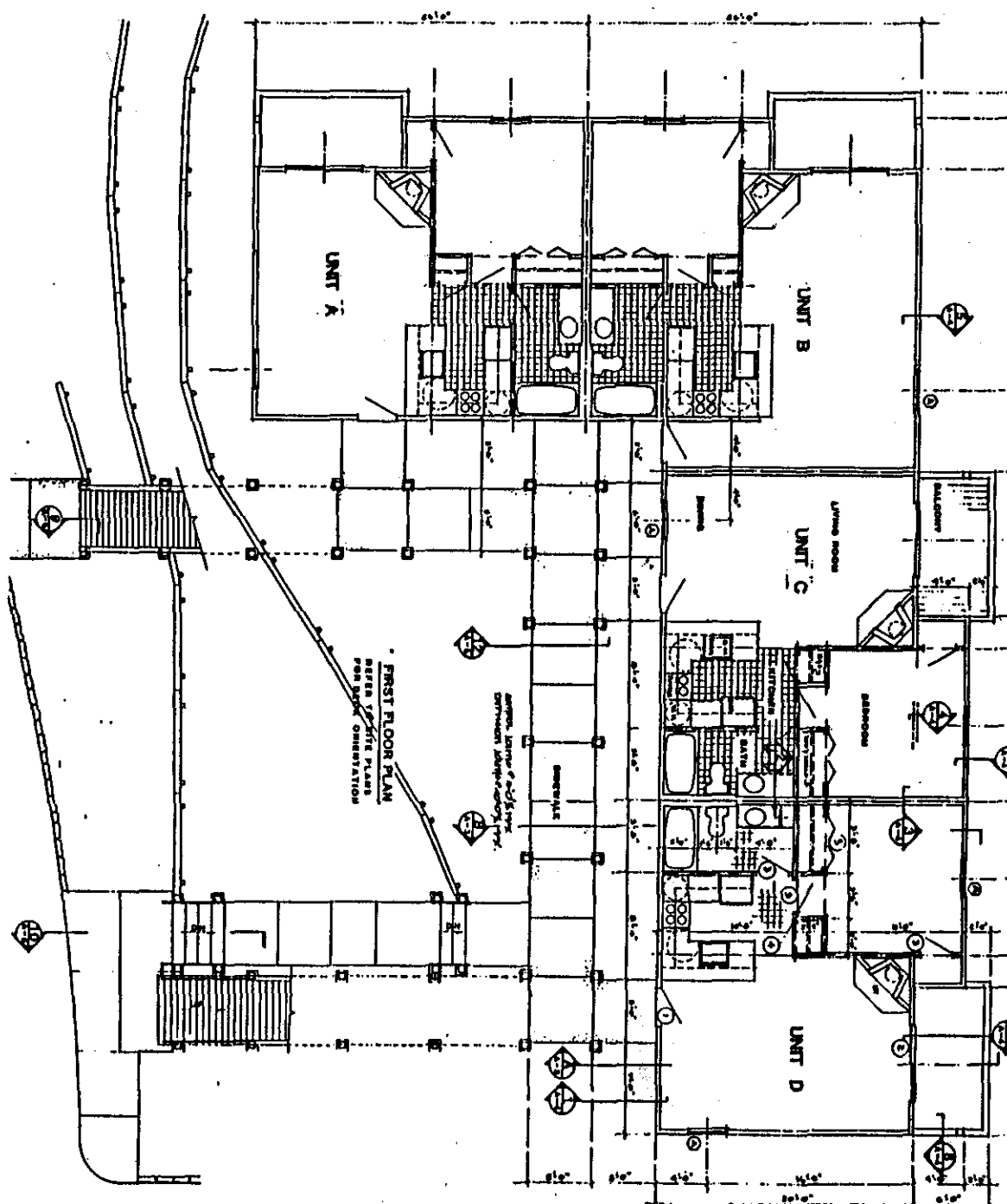
Being a parcel of land located in the FOURTH CIVIL DISTRICT of Cumberland County, Tennessee, and lying on the Northerly margin of Bush Head Road in Cumberland Gardens, said parcel being all of Cumberland Point plat and being more particularly described as follows:

BEGINNING at an iron pin set located at the intersection of the Northerly margin of Bush Head and the Northwesterly margin of Moy Toy;

THENCE, North 46° 50' 17" West, 125.86 feet along the Northerly margin of Bush Head to a set iron pin;
THENCE, North 87° 45' 50" West, 61.65 feet to an iron pin set;
THENCE, North 59° 06' 16" West, 138.13 feet to an iron pin set;
THENCE, North 09° 32' 38" West, 171.07 feet to an iron pin set;
THENCE, North 45° 02' 27" East, 256.93 feet to an iron pin set;
THENCE, North 62° 50' 16" East, 208.64 feet to an iron pin set;
THENCE, North 01° 28' 53" East, 111.91 feet to an iron pin set;
THENCE, North 12° 46' 33" West, 292.19 feet to an iron pin set;
THENCE, North 62° 14' 53" East, 434.05 feet to an iron pin set;
THENCE, South 88° 59' 01" East, 179.28 feet to an iron pin set;
THENCE, South 64° 05' 03" East, 238.09 feet to an iron pin set;
THENCE, South 30° 20' 04" East, 230.03 feet to an iron pin set;
THENCE, South 36° 18' 18" West, 293.79 feet to an iron pin set;
THENCE, South 63° 18' 54" West, 274.28 feet to an existing iron pin;
THENCE, North 40° 54' 22" West, 229.53 feet to an existing iron pin;
THENCE, South 27° 51' 43" West, 134.86 feet to an existing iron pin;
THENCE, South 43° 02' 16" East, 190.23 feet to an existing iron pin;
THENCE, South 27° 38' 14" West, 140.86 feet to an iron pin set;
THENCE, South 61° 54' 32" West, 119.32 feet to an iron pin set;
THENCE, South 47° 17' 34" West, 341.52 feet to the point of beginning, containing 689,889 square feet or 15.84 acres, more or less, and being subject to a 50 foot wide right-of-way for the purpose of ingress and egress and utilities and being described as follows:

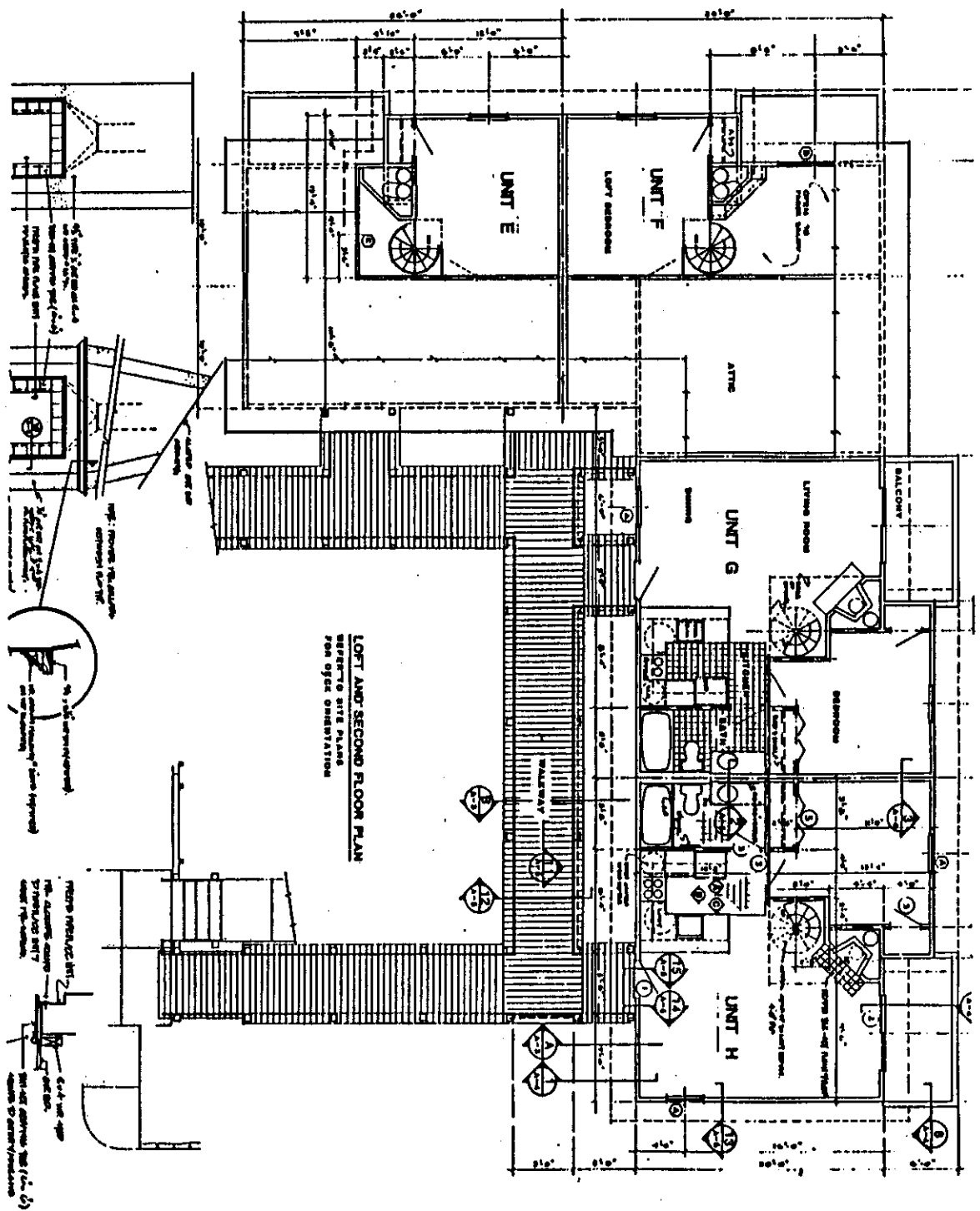
BEGINNING at a point in the North right-of-way line of Bush Head, point being 125.86 feet West of an iron pin, intersection of Bush Head and Moy Toy;

THENCE, North 87° 45' West, 61.65 feet to an iron pin set;
THENCE, North 38° 02' 46" East, 291.59 feet to an iron pin set;
THENCE, 128.15 feet along a curve to the right having a radius of 564.80 feet, and a chord bearing of South 44° 21' 44" East, and a chord distance of 127.87 feet to an iron pin set;
THENCE, North 50° 51' 42" East, 65.00 feet to an iron pin set;
THENCE, 70.22 feet along a curve to the left having a radius of 174.94 feet and a chord bearing of North 39° 21' 44" East, and a chord distance of 69.75 feet to an iron pin set;
THENCE, North 27° 51' 43" East, 214.69 feet to an iron pin set;
THENCE, South 62° 08' 18" East, 50.00 feet to an existing iron pin;
THENCE, South 27° 51' 43" West, 134.86 feet to an existing iron pin;
THENCE, South 27° 51' 27" West, 79.83 feet to an iron pin set;
THENCE, 90.30 feet along a curve to the left having a radius of 224.94 feet and a chord bearing of South 39° 21' 43" West, and a chord distance of 89.69 feet to an iron pin set;
THENCE, South 50° 51' 42" West, 65.00 feet to an iron pin set;
THENCE, 116.81 feet along a curve to the right having a radius of 514.80 feet and a chord bearing at South 44° 21' 44" West, and a chord distance of 116.55 feet to an iron pin set;
THENCE, South 38° 02' 46" West, 291.59 feet to the point of beginning, containing 37,803 square feet or 0.87 acres, more or less.



731

EXHIBIT "C"



732

BY-LAWS
OF
CUMBERLAND POINT CONDOMINIUM
PROPERTY OWNERS ASSOCIATION

ARTICLE I
APPLICATION AND DEFINITIONS

These By-Laws shall apply to all present and future owners, mortgagees, lessees or other occupants, and all other persons who may use the facilities of the Cumberland Point Condominium as presently platted or as may be platted in the future (hereinafter called the "Condominium"), with the mere act of occupancy of any of the units or property to signify that these By-Laws and all other of the Condominium documents, rules and regulations are accepted, ratified and complied with. All terms herein shall be considered to have the same definition as in the Declaration of Covenants and Restrictions recorded at Deed Book 124, page 5, et seq.; the Supplemental Declaration of Covenants and Restrictions, and Master Deed, recorded in Deed Book 333, page 688, et seq., (hereinafter collectively referred to as the "Declarations") and both of which are recorded in the office of the Register of Deeds for Cumberland County, Tennessee and the Articles of Incorporation of the property owners association of the above Condominium filed pursuant to the general corporation act of the State of Tennessee (hereinafter referred to as the "Act").

ARTICLE II
CUMBERLAND POINT CONDOMINIUM
PROPERTY OWNERS ASSOCIATION

Section 1 - Membership and Management: All owners of units within the above Condominium as now platted or as may be platted will be members of the Cumberland Point Condominium Property Owners Association (hereinafter referred to as the "Association"), which through its Board of Directors, shall have the responsibility of managing the Condominium or arranging for its management pursuant

733

EXHIBIT "E"

to a Management Agreement which has been, or will be, entered into between the Association and the Management Firm. All management duties may, unless prohibited by the "Declarations" or the "Act", be assigned to the Management Firm, or its successors, under said Management Agreement. Except as otherwise specifically provided, decisions required to be made by the members of the Association shall require approval of a majority thereof.

Section 2 - Place of Meeting: Meetings of the members of the Association shall be held at Cumberland Gardens in Cumberland County, Tennessee, or at such other suitable place convenient to the members as may be designated by the Board of Directors.

Section 3 - Annual Meeting: The annual meeting of the members of the Association shall be held on the first Monday in November of each year, commencing in November, 1987. At such meetings, members shall, by ballot, elect a Board of Directors of the Association for the ensuing year, and transact such other business of the Association as may properly come before the meeting.

Section 4 - Special Meeting: It shall be the duty of the President of the Association to call a special meeting of the members if directed to do so by resolution of the Board of Directors, or by a petition signed by a majority of the members. Notice thereof shall state the time, place and purpose of said meeting, and no business shall be transacted at any special meeting other than that stated in said notice, except by consent of no less than two-thirds (2/3rds) of the members present, either in person or by proxy.

Section 5 - Notice of Meeting: It shall be the duty of the Secretary to mail a notice of the annual meeting and each special meeting (stating the purpose of said special meeting) to each unit owner on record at least fifteen (15) days, but not more than thirty (30) days, in advance of each annual meeting, and at least five (5) days, but not more than ten (10) days, in advance of any such special meeting, such notice to be considered complete upon mailing.

Section 6 - Voting and Majority: Voting shall be on a percentage basis, with the percentage of the total vote of each

member to be the same as the percentage assigned to his interest in the "Condominium" as provided by the "Declarations". As used in these By-Laws, the term "majority" shall mean more than fifty (50%) percent of the total vote on the percentage basis hereinabove provided.

Section 7 - Quorum: Except as otherwise specifically provided herein, the presence in person or by proxy of members holding not less than ten (10%) per cent of the total vote of the "Condominium" as hereinabove provided shall constitute a quorum. In the event a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four (24) hours from the beginning day and time of the then meeting.

Section 8 - Proxies: Votes may be cast either in person or by proxy. Proxies shall be in the form determined from time to time by the Board of Directors, and must be filed with the Secretary at least five (5) days before the scheduled date and time of a regular meeting, or at least twenty-four (24) hours before the scheduled time of a special meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1 - Number and Qualifications: The Board of Directors of the "Association" shall consist of at least three (3) persons, all of whom must be unit owners, or officers of a corporate unit owner, or partners of a partnership unit owner, or spouses of an individual unit owner, or agents and/or employees of the developer.

Section 2 - Powers and Duties: The Board shall manage and control the affairs of the Association, select the officers thereof, establish committees thereof and appoint the members of said committees, adopt reasonable rules of order for the conduct of the meetings of the Association and have sole determination of procedural questions upon which no rules have been adopted, assign such duties

and responsibility to the committees as it considers desirable which are not inconsistent with these By-Laws or any other of the Declaration documents, adopt reasonable rules and regulations for the use of the units, common properties, and limited common properties, see to the maintenance of the units, common properties and limited common properties, and the operation of the units, common properties and limited common properties and the collection of assessments for that purpose, except to the degree that said duties and responsibilities have been, or may be, delegated to the Management Firm under the Management Agreement.

Section 3 - Election and Term of Office: The terms of the initial Board of Directors shall be as established by the Incorporator. At the expiration of the initial term of each Director, his successor shall be elected to serve a term of three (3) years. Each Director shall hold office until his successor has been duly elected and qualified. Pending the first election pursuant hereto, those persons named in the Articles of Incorporation of the Association shall serve as the initial Board of Directors. Cumulative voting will not be permitted in the election of the Board of Directors.

Section 4 - Meetings: The first meeting of the Board of Directors shall be held within ten (10) days following their election, at such place and time as they may determine by resolution at the meeting in which they were elected, of which no notice shall be required. Regular meetings of the Board may be held at such time and place as shall be determined by a majority resolution, at least two of which meetings shall be held during each fiscal year. Notices thereof shall be given to each member personally or by mail, telephone or telegraph at least ten (10) days prior thereto. Special meetings may be called by any two (2) Directors, notice of which shall be given to each member of the Board, in the manner above described, at least three (3) days prior thereof. Notice of any meeting may be waived prior to or at any meeting of the Board. Attendance at a meeting by a member of the Board shall constitute a

waiver of notice by him, unless he announces that his only purpose in attending said meeting is to object to its being held without proper notice. Any action which may be taken at a meeting may be taken without a meeting, in writing, signed by all members of the Board and filed with the Secretary of the Association.

Section 5 - Quorum: A majority of the members of the Board of Directors shall constitute a quorum to transact its business, and the act of a majority of the Directors present shall be deemed to be the act of the Board.

Section 6 - Vacancies and Removal: Any vacancy on the Board shall be filled by the remaining Directors, even though they might constitute less than a quorum. Any person so elected shall serve out the expired term of the vacant office. Any member of the Board of Directors may be removed with or without cause at any time by a vote of the members of the Association holding a majority of the votes cast at any regular meeting or any special meeting called for that purpose.

Section 7 - Fidelity Bond: The Board of Directors may require that any or all officers of the Association handling funds of the Association furnish a fidelity bond in an amount determined by the Board, the premium for which shall be paid by the Association.

Section 8 - Informal Action by Directors: Any action required to be taken at a meeting of the Board of Directors may be undertaken and consummated by the Directors without a meeting if all of the Directors of the corporation sign a consent in writing setting forth specifically the action so taken and agreeing that the same shall become effective without a formal meeting of the Board.

ARTICLE IV

OFFICERS

Section 1 - Designation, Election and Removal: The officers of the Association shall be a President, Vice-President, a Secretary, and a Treasurer, and such additional Vice-Presidents and

Assistant Secretaries and Assistant Treasurers as may be determined from time to time by the Board, all of whom shall be elected by the Board. Any two offices may be held by the same person, except the offices of President and Secretary. The officers shall be elected annually by the Board and shall hold office at the pleasure of the Board. Any officer may be removed, with or without cause, and his successor shall be elected by majority vote of the Board.

Section 2 - President: The President shall be the chief executive officers of the Association, and shall be a member of the Board of Director. He shall preside at all meetings of the Board of Directors and the members of the Association, shall have all of the general powers and duties usually vested in the office of President, including but not limited to, the power to appoint committees from among the Association's members from time to time as he may consider appropriate.

Section 3 - Vice-President: The Vice-President shall perform the duties of the President in the absence of the President, and perform such other duties as may from time to time be assigned to him by the Board of Directors.

Section 4 - Secretary: The Secretary shall keep minutes of all meetings of the Board and the members of the Association, have custody of the records of the Board and the Association, and perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the Board.

Section 5 - Treasurer: The Treasurer shall be responsible for the funds of the Association and for keeping full and accurate accounts of all receipts and disbursements and all other financial records of the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board, and for delivering to the Management Firm any and all funds owed by the Association to the Management Firm.

ARTICLE V
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each Officer and Director of the corporation now, or hereafter serving as such, shall be indemnified by the corporation against any and all claims and liabilities to which he has, or shall become, subject by reason of serving or having served as such Director or Officer, or by reason of any action alleged to have been taken, omitted or neglected by him as such Director or Officer; and the corporation shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability, provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence.

The amount paid to any Officer or Director by way of indemnification shall not exceed his actual, reasonable and necessary expenses incurred in connection with the matter involved.

The right of indemnification hereinabove provided shall not be exclusive of any rights to which any Director or Officer of the corporation may otherwise be entitled by law.

ARTICLE V
MORTGAGES

Section 1 - Notification: Any unit owner who mortgages his unit or his interest therein shall notify the Association through the Management Firm, or the President of the Board of Directors in the event there is no Management Agreement then in effect, of the name and address of his mortgagee, and the Association or Management Firm shall maintain a record of said mortgagees.

Section 2 - Notice of Unpaid Assessments: The Association or the Management Firm shall, at the request of any mortgagor of a unit, report any unpaid assessments due from its mortgagor.

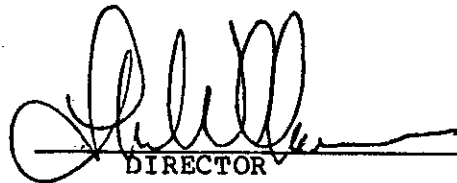
Section 3 - Rights of Mortgagees: All mortgagees shall have the rights granted to them by the Declaration, and nothing contained herein shall contravene said rights.

ARTICLE VI


AMENDMENTS

These By-Laws may be amended by the affirmative vote of unit owners having two-thirds (2/3rds) of the total vote of the Condominium, determined as hereinabove provided, or by majority vote of the Board of Directors.


These By-Laws are hereby adopted, accepted and fully ratified as the By-Laws of the Association of the Cumberland Point Condominium Property Owners Association, Inc. on this 26th day of March, 1987.



DIRECTOR



DIRECTOR



DIRECTOR

ARTICLES OF INCORPORATION

OF

CUMBERLAND POINT CONDOMINIUM PROPERTY OWNERS ASSOCIATION

ARTICLE I

NAME

The name of the corporation is CUMBERLAND POINT
CONDOMINIUM PROPERTY OWNERS ASSOCIATION.

ARTICLE II

DURATION

The period of duration shall be perpetual.

ARTICLE III

ADDRESS

The address of the principal office of the
corporation is P. O. Box 95, Cumberland Gardens, Highway 70 East,
Crab Orchard, Cumberland County, Tennessee 37723.

ARTICLE IV

TYPE

This corporation is not for profit.

ARTICLE V

PURPOSES

The purposes for which this corporation is organized
are:

1. To operate, manage, lease, maintain and repair Units,
replace furnishings and generally to administer the affairs of
owners of Units within the Cumberland Point Condominium as now
platted or as may be platted with respect to the use of the Unit,
occupancy of the Units and payment of expenses, and to have all
those powers enumerated in the Supplemental Declaration and Master
Deed for Cumberland Point Condominium ("Supplemental Declaration and
Master Deed") recorded or to be recorded in the Register's Office of
Cumberland County, Tennessee.

741

EXHIBIT "F"

2. To acquire, construct, establish, maintain and operate all designated limited common properties as shall be designated on any recorded plat of Cumberland Point Condominium within the Cumberland Gardens development, located in Cumberland County, Tennessee, and all limited common facilities existing thereon or which may be constructed thereon in the future.

3. To administer to all of the affairs of the members of the corporation which may be properly incident to the establishment, promotion and maintenance of civic, social, recreational and cultural interest within the Condominium Project identified in Article I, above.

4. To give effect to any valid conditions, covenants and restrictions of record, or which may be put of record, affecting Units, Common Areas, and Limited Common Areas as described and defined in the Supplemental Declaration and Master Deed; and to perform the functions, the duties, and exercise the powers of the Association as defined in the Supplemental Declaration and Master Deed, as amended from time to time; and, to exercise all powers which may be deemed by its officers and directors to be necessary to its objects and all powers which may reasonably be implied from the above language.

5. To buy, sell, lease, mortgage, pledge, encumber, own, hold, exchange, improve, develop, subdivide, contract regarding and otherwise deal in all kinds of real and personal property, tangible and intangible, and interests therein and borrow and lend money for the purposes provided in the preceding paragraphs of this Article.

6. To make contracts, incur liabilities, issue its notes, bonds and other obligations for the purposes provided in the preceding paragraphs of this Article.

7. To enter into a partnership, joint venture, trust agreement or any other business arrangement for the purposes provided in the preceding paragraphs of this Article.

8. To acquire, construct, establish, maintain and operate, individually or in conjunction with others, utility systems

for the use and benefit of the members of the corporation; and to apply for, obtain, register, purchase, lease or otherwise acquire and to hold, own, use, sell or dispose of any license, franchise, permit, or certificate of convenience and necessity for the purposes provided in the preceding paragraphs of this Article.

9. To exercise all powers which may be deemed by its officers and directors to be necessary to its objects and all powers which may reasonably be implied for the foregoing purposes, including, but not limited to the power to solicit, collect, receive, administer and disburse funds in such manner as will, in the sole discretion of the Board of Directors, most effectively operate to further the mutual benefit of the members as provided in the preceding paragraphs of this Article.

10. The Corporation may, insofar as permitted by law, establish, amend and enforce such regulations as may be necessary to promote the purposes for which this Corporation is organized, provided that any such regulation may not abrogate any condition, covenant or restriction imposed on any property by any covenants or restrictions of record.

ARTICLE VI

MEMBERSHIP OF CORPORATION

This Corporation shall have members, and such membership and voting rights incident thereto shall be subject to the By-laws of this Corporation and the Supplemental Declaration and Master Deed. Any person or other legal entity who hereafter owns or contracts to own any property interest in Cumberland Point Condominium within the Cumberland Gardens development in Cumberland County, Tennessee shall be a member of this Corporation. Membership shall terminate when no such property interest is owned or under contract to be owned.

ARTICLE VII

QUORUM

A quorum for any meeting of members of the Corporation, whether regular or special, shall consist of not less

743

than a majority of the total membership of the Corporation entitled to vote at such meeting, present either in person or by proxy, or as may be provided in the By-laws of the Corporation.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Corporation shall be managed and governed by a Board of Directors of not fewer than three (3), nor more than the number specified in the By-laws of the Corporation, as amended from time to time. The Board of Directors shall have full control over the affairs and business transactions of the Corporation, and may authorize the exercise of its corporate affairs. The Board of Directors shall have the authority to make, alter, amend and repeal the By-laws of the Corporation, subject to such limitations as may be imposed by law.

The principal officers of the Corporation shall be a President, Vice-President, Secretary and Treasurer and such other officers or agents as may be deemed necessary.

ARTICLE IX

INITIAL DIRECTORS

The number of persons constituting the initial Board of Directors of the Corporation shall be three (3). The following persons shall constitute the first Board of Directors and shall serve until the first election of the Board of Directors at the first regular meeting of the Association:

<u>NAME</u>	<u>ADDRESS</u>
1. John F. Gilbert	P. O. Box 95, Cumberland Gardens, Highway 70 East, Crab Orchard, Tennessee 37723
2. Thomas W. Mosser	P. O. Box 95, Cumberland Gardens, Highway 70 East, Crab Orchard, Tennessee 37723
3. Glenn McDonald	P. O. Box 95, Cumberland Gardens, Highway 70 East, Crab Orchard, Tennessee 37723

ARTICLE X

REGISTERED AGENT

The name and address of the Registered Agent for the corporation is Glenn McDonald and his address is P. O. Box 95, Cumberland Gardens, Highway 70 East, Crab Orchard, Tennessee 37723.

ARTICLE XI

POWERS

The general powers of the Corporation shall be all of the general powers conferred upon a corporation not for profit by the statutory and common law of the State of Tennessee including, but not limited to, the power of the corporation to enter into an agreement with Renegade Limited Partnership or a third party for the purpose of administering and managing the affairs of the corporation.

ARTICLE XII

DIVIDENDS AND DISTRIBUTIONS

There shall be no dividends or profits to any members of the Corporation, nor shall any part of the income of the Corporation be distributed to its Board of Directors, officers or members. In the event the Corporation shall have any excess of receipts over disbursements, such excess shall be applied toward future necessary expenditures of the Corporation. The Corporation may pay compensation in reasonable amounts to its members, Directors or officers for services rendered, may confer benefits on its members in conformity with its purpose and may make such payments to any management firm as is mutually agreed upon between the Corporation and the Management Firm for the performance of duties and services by the Management Firm. Upon final dissolution and liquidation, the Corporation may make distribution only in a manner consistent with its nonprofit status, as required by all applicable law, rules and regulations, whether promulgated by a taxing authority or otherwise. This Corporation shall issue no shares of stock of any kind or nature whatsoever.

745

ARTICLE XIII

CONFLICT

Membership in the Corporation, transfer of membership, the number of members of the corporation, and the voting rights thereof, shall be governed by the Supplemental Declaration and Master Deed and any amendment(s) thereto. In the event of conflict among the governing documents, the Supplemental Declaration and Master Deed shall control, then the Articles of Incorporation, and then the By-laws.

ARTICLE XIV

INDEMNIFICATION

The Board of Directors of this Corporation are authorized at any time, or from time to time, to approve indemnification of directors, officers, or other persons to the full extent permitted by the laws of the State of Tennessee at the time in effect, with respect to past, present or future transactions of this Corporation.

The undersigned natural person, having capacity to contract, hereby applies to the State of Tennessee for the Charter of Incorporation for the purposes and with the powers and provisions set out in the foregoing instrument.

WITNESS my signature on this the 26th day of March, 1987.



INCORPORATOR

746

MANAGEMENT AGREEMENT BETWEEN
CUMBERLAND POINT CONDOMINIUM PROPERTY OWNERS
ASSOCIATION AND RENEGADE MANAGEMENT COMPANY, INC.

This Agreement made and entered into on this 26th day of March, 19 87, by and between RENEGADE MANAGEMENT COMPANY, INC., a Tennessee corporation, hereinafter called the "Management Firm", and CUMBERLAND POINT CONDOMINIUM PROPERTY OWNERS ASSOCIATION, a Tennessee non-profit corporation, hereinafter called the "Association", which said terms shall be deemed to extend to and include the legal representatives, successors and assigns of the said parties hereto.

W I T N E S S E T H :

WHEREAS, the Association is responsible for the operation of those certain condominiums located in or to be located in the development known as Cumberland Gardens, which condominiums are referred to as the "Cumberland Point Condominiums", and/or the "Condominiums", and said Association is desirous of entering into a Management Agreement for the management of said condominiums; and,

WHEREAS, the Management Firm is desirous of furnishing such management services.

NOW, THEREFORE, for and in consideration of the mutual promises contained, it is agreed by and between the parties, as follows:

1. That the foregoing recitals are true and correct.
2. The Association does hereby employ the Management Firm as the exclusive manager of the Condominiums and the Management Firm accepts such employment.
3. (a) The term of this Agreement shall commence as of the date hereof and shall continue through for a period of five (5) years. Thereafter, it shall be automatically renewed for successive one (1) year periods until terminated by the Board of Directors of

747

EXHIBIT "G"

Association or by the Management Firm by notifying the other party, in writing, at least sixty (60) days prior to the renewal date that it will not renew this Agreement.

(b) Notwithstanding the above, as long as the Management Firm or the Developer has a voting majority in the Association, neither the Management Firm nor the Developer shall be entitled to vote at the meeting of the Association on whether or not this Agreement shall be continued.

4. Except as provided herein, or as may be specifically required by the Declaration or By-Laws, the Management Firm shall have all such powers and duties assigned to the Board of Directors of the Association as set forth in the Declaration and By-Laws as may be necessary for the purpose of managing the affairs of the Association.

5. The Management Firm shall maintain records sufficient to describe its services hereunder and such financial books and records shall be in accordance with generally accepted accounting standards so as to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the office of the Management Firm, and shall be available for inspection by an agent or agents employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree to. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external audit shall be required of it.

6. The Management Firm shall determine the budget as to the Condominiums for the ensuing year, setting forth the anticipated income and expenses for the year, and shall specify therein each unit owner's monthly share thereof. The Management Firm shall submit the proposed annual budget to the Board of Directors of the Association for its approval. Should a special assessment be required during the year, the same shall be submitted by the Management Firm to the Board

748

of Directors of the Association for approval. Upon approval of the budget and, if applicable, a special assessment, the Management Firm shall collect such assessments as provided in the Declaration and By-Laws.

7. The Management Firm shall use its best efforts to obtain the best price available for any service, material or purchase, as in the opinion of the Management Firm, are in the best interests of the Association. For any one item of repair, replacement or refurbishing, the expense incurred as to the Condominiums as a whole, shall not exceed the sum of Ten Thousand and no/100 (\$10,000.00) Dollars, unless specifically authorized by the Board of Directors of the Association, except however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property.

8. The Management Firm may cause a representative of its organization to attend meetings of the unit owners or of the Board of Directors of the Association; however, it is understood and agreed that the Minutes of all the Association's meetings shall be taken by the Association's Secretary, and possession of the Minute Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

9. The Management Firm shall promulgate, adopt, and amend rules and regulations as it deems advisable in its sole discretion for the use and occupancy of the limited common elements, restricted limited common elements, if any, units therein, and Association properities, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on as to same and shall employ the personnel required therefor as it determines in its sole discretion.

10. The Management Firm shall have sole discretion to determine the application of assessments collected which determination shall be made in the best interests of the Association.

749

The Management Firm, during the term of this Agreement, may file a lien against a unit owner's unit should he fail to pay his assessments as required and provided in the Declaration, and take such other action as provided in said documents, either in its name or as agent of the Association whose name appears at the end of this instrument. The Management Firm may compromise liens in such amounts as it deems advisable in its sole discretion, and it may satisfy liens of record and render statements as to the current status of a unit purchaser's assessments.

11. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the assessments due from unit owners.

12. It is specifically understood that the Management Firm does not undertake to pay expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, payments received from assessments or other revenue, if any, of the Association are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Firm that the assessments and other revenue, if any, of the said Association and its members are insufficient, the Management Firm shall forthwith determine such additional assessments as are required and advise the Board of Directors of the Association.

13. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association and its members. As compensation, fee or profit for its services hereunder, the Management Firm shall receive the following management fee:

- (a) A net fee, free from all charges and expenses equal to 10% of the per unit common expenses.

- (b) The Management Firm shall not be entitled to a fee based on any special assessments that may be required.

14. The Association shall not interfere nor permit, allow or cause any of the officers, directors or members to interfere with the Management Firm in the performance of its duties or the exercise of any of its powers hereunder.

15. The Management Firm shall not be liable to the Association and its members, for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will and do hereby indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the Condominium specified in the Declaration, from any cause whatsoever, unless such injury shall be caused by said Management Firm's own gross negligence or willful misconduct.

16. The Board of Directors of the Association, on behalf of its members, or the Management Firm, shall both have the right to assign this Agreement as herein set forth. The Association may assign its right, title and interest herein to another Property Owners Association operating and existing under the laws of the State of Tennessee and the Management Firm may assign its right, title and interest herein to another Management Firm. However, said assignment shall not be valid unless and until the Assignee thereunder expressly assumes and agrees, in writing, to perform each and every covenant and term of this Agreement. The Management Firm may also sub-contract all or any portion of its duties and powers under this Management Agreement.

17. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of this Agreement or of the Declaration and the Exhibits attached to said Declaration, shall not affect the validity of the remaining portions thereof.

18. If the Association, or its members, shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm, fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable attorney fees and costs incurred thereby. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute an election or a waiver of any other or additional remedy.

19. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of forty-five (45) days after written notice of default from the Association specifying the default complained of shall be grounds for the said Association's cancellation of this Agreement.

20. The Management Firm shall have the right, in its sole discretion, to suspend any unit owner and/or authorized user of the Association properties from the use of such Association properties for any infraction of the promulgated rules and regulations pertaining to said Association properties for a period not to exceed seven (7) days, for failure to abide by the rules and regulations promulgated from time to time for the use of such facilities, and during said period of suspension, there shall be no reduction in the assessments dues and payable from said unit owner, and/or authorized user.

752

21. Should a unit owner fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the unit owner and/or the authorized user the use and enjoyment of the Association properties until such time as all assessments are paid.

IN WITNESS WHEREOF, the parties hereunto set their hands and signatures, and have caused these presents to be signed respectively by their proper officers, this the 26th day of March, 1987.

RENEGADE MANAGEMENT COMPANY, INC.,
a Tennessee corporation

BY 

CUMBERLAND POINT CONDOMINIUM
PROPERTY OWNERS ASSOCIATION

BY 

State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared

Hinner Schuster, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Vice-President of Renegade Management Company, Inc., a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and signature on this 26th day of March, 1987.

Deborah S. Nalanch
NOTARY PUBLIC

My commission expires: 10-28-90

State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared

Thomas W. Mosser, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be a Director of Cumberland Point Condominium Property Owners Association, a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and signature on this 26th day of March, 1987.

Deborah S. Nalanch
NOTARY PUBLIC

My commission expires: 10-28-90

STATE OF TENNESSEE, CUMBERLAND COUNTY

Instrument and certificate were noted in Note Book 2, Page 305 At 10:15 O'clock AM April 2 1987
and recorded in Book 333, Series 688 Page 688 State Tax Paid \$ - Fee - Recording Fee 568.00 Total 268.00
Witness My hand,
Receipt No. 323

754

-8-

Judy Graham
Register
By: For Murray D.R.