

**AMENDED AND RESTATED DECLARATION  
OF HORIZONTAL PROPERTY REGIME,  
MASTER DEED AND BYLAWS  
FOR  
LAKESHORE TERRACE CONDOMINIUM  
FAIRFIELD GLADE, CUMBERLAND COUNTY, TENNESSEE**

This Amended and Restated Declaration of Horizontal Property Regime, Master Deed, and Bylaws for Lakeshore Terrace Condominium (hereinafter called the Declaration) is made on this the 8<sup>th</sup> day of September, 2006, by the affirmative vote of a majority of the votes cast by voting members of the Lakeshore Terrace Condominium Association.

**WITNESSETH:**

**WHEREAS**, Fairfield Communities Land Company, a Delaware corporation, by instrument dated May 29, 1973, entitled "Declaration of Horizontal Property Regime, Master Deed, and Bylaws" created the Lakeshore Terrace Condominium at Fairfield Glade, Tennessee, which Declaration of Horizontal Property Regime is filed of record at Deed Book 135, page 187, et seq., Register's Office, Cumberland County, Tennessee; and,

**WHEREAS**, the Board of Directors of the Lakeshore Terrace Condominium Association have submitted the following Amended and Restated Declaration of Horizontal Property Regime, Master Deed, and Bylaws (the Amended Declaration) to the membership for their consideration and adoption or rejection; and,

**WHEREAS**, the Amended Declaration has been adopted by the affirmative vote of the majority of the votes cast by the voting members of the Condominium Association in accordance with the Master Deed and Bylaws of the Association; and,

**WHEREAS**, the Lakeshore Terrace Condominium Association wishes to place of record a true and accurate copy of the Amended and Restated Declaration and Amended and Restated Bylaws as approved by its members.

**NOW, THEREFORE**, for and in consideration of the premises, the sum of One (\$1.00) Dollar, cash in hand paid, and other good and valuable consideration, the original Declaration of Horizontal Property Regime, Master Deed, and Bylaws filed of record in Deed Book 135, page 187, et seq., Register's Office, Cumberland County, Tennessee, is amended by deleting the same in its entirety and substituting therefor the following:

This instrument prepared by:  
LOONEY, LOONEY & CHADWELL, ATTYS  
156 Rector Avenue, Crossville, Tennessee 38555

**BK 1241 PG 2029**

DECLARATION OF HORIZONTAL PROPERTY REGIME

MASTER DEED AND BYLAWS

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LAKESHORE TERRACE CONDOMINIUM

FAIRFIELD GLADE

CUMBERLAND COUNTY, TENNESSEE

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KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Fairfield Communities Land Company, A Delaware Corporation, on this 29 day of May, 1973 hereby declares that it is the sole owner of the following described land situated in Cumberland County, Tennessee:

A tract of land described as beginning at an iron stake on the southern right-of-way of Peavine Road, State Plane Coord. N589,935.00, E2,327,028.00, said point being the point of beginning, thence, S35 degrees 00'00"W 222.48 ft. to a point on the Northern shore line of Lake Catherine: thence with the shore line of said lake as the same meander in a Northwesterly direction, the following courses and distances: thence S41 degrees 56' 50" W 65.45 ft; thence S59 degrees 00' 10"W 71.90 ft; thence S84 Degrees 58' 20"W 147.15 ft; thence N65 degrees 57' 00 " W 88.95 ft; thence N46 degrees 29' 30"W 83.45 ft; thence S59 degrees 13' 20"W 116.69 ft; thence N75 degrees 44'00"W 112.33 ft; thence N60 degrees 17'30"W 133.36 ft; thence N 21 degrees 44'40"W 75.27 ft; thence N04 degrees 14 ' 10 "E 172.30 ft; thence S68 degrees 02'40"W 120.58 ft; thence N75 degrees 12'00"W 99.97 ft; thence N27 degrees 56'40"W 112.40 ft; thence S72 degrees 16' 40"W 87.58 ft; thence N37 degrees 31'30"W 174.23 ft; thence S63 degrees 50'40"W 81.67 ft; thence N62 degrees 25'50"W 69.27 ft; thence S66 degrees 41' 30"W 111.48 ft; thence S86 degrees 22'40"W 178.91 ft; thence N70 degrees 22'00"W 83.12 ft; thence N87 degrees 22'30"W 126.00 ft; thence N40 degrees 32'28"W 106.23 ft; to an iron stake; thence N49 degrees 28'30"E 81.57 ft; thence N70 degrees 32'28"W 106.23 ft; 208.54 ft; to a point on the southern right-of-way of Peavine Road; thence, with said right-of-way the following courses and distances: Thence, S76 degrees 11'30"E 503.19 ft; thence S78 degrees 35'00"E 102.44 ft; thence S79 degrees 25'10"E 135.35 ft; thence S77 degrees 45'20"E 130.95 ft; thence S75 degrees 02'00"E 178.22 ft; thence S71 degrees 51'50 "E 196.65 ft; thence S69 degrees 38'00"E 315.10 ft; thence S65 degrees 52'10" E 122.91 ft ft; thence S63 degrees 43'03"E 275.56 ft. to the point of beginning, in all, containing 14.8 acres, more or less; said land being a part of the same property conveyed to Fairfield Communities Land company, by deed dated January 30, 1970, of record in Deed Book 97, page 262 et seq of the register's office of Cumberland County, Tennessee; which land is platted as Lakeshore Terrace Condominium and recorded in the office of the register of said county in Plat Book 5, Page 80; LESS AND EXCEPT oil, gas and other minerals,

Which land is subject to the Declaration of Covenants and Restrictions with Protective Covenants attached thereto which is recorded in Book 99, Page 370, et. Seq. And to the Supplemental Declaration of Covenants and Restrictions which is recorded in Book 129, Page 77 in the office of register for Cumberland County, Tennessee; and

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WHEREAS, said owner desires to create and establish a Horizontal Property Regime upon said land as provided for in Tennessee Acts of 1963, Chapter 124, known as the "Horizontal Property Act" and set forth in Tennessee Code Annotated (T.C.A.) Sections 64-2701 through 64-2722 as amended; and,

WHEREAS, Fairfield Communities Land Company declares that the following master deed sets forth the particulars enumerated in T.C.A. Section 64-2707 and includes a full and exact copy of the plans of the buildings incorporated into this Horizontal Property Regime, and the following Bylaws contain the provisions required by T. C. A. Sections 64-2711 and 64-2712;

NOW, THEREFORE, Fairfield Communities Land Company declares:

1. That a Horizontal Property Regime is hereby established upon said land which shall be called "Lakeshore Terrace Condominium", which shall be referred to hereinafter as "Condominium".
2. Unless it is plainly evident from the context that a different meaning is intended, the Words "apartment, co-owner, Council of Co-owners, general common elements, limited common elements, Majority of co-owners, master deed, person and property" shall have throughout this Declaration of Horizontal Property Regime, Master Deed and Bylaws the meanings stated in said "Horizontal Property Act" as amended.
3. That said owner has constructed or has under construction upon the above-described land this Condominium, which shall consist of the following described buildings, apartments, general and limited common elements:
  - (a). This Condominium shall be comprised of 142 apartments which are contained in 14 apartment clusters, each consisting of a single building, 4 buildings containing 14 apartments, 5 buildings containing 10 apartments, 3 buildings containing 8 apartments, and 2 buildings containing 6 apartments. The apartments in this Condominium shall be of 3 floor plans, which are described and identified by apartment numbers, as follows:
    - (A) Garden Apartments (one story): Apartment numbers 1, 10, 17, 26, 27, 36, 43, 52, 53, 60, 61, 74, 75, 84, 85 92, 93, 106, 107, 114, 115, 128, 129, 142, consisting of two bedrooms with closets, two baths, utility, mechanical, and linen closets, living-dining room, kitchen, two closets, fireplace with wood bin, and storage room, containing approximately 1,030 square feet of interior space, adjoined by 144 square feet of either deck or patio with a privacy wall.
    - (B) Town House (two story): Apartments numbers 3 through 8, 12 through 15, 19 through 24, 29 through 34, 38 through 41, 45 through 50, 55 through 58, 62 through 73, 77 through 82, 87 through 90, 94 through 105, 109 through 112, 116 through 127, and 130 through 141, consisting of two bedrooms with closets, bath, utility, mechanical, and linen closets, living-dining room, kitchen, three closets, and 1/2 bath, containing approximately 1073 square feet, adjoined by 128 square feet of either deck or patio with a privacy wall.

(C) Villa (two story) : Apartment numbers 2, 9, 11, 16, 18, 25, 28, 35, 37, 42, 44, 51, 54, 59, 76, 83,86, 91, 108, 113, consisting of two bedrooms with closets, one bath, utility, mechanical and linen closets, living-dining room, kitchen , two closets, storage room, and 1/2 bath , containing approximately 1105 square feet, adjoined by a 96 square feet second floor balcony, and 144 square feet of deck or patio.

(b) Each apartment shall be bounded by the exterior surfaces of the front and back walls, the center of party wall and/or building end walls, and the surfaces of the first floor and highest ceiling.

(c) Appurtenant to each apartment there shall be reserved, as limited common elements for the exclusive use of each respective apartment owner, the following:

(A) Garden and Villa Apartment: An area adjacent to and extending beyond the exterior rear wall of the apartment, a distance of 15 feet and across the width of the apartment, including the top surfaces of the patio or deck; also, the top surfaces of the carport and utility pad adjacent to and extending beyond the front of the apartment.

(B) Town House Apartment: An area adjacent to and extending beyond the exterior rear wall of the apartment a distance of 15 feet and across the width of the apartment, including the top surfaces of the patio or deck; also, the top surfaces of the utility pad extending beyond and adjacent to the front of the apartment.

(d) The arrangement and location of all apartment clusters and areas occupied by apartments described herein are shown on the plat attached hereto as Exhibit "A". All the remaining area of this Condominium shall be general common elements, except for the limited common elements described in paragraph 3 (c) above, and shall include parking areas, walkways, roadways, exterior lighting and dock area.

4. An exact copy of the plans of the buildings of this Condominium was attached to the original Declaration.

5. The total original value of this Condominium shall be \$2,913,800. The value of Each type of apartment is listed below. Opposite each apartment and the stated value thereof, the percentage of the total value of the Condominium represented by each apartment is stated:

Type Apartments (condominium)		Value	% of Total Value Per unit per type
Garden, lakefront	(14 units)	\$24,500	.8402
Town House, lakefront	(56 units)	\$19,500	.6687
Villa, lakefront	(12 units)	\$22,500	.7716
Garden, lake view	(10units)	\$23,950	.8213
Town House, lake view	(42 units)	\$18,950	.6499
Villa, lake view	(8units)	\$ 21,950	.7527

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Ownership of an apartment in this Condominium shall include an undivided interest in the general common elements of this Condominium corresponding to the percentage figures assigned above to each respective

apartment. The same percentage shall be used in calculating the expenses that shall be paid by each owner (co-owner) for operation of this Condominium. The respective dollar values of each apartment listed above are set forth for the sole purpose of determining the respective percentage interest of each owner and shall serve no other purpose. Nothing shall prevent each owner from fixing a different circumstantial value to his apartment in all types of acts and contracts, none of which shall have any effect upon the respective percentages set forth above.

6. An easement upon each co-owners' estate and interest in this Condominium is granted to for the benefit of all other co-owners and shall be construed as covenants running with the land, estates, and interests included in this condominium for the following purposes:

- (a.) For the installation, repair and removal of water, gas, telephone, electric and plumbing facilities or equipment.
- (b) For the repair or maintenance of any apartment, limited common elements or general common elements
- (c.) For the construction or modification of any part of the Condominium pursuant to provisions controlling such construction or modification as set forth in the Horizontal Property Act of 1963 or by the bylaws of this Condominium.

7. Each owner (co-owner) of an apartment in this Condominium shall use the same for private dwelling and no other purpose.

8. Each owner (co-owner) or his agent shall have the obligation to maintain and keep in good repair the interior surfaces, including interior surfaces of party and end walls, of the apartment owned or occupied by him, and shall also maintain and keep in good repair the balconies, decks, privacy walls and apartment grounds described in paragraph 3 (e) above reserved for his exclusive use, provided that no changes in the color, design, or motif of any exterior surfaces, landscape or structures may be made without written consent of the Board of Directors. The painting, maintenance and repair of all exterior apartment surfaces and general common elements shall be performed by the **condominium maintenance supervisor** as provided in the Bylaws of this Condominium and the association shall be reimbursed by any owner (co-owner) for costs of repairs and replacement required as a result of damages, beyond normal wear and tear, caused by negligent or willful acts of such co-owner or his agent.

9. Administration of this Condominium shall be in accordance with the provisions of the Horizontal Property Act of 1963, this Master Deed and Bylaws.

10. All present or future owners or their tenants, licensees or others who may use the facilities of this condominium are subject to and shall abide by the Horizontal Property Act of 1963, incorporated herein, this master Deed and Bylaws, and the mere use or occupancy of said facilities shall signify and be deemed acceptance and ratification of said provisions.

11. Each owner shall become a Regular Member of the Fairfield Glade Community Club pursuant to the Declaration of Covenants and Restrictions recorded in Book 99, Page 370 of the office of the Register for Cumberland County, Tennessee, and the Community Club Assessment for the Condominium, as set forth in certain written assurances of the Community Club Dated November 1, 1972, shall be paid by the Administrator as a Condominium expense and each apartment owner's share assessed equally.

12. Roadways upon the Condominium land are shown on the plat attached hereto as "Exhibit A". All of said roadways are dedicated to the general public. The Board of Directors of the Council of Co-owners shall have, among other powers defined in their Declaration and Bylaws, the power to apply for and approve acceptance of said roadways into the county road systems whereupon they would become subject to public maintenance.

13. Insurance provisions:

#### **I. INSURANCE**

The following provisions shall apply, except as to household furnishings, appliances, additions/extensions to units, upgrades to flooring, cabinets, bath or kitchen fixtures, doors, windows, decks or change/upgrade to the basic furnishings of any unit and personnel effects.

A. Purchase of Insurance: The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the units and common ground improvements (not limited common ground), together with such other insurance as the Association deems necessary in and for the interest of the Association, all Unit Owners and their Mortgagees, as their interest

may appear, in an amount which shall be equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Unit Owners as part of the common expense. The named insured shall be the association, individually and as Trustee for the Unit Owners , without naming them, and as Trustee for their Mortgagees as its interest may appear.

Provisions shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to the Mortgagees of Unit Owners. Such policies shall provide that payments for losses thereunder by the insurer shall be made by the insurer shall be made to the Insurance Trustee, and all policies and endorsements thereon shall be deposited with the insurance trustee. The Association's Board of Directors will have the sole discretion as to allocation of insurance proceeds for units which have been extended into the limited common areas. Notwithstanding the aforesaid, 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 expense.

#### B. Coverage

(1.) Casualty. All buildings and improvements upon the Condominium property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundatin and excavation costs, and all personal property included in the Common Elements shall be insured for its value, all as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Condominium Parcel, 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 as shall be required by the Board of Directors of the Associaiton, which amount shall

not be less than \$1,000,000.00, including but not limited to hired automobile and non-owned automobile coverage, and with cross liability and endorsements to cover liabilities of the Unit Owners as a group to the Unit Owners.

(3) Worker's Compensation policy to meet the requirements of law.

(4) Such Other Insurance as the Board of Directors of the Association shall determine from time to time desirable.

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, and shall provide that all proceeds covering property losses shall be paid to the Board of Directors Trustee. The duty of the Insurance Trustee shall be to review such proceeds as are paid, to make distribution of such proceeds as is elsewhere 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 Elements. Proceeds on account of damage to Common Elements, An undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

(2) Units. Proceeds on account of damage to Units shall be held in the following undivided shares, allocated on the basis of original value as outlined in Item five (5) page three of this document.

(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 each 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, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

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(3) Mortgagees. In the event a mortgage endorsement has been issued to a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner as their interests may appear; provided, however, that 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, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Unit Owner and/or Mortgagee pursuant to the provisions of this Declaration.

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) Expense of the Trust. All expenses of the Insurance Trustee be paid first or provision made therefor.

(2) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners. Remittance to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(3) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

(4) Certificate. In making distribution to Unit Owners and their Mortgagees, the insurance trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners and their respective shares of the distribution.

F. Association as Agent. The Association is hereby irrevocably appointed Agent for each Unit Owner and for each owner of a mortgage or lien upon a Unit and for each owner of any other interest in the Condominium Property 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 protecting it and the Unit Owners the Association will give Notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall have the right to intervene 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 reasonable times.

## II. RECONSTRUCTION OR REPAIR AFTER CASUALTY

A. Damage or Destruction Occurring by Fire, Casualty or Other Unexpected Hazard During First Forty Years of Regime: In the event of any damage or destruction to a Unit or a building by virtue of a fire, casualty or other unexpected hazard which shall occur during the first forty years of the Condominium Project (which shall be determined from the date of the recording of this Declaration), the Association shall forthwith cause such damage to be repaired 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 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 Declaration if same is not paid within ten days of submission of a bill by the Association.

B. Fire, Casualty or Other Unexpected Hazard Subsequent to the First Forty Years of the Regime: If any part of the Condominium Project property shall be damaged by casualty subsequent to the first forty years of the regime (which shall be determined from the date of the recording of this Declaration) whether or not the Condominium Project property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium Project shall be terminated.

(1) Common Element. If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium

(2). Condominium Units.

(a) Lesser Damage – If the damaged improvement is a building or buildings containing Condominium Units, and if Units to which

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50% of the Common Elements are appurtenant are found by the Board of Directors of the Association to be tenantable, the damaged property shall be reconstructed or repaired unless within 60 days after the casualty, it is determined by Agreement in the manner elsewhere provided that the Condominium shall be terminated.

- (b) Major Damage – If the damaged improvement is a building or buildings containing Condominium Units, and if Units to which more than 50% of the Common Elements are appurtenant are found by the Board of Directors to be not tenantable, then the damaged property will not be reconstructed or repaired and the Condominium will be terminated without agreement as elsewhere provided, unless within 60 days after the casualty, the owners of 60% of the Common Elements agree in writing to such reconstruction or repair.

(2) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

B. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building or buildings, a complete copy of which will be maintained on file with the Association.

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

D. Estimates of Costs: Immediately after a determination is made to rebuild or 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.

E. Assessments: The amount by which an award of insurance proceeds to the Insurance trustee is reduced on account of a deductible clause in an insurance policy shall be assessed against all Units Owners in proportion to their shares in the Common Elements. If the proceeds of such assessments and of the insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during 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 the case of damage to Common Elements, in sufficient amounts

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to provide funds for the payment of such costs. Such Assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such Assessments on account of damage to Common Elements shall be in proportion to the Unit Owner's share in the Common Elements.

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

(1) Association. If the total assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the sums paid upon such Assessments shall be deposited by the Association with the Insurance Trustee.

(2) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the insurance trustee by the Association from collections of Assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(a) Association – Lesser Damage – If the amount of the estimated costs of construction and repair which is the responsibility of the Association is less than \$10,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee 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 hereafter provided for the reconstruction and repair of major damage.

(b) Association – Major Damage – If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00. the the construction fund shall be disbursed in payment of such cost in the manner provided by the Board of Directors of the Association or upon approval of an architect qualified to practice in Tennessee and employed by the Association to supervise the work.

(c) Unit Owners – The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner within a Unit shall be paid by the insurance trustee to the Unit Owner and his mortgagee, in the event there is a mortgage endorsement as to such Unit.

(d) 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, except, 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.

(e) Certificate – Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Unit Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by Unit Owners. Instead, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided, that when a Mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the Mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that if the Association or a Mortgagee which is the beneficiary of an insurance policy, the proceeds of which are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

G. No Reconstruction Required: In the event it is determined in accordance with these Articles that there shall be no reconstruction or repair of a building or a Unit or any portion thereof, then all debris shall be promptly removed and that property shall be cleaned and restored to its original condition and maintained thereafter in its original condition as it existed prior to the construction of any building

thereon; and, the Association shall assure that said restoration shall be compatible with the surrounding areas. The Association shall be required to expend such funds and make such assessments against the Unit Owners as necessary to fulfill the requirements of this paragraph. Nothing herein shall be construed to mean that ultimate reconstruction on the property shall be prohibited.

**BK 1241 PG 2042**

RESTATED  
BY-LAWS  
LAKESHORE TERRACE CONDOMINIUM  
ASSOCIATION, INC.

FAIRFIELD GLADE, TENNESSEE

ARTICLE 1

Name

a. **The name of this association is Lakeshore Terrace Condominium Association, a Tennessee non-profit corporation.**

b. The provisions of these by-laws are applicable to the project described in the Declaration of Horizontal Property Regime and Master Deed recorded in Deed Book D460 Page 271-277, Notebook 8 Page 658 at the Cumberland Count Courthouse in Crossville, Tennessee.

c. All present or future co-owners, tenants or their employees, or any other person that might utilize the facilities of the project in any manner, are subject to the regulations set forth in these by-laws and any acquisition or rental of any of the apartments of the project or the mere act of occupancy of any of said apartments will signify that these by-laws are accepted, ratified, and will be complied with.

ARTICLE II  
Definitions

The following terms as used in these By-Laws are defined as follows:

a. **Association means Lakeshore Terrace Condominium Association, a Tennessee non-profit corporation.**

b. **The Board of Directors or "Board" is the group of persons elected to regulate the business and affairs of the Association pursuant to these By-Laws.**

c. **Common Areas shall mean any and all real or personal property and easements and any interest therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of its members.**

d. **Fairfield Glade Communities Club ACC shall mean Architectural Control Committee of Fairfield Glade Communities Club..**

e. **Member means those persons having membership privileges in the Association in accordance with the provisions of these By-Laws and the Master Deed as well as other organizational documents governing the Association.**

**f. Fees and assessments shall mean any fees, assessments, penalties, fines, citations, late charges, interest, attorney's collection fees, costs of collection, legal costs of litigation, special assessments, fees and all other charges levied pursuant to the authority granted in these By-Laws, the Master Deed and other organizational documents.**

**g. Lessee or Tenant means a person or persons entering into a written or oral lease of a member's unit.**

**h. Guest means any invitee of a member or a lessee of a member.**

**i. Good Standing as used herein shall be construed to mean full payment of fees and assessments as herein defined and in compliance with these By Laws including but not limited to the obligations set forth in ARTICLE IV, SECTION 5 thereof.**

**j. Designee(s) means a person(s) appointed by the Board to perform administrative duties, to supervise the maintenance of the grounds, to enforce the By Laws, membership adopted policies and the Rules and Regulations of the Association.**

**k. Approval by the Board means a majority of all board members .**

**l. The Declaration of Horizontal Property Regime "Master Deed" and "By Laws" are the original documents filed when the property was developed. The By Laws were subsequently amended in November of 1993. The Master Deed defines the location, type of unit constructed, types of units, basis for common cost allocation, easements, restrictions of use, owner obligation for maintenance, insurance coverage, road use and other related areas. The By Laws define how the property is to be managed by the board of directors, owner restrictions/ obligations and rights and the process for administrative actions relating to the management of the facilities. The Master Deed and By Laws are filed in the Cumberland County Courthouse at Crossville, Tennessee in Deed Book D460 Page 271-277, Notebook 8 Page 658.**

**m. Judges of Election are the persons designated to administer the election of board members in accordance with the by laws.**

### **ARTICLE III Purpose**

**SECTION I. Purpose. It is the intention of members to associate for the following primary purposes:**

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a. to promote and assist in the establishment, care and maintenance of improvements to the common property and facilities of any kind dedicated to the use and enjoyment of the Association which now exist or which may hereafter be installed or constructed.

b. to regulate the use, restoration, replacement, maintenance, repair and modification of common property and the exterior of the buildings/units.

c. to assist and cooperate with the owners for the purpose of promoting and maintaining the natural beauty of the physical environment so that the value of the property will not be impaired or adversely affected by nuisances or other property conditions detrimental to the health and welfare of the members and to take such action as may be desirable and necessary to prevent or abate such conditions as may be consistent with the By-Laws, the Covenants, and applicable law.

d. to exercise any and all rights, privileges and authority that may be delegated to the Board of Directors from time to time by the members of the Association.

e. to do everything, in general, that is necessary and proper for the accomplishment of the purposes herein above set forth.

#### **ARTICLE IV Membership**

**SECTION 1. Classes of Membership.** There will be one class of membership.

**SECTION 2. Qualifications of Membership.** Every person who is the owner of a unit whether by contract of sale, intestacy or judicial decree shall be entitled to the privileges of membership in the Association and be subject to such responsibilities and obligations as herein set forth and to such notice, franchise and other benefits of members as hereinafter provided. Where any unit is owned by more than one individual, each of such owners shall collectively constitute one membership.

**SECTION 3. Membership Status.** Upon payment to the Association of the fees and assessments as established by the Board of Directors, or otherwise, upon all owners generally, including payment of any arrearage of fees and assessments attributable to the member's unit, whether or not incurred by the present owner, payment to the Association of any capital contributions generally set to affect all members upon receipt to the Association of a copy of the document vesting title in the member, the Board's designee shall designate the unit owner as a member in the records of the Association; and issue to the member such proof of membership as specified by the Board of Directors. Such proof of membership shall be non-assignable and shall be surrendered to the Association upon termination of membership for any reason.

**SECTION 4. Privileges of Membership. Members of the Association and their immediate families shall be given the privilege to use the properties and facilities of the Association's Common Areas in common with other members subject to the member's compliance with the obligations of membership as herein set forth, and the regulations adopted by the Board of Directors and to the payment of such fees and assessments as the Board of Directors may set. Privileges to use Association facilities may also be extended by the Board of Directors to the guests and residential lessees of members subject to such regulations the Board of Directors may adopt and upon payment of such dues and assessments as it may set.**

**SECTION 5. Obligations of Membership. The duties imposed upon members shall be as follows:**

**a. payment of Association fees and assessments including without limitation all fines and payment of such other charges as herein defined in Article II, subsection f as the Board may set;**

**b. responsibility for all damages, fees and assessments, fines, citations, late charges, or any other charges attributable to the member, his or her family, his or her guest lessee, tenant and invitee;**

**c. compliance by the member, his or her family, his or her guest, lessee, or tenant with the By Laws, Rules and Regulations, and Construction Code of the Association, and**

**d. responsibility for the obligations of both the legal and equitable owners of units and the owner(s) will be jointly and severally liable for the and sums due and arising under this SECTION 5. Payment for expenses and reserve funding will be allocated to the units of the association on a pro-rata basis as required by the Master Deed and other organizational documents. The original basis for this allocation is outlined in the Master Deed that was filed at origination. Expenses from which each owner benefits equally will be paid equally and include water, community club dues, sewer, refuse removal, etc. as determined to be appropriate.**

**e. maintaining units shall be utilized for residential purposes only**

**f. submission of monthly payments, by check or bank draft each month by the 10<sup>th</sup> (tenth) day of the month for the amount due to the association for all fees as determined by the board of directors. Late payments will be subject to a late fee penalty.**

ARTICLE V  
Meetings of Members

SECTION 1. Annual Meetings. Annual meetings of the members for the election of Directors and for other business shall be held on the second Saturday in October. Notice of the Annual Meeting shall be mailed no later than thirty (30) days prior to the date of the meeting.

SECTION 2. Special Meetings. Special meetings of the members may be called by the President and the Board by resolution of the Board. **A special meeting may be called upon the written petition of twenty percent (20%) of the members . Such petition shall set forth the purpose of the special meeting. Upon receipt of the petition it shall be the duty of the Board's designee to verify the signatures on the petition; when satisfied as to the authenticity of the signatures, the President shall fix a weekend date for such meeting no sooner than thirty (30) days and not more than sixty (60) days after receipt of the request. A written notice of this meeting will be mailed to all members and denote the specific time, place and purpose of the meeting.**

SECTION 3. Regular Meetings. Regular meetings of the Board and members will be held in January, April, July, and October, the month of the Annual Meeting. If a meeting of the members is held without a quorum of Board members, nothing can be voted upon.

SECTION 4. Place of Meeting. Meetings shall be held at a place convenient to the members as designated by the Board.

SECTION 5. Notice of all Meetings regular and special. Written notice of the date, time, place and general nature of the business to be transacted at meetings of the members shall be delivered by mail or e-mail **(with the members approval)** to each member at their recorded address at least thirty (30) days prior to the date of the meeting. The President may instruct the Secretary or their designee to send one notice of date, time, place for all regular meetings of the members.

SECTION 6. Adjournments. **Adjournments of any regular or special meeting may be taken, but any meeting at which directors are to be elected shall be adjourned only from day to day or for such longer period not exceeding fifteen (15) days.**

ARTICLE VI  
Voting Rights

SECTION 1. Voting Rights. Voting shall be on the basis of one vote per unit. **In the event any unit is owned jointly, the joint owners shall be entitled collectively to one (1) vote, which may be cast by any one of the owners, unless objection is made by another of the owners before the vote is cast; in which case one owner must be shown to be the designated voting member by a writing signed by the other co-owner(s). If the co-owner(s) cannot agree on the designated voting member or if no**

**signed writing exists designating the voting member, then the person whose first name appears in alphabetical order shall be the voting member.**

**SECTION 2. Members of Record. Persons designated as members in good standing on the membership book on the sixtieth (60th) day prior to any meeting of the members shall be entitled to vote.**

SECTION 3. Voting. Every member or designated voting member, if the unit is owned jointly, in good standing is entitled to vote either by ballot or by proxy, as provided herein. The Board of Directors shall promulgate rules and regulations governing the conditions and administration of the election of directors, and the graphic design of the ballot and proxy. See Article VII.

SECTION 4. Quorum. A quorum shall consist of fifty-one percent (51%) of the members in good standing.

ARTICLE VII  
Board of Directors.

SECTION 1. Composition. The Association shall be governed by a Board of Directors composed of five (5) members in good standing. Two or more owners, of one unit, may not be on the Board at the same time. Each director is entitled to one (1) vote at every "directors" meeting.

SECTION 2. Term of Office and stagger of expiring terms. Election shall be held at the Annual Meeting of the members to fill expiring positions on the Board. **A director may serve two (2) terms of three years each. A director may run for office again one year After his sixth year ended. Directors may serve no more than nine (9) years.**

**In order to maintain board stability the terms of members shall expire such that for each of two years, two members terms expire and the third year one members term expires.**

SECTION 3. Powers and Duties. The Board of Directors shall have powers and duties necessary for the governing of the affairs of the Association and may do all such acts and things as are not by law or by these by-laws directed to be done and exercised by the members. In addition thereto, the Board shall have the following included powers and duties, but are not limited to the ones listed:

**a. to designate (1) banking institutions as depositories for the Association's funds; and (2) the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association;**

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**b. to borrow money for the Association in the aggregate amount of twenty five thousand dollars (\$25,000) for normal operations. Any amount in excess of the above amount shall be subject to approval by the members by a vote of the simple majority of the members in good standing by written ballot or proxy.**

**c. to adopt and approve an operating budget consistent with law, to fix the annual fees and assess the same against members in such fair and equitable proportions and amounts as shall from time to time be deemed necessary to the proper functioning of the Association, including use of Association property and facilities, and assure that the proposed budget shall be presented for review and comment by the members at an annual or special meeting of the Association, prior to the approval of the budget;**

**d. to levy and/or enforce the collection of all dues, assessments, special assessments, fines, and other charges of whatever nature, together with any money due the Association by any lawful manner;**

**e. to provide care and upkeep of the association and the common areas and facilities;**

**f. to hire and dismiss the personnel necessary for the effective administration of the purposes of the Association;**

**g. to promulgate such rules and regulations necessary for the effective administration of these By-Laws;**

**h. to adopt reasonable rules and regulations as it may deem advisable for the use, operation, maintenance, conservation and beautification of the Common Areas and for the health, comfort, safety and general welfare of the members;**

**i. to take such action as it may deem desirable to preserve or further the Association's purposes.**

**j. to commit to contract(s) or expenses, of any reasonable amount, with the approval of a majority of the members of the board. A written signed commitment or contract must be filed for the records of the association. A board resolution will be completed for any commitments over \$2000.00 outlining the necessity of the expenditure.**

**k. to adopt rules and regulations in the areas of (1) regular use restrictions (2) rental of condominium units and the conduct of renters and (3) detailed construction standards.**

**SECTION 4. Vacancies.** Vacancies on the Board shall be filled by vote of the majority of the remaining directors from the membership. **The appointed director shall fill the remainder of the term created by the vacancy.**

**SECTION 5. Removal of Directors.** The Board may declare vacant the office of a Director if facts arise concerning said Director which would render him initially ineligible for membership in the Association or on the Board; or in case of fraudulent or dishonest acts or gross abuse of authority. Any Director may be removed from the Board of Directors by affirmative vote of a majority of the members of the Association. Such action may be taken at any regular meeting or any special meeting for which due notice of the proposed removal shall have been duly given to the members as part of the notice of the meeting. Voting for removal shall be by written ballot. The director involved shall be given opportunity to be present and to be heard at the meeting at which his removal is considered. The removal of a Director may be initiated at a regular meeting or at a special meeting. More than one Director may be considered for removal under a single motion, but vote on the motion for removal shall be separate as to each director.

**SECTION 6. Election of Directors.**

a. In April a letter stating the date, time, place of the Annual Meeting and a notice of vacancies on the Board shall be mailed to the membership.

b. Election of Directors shall be by written ballot as herein provided. Ballots will be mailed to members with the annual meeting notice.

c. Candidates for election shall apply to the President of the Board of Directors or their designee and applications can be taken until August fifteenth (15<sup>th</sup>). Members interested in becoming a candidate should inform the President, or their designee. Qualified members shall be placed on the ballot that will be mailed to the members. If only one qualified member applies for a board position then that member will become a board member. In the case where no one requests to be placed on the ballot then the Board of Directors will appoint the member according to Article VII Section 4.

d. The qualifications and a brief biographical statement of each candidate must be submitted to the Board's designee no later than August tenth and will be included and mailed at the same time the election ballots are mailed.

e. All elections to the Board shall be made on written ballot or by proxy which shall:

1. set forth the names of those persons who have become candidates for the office of Director in the order in which they filed their statements of candidacy with the President of the Association or their designee. Such ballots shall be prepared and mailed by the Board's designee to each member entitled to vote simultaneously with the mailing of the notice of the Annual Meeting.

2. include brief biographical statements as submitted by the candidate.

f. Each member entitled to vote shall receive one(1) ballot for each unit for which he is the voting member.

g. The completed ballots shall be returned as follows: each ballot shall be placed in an envelope and then sealed, marked "Ballot", but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot, and each voting member shall be advised that because of the verification procedures herein set forth, the inclusion of more than one (1) ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the NAME, SIGNATURE and UNIT NUMBER of the member and such information as the Board may determine will serve to establish his right to cast the vote or votes presented on the ballot contained therein. The Ballots shall be returned to the Board's Secretary (or designee) at such address as the Board from time to time determines, and shall be postmarked or otherwise returned no later than ten(10) days prior to the Annual Meeting.

h. Upon receipt of each return the Board's Secretary or designee shall immediately place it in a safe or locked place until the day fixed by the Board for the counting of such ballots. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to the Judges of Elections. A representative of each candidate for the office of Director may also be present. The judges of Election shall then adopt a procedure which shall establish (1) that the signature of the member on the outside envelope is genuine and (2) that such member is a member in good standing.

Such procedure shall be done in such a manner that the vote of any member shall not be disclosed to any one, including the Judges of Election. The outside envelopes shall there upon be placed in a safe or other locked place and the Judges of Election shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one (1) ballot, all ballots contained in such envelope shall be disqualified. The Judges of Election shall certify the results of the count at the Annual Meeting, and the terms of office of the Director(s) so elected shall commence immediately following such Annual Meeting.

i. All outside envelopes and ballots shall be retained by the Secretary of the Board, or their designee for a period of one year in a safe or locked place.

j. The results of all ballot counts shall be published in the minutes of the Annual Meeting.

k. In the event one or more qualified nominee(s) is/are unopposed for the position of Director at the end of the nominating process set forth in SECTION 6 Subsection c hereof, no other nominations shall be accepted and Subsection f to j of this SECTION 6 shall not apply to such nominee(s). For such uncontested

**elections, in lieu of subsections f to j , the President at the Annual Meeting shall call for an affirmative voice vote or other reasonable means of election by the sitting Directors. One (1) affirmative vote is all that is necessary for election of such unopposed qualified nominee(s). Abstentions or negative votes shall not be called for or tabulated. The terms of office of the directors so elected shall commence immediately following the Annual Meeting.**

**SECTION 7. Judges of Election. The Board of Directors shall designate three (3) persons from the membership to serve as judges of election. The Judges shall declare at the Annual Meeting the names of the person(s) who obtained the highest number of votes to be the newly elected Director (s).**

SECTION 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of the election. The intent is to allow newly elected members to participate in a Board Meeting and to elect a President and other such officers as provided for in these By-Laws.

SECTION 9. Regular Meetings of Members and Board of Directors. Regular meetings of the Board and the membership shall be held at such times as the Board shall designate by resolution at the organization meeting and shall be held at least quarterly. The quarterly meetings will be held in January, April, July, and October with October being the annual meeting. The prime purpose of these meetings is to communicate to the membership information concerning the association and to receive input from the membership.

SECTION 10. Special Meetings. Special meetings of the board may be called at any time by the President upon the request of two (2) Directors or by the President. Notice of the time, place, and purpose of special meetings shall be given to each Director at least three (3) days before such meeting.

SECTION 11. Waiver of Notice/Objection to Meeting. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

**A director also has the right to appear at a meeting to object to the purpose of that meeting, the way it was called or other issues as may be legitimately called.**

SECTION 12. Quorum. At all meetings of the Board of Directors a majority of all the Directors then in office shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board of Directors there be less than a quorum present, the majority of the members present may adjourn the meeting. Following such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted at a reconvened meeting.



**SECTION 13. Informal Action.** If all of the Directors consent in WRITING to any action to be taken by the Board of Directors, such action shall be the act of the Board of Directors as though it had been taken at a Board meeting; provided, however, that the action so taken has thereafter been filed with the Secretary of the Board.

**SECTION 14. Board of Directors Meetings and Pre-Quarterly Membership meetings.** All meetings of the Board shall be open to all members except as otherwise provided by these By-Laws, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by the Board, except at the quarterly membership meetings chaired by The Board of Directors. The Board is authorized to participate in a conference which need not be open to the public which is organized and conducted for the purpose of providing information to Board members on matters related to Association business. Further, committee meetings of the Board and committee meetings of the Association need not be open to the public except as required by the Board; however, in all instances the Executive Committee of the Board need not be open to the public except as provided by said Committee.

**SECTION 15. Executive Session.** The Board may adjourn in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature.

**Purpose.** In addition to the aforesaid, the Board may hold an executive session for one or more of the following factors, or matters of similar nature for reasons deemed appropriate which shall include but are not limited to:

a. discussing any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific officer or employee;

b. consulting with its attorney or other professional advisor regarding information or strategy in connection with any and all matters including litigation or with issues on which identifiable complaints are expected to be filed;

c. reviewing and discussing Association business which, if conducted in public, would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of the law and quasi-judicial deliberations.

d. other factors as deemed appropriate

**SECTION 16. Fidelity Bonds.** The Board of Directors may at its sole discretion require that all officers and employees of the Association who handle or are responsible for Association funds to furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

**SECTION 17. Directors' Fiduciary Relationship to the Association (membership). Directors shall be deemed to stand in a fiduciary relation to the Association and shall discharge the duties of their respective positions in good faith and with the diligence, care and skill which ordinary prudent men would exercise under similar circumstances.**

**SECTION 18. Participation in Meeting by a Telephone conference. One or more directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other.**

## ARTICLE VIII Officers

**SECTION 1. Election.** At the first meeting of the Board of Directors after the Annual Meeting of the members, the Board shall elect a President, Vice-President, Treasurer, and Secretary. Officers of the Association shall be members in good standing who are members of the Board of Directors.

**SECTION 2. President.** The President shall be the chief executive officer of the Association and shall be responsible to manage the affairs of the Association and to execute resolutions of the Board. Except as the Board may otherwise provide by resolution, he/she shall have general supervision over the affairs of the Association. He/she shall sign all legal documents and instruments issued by the Association. He shall preside at all meetings of the Board and of the members. He/she shall be an ex-officio member of all committees. He/she shall perform generally the duties incident to the office of President in a non-profit association including but not limited to the power to appoint committees from among the membership from time to time to assist in the conduct of the affairs of the Association.

**SECTION 3. Vice-President.** The procedure by which the powers and duties of the President shall devolve to the Vice-President –and other persons in succession, shall be as follows:

**a. In the case of the removal of the President from office or of his/her death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President. In the case of removal, death, resignation or inability of both the President and the Vice-President, the Secretary shall then act as President. In the case of the removal, death, resignation or inability of the President, Vice-President, Secretary, the Treasurer shall execute these powers.**

**b. With regard to meetings of the Board, if the President for any reason vacates the chair, or is absent from the meeting of the Board then the Vice-President shall take the chair to preside at the meeting in his stead.**

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**c. The phrase "Inability to discharge the powers and duties of the office" shall be construed to mean that the President or any other designated officer in succession, shall by virtue of illness, permanent injury or loss of mental facilities be unable to execute or exercise the powers or duties of President in the management of the affairs of the Association. The Board of Directors shall make all determinations with regard to this paragraph.**

**d. The President may from time to time determine or assign such other duties to the Vice-President as are not in conflict with these By-Laws.**

**SECTION 4. Secretary. The Secretary, or their designee, shall prepare the minutes of all meetings of the Board of Directors. The Secretary shall assure that all meetings of the Board of Directors and all meetings of members are documented. The Secretary shall perform other such duties as may be prescribed by the Board. The Secretary shall oversee the preparation and keeping of membership records containing the names of members in alphabetical order or unit number or as otherwise prescribed by the board, and suspensions, and other terminations of membership with the dates thereof. Such membership records shall also contain the number of votes to which each member is entitled. In general, the Secretary will perform all duties incident to the office of secretary.**

**SECTION 5. Treasurer. The treasurer shall have the responsibility of overseeing the records of the Association's funds and securities, etc. as maintained by the Board's designee(s).**

**SECTION 6. Compensation. No compensation will be made to the Board of Directors. However, reasonable expenses incurred as the direct result of business activity supporting the association can be reimbursed. Any reimbursement to a board member in excess of two-hundred and fifty dollars (\$250.00) must be approved by a majority of the remaining board members.**

## **ARTICLE IX Committees**

**SECTION 1. Committees and Committee Chairpersons. The Board of Directors may, by resolution adopted by a majority of the Directors, establish one or more committees from the membership and/or the Board, regarding association affairs. The Board of Directors shall appoint committee chairpersons and may remove them at its discretion. A committee chairperson shall perform the duties as assigned by the Board of Directors; but he/she shall be governed by the adopted budget, as amended from time to time by the Board, the By-Laws of the Association, and any Board resolutions.**

**SECTION 2. Qualifications. Committee chairpersons and committee members shall be members in good standing for all units of which the member is an owner of record.**

**ARTICLE X  
Dues, Assessments and Fines**

**SECTION 1. Power to Levy Fees and Assessments. The Board of Directors shall adopt and promulgate membership fees and assessments, as herein defined, but not limited to defraying the costs of operating, maintaining, repairing, constructing and replacing the amenities, common areas, and exteriors of the buildings, insurance coverage expense, etc. An amount will also be allocated to accumulate a reserve to cover future planned capital expenditures relating to the common areas of the facilities. These costs will be allocated to units as defined in the Horizontal Property Regime "Master Deed" on a pro-rata basis. Costs from which each unit benefits equally will receive an equal allocation of that cost. Fees/Assessments will be paid monthly by the tenth (10<sup>th</sup>) day of the month. Payments may be prepaid or paid by check, money order or by bank draft.**

The Board of Directors shall set monthly fees and assessments as herein defined but shall exclude Special Assessments. In addition to the assessments authorized elsewhere the board of directors may levy special assessments against each unit owner(s) for the purpose of defraying, in whole or in part, the cost of any capital addition to, capital improvement of, or repair or replacement of a portion of the Common Area (including the necessary fixtures and personal property related thereto). The due date(s) of any such special assessment shall be as specified by the Board of Directors. Special Assessments shall be approved by the affirmative vote of a majority of the Membership votes present in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Fines may be assessed to members for various actions which may be in part a recovery of cost incurred as the result of an action, or inaction, on the part of a member. The board at its discretion has the authority to levy fines for late payment of dues, the cost of placing liens on property, damage(s) to common property, violations by renters/lessors of a members property, non-compliance with rules and regulations, lack of providing proof of insurance coverage on member built docks, etc. The member can challenge these fines through an appeal of the board or through the civil legal system. Any cost incurred by the Association defending its actions when the Association prevails in a legal action will be assessed to the offending member.

**SECTION 2. Enforcement of Payment. The fees and assessments and all other charges levied by the Board/Association as provided herein shall be paid on or before the date fixed by resolution of the Board. Written notice of the fees or assessments and the**

date of payment shall be sent to the owner of each unit at the address last given by such owner to the Board's designee(s). The Association through its Board may bring such action as it shall determine appropriate at law or in equity, to collect the amount of said charge by the Board, costs of collection, including court and Sheriff's costs, administrative costs, and reasonable attorney's fees to be billed at current acceptable and reasonable rates, accepted by resolution of the Board. In all such cases, however, reasonable notice shall be given to members who are delinquent in the payment of their fees and assessments, and there shall be given to any such member an opportunity for reinstatement of membership privileges upon satisfactory proof that such delinquency has been paid.

## ARTICLE XI Indemnification

**It is incumbent upon all board members that they always perform in good faith. The decisions made should be consistent with decisions that would be made by a reasonable person and in accordance with the standards set out in Section 2 below.**

**SECTION 1. Personal Liability of Directors. A Director of the Association shall not be personally liable, as such, for monetary damages for any action taken, or failure to take any action, unless the Director has breached or failed to perform the duties of his or her office. The provision of this SECTION shall not apply to the responsibility or liability of a Director, pursuant to any criminal statute, or the liability of a Director for the payment of taxes pursuant to local, state, or federal law. Any repeal or modification of this SECTION shall be prospective only, and shall not affect, to the detriment of any Director, any limitation on the personal liability of a Director of the Association, existing at the time of such repeal or modification.**

**SECTION 2. Indemnification of Directors and Officers. The Association shall indemnify any Director or officer of the Association who was, or is, a party, or is threatened to be made a party to any threatened, pending or completed action, suit or other proceeding, if such person is (a) a Director or officer of the Association, or (b) was serving in the capacity of Director or officer at the request of the Association. Such indemnification shall be against all expenses (including attorney's fees) monetary penalties and damages (including settlements arising from such action), unless (a) the behavior which gave rise to such action is deemed by the Board to constitute self-dealing, willful misconduct, or recklessness, intentional breach, gross negligence or (b) applicable laws expressly prohibit such indemnification.**

**SECTION 3. Payment of Indemnification. A Director or officer entitled to indemnification under these SECTIONS of the By-Laws shall submit to the Board of Directors a written request for such indemnification within ten (10) days of**

**receiving notice of legal action being brought against him. A Director or officer whom the Board deems to be entitled to indemnification under these SECTIONS, shall be indemnified within thirty (30) days of the Board's receipt of his written request.**

**SECTION 4. Proceedings Initiated by Indemnified Individuals. Unless specifically authorized by the Resolution of the Board of Directors and directed to do so, a Director or officer who initiates legal action shall not be indemnified by the Association.**

**SECTION 5. Indemnification Not Exclusive. The foregoing indemnification shall not be deemed exclusive of any other right to which one indemnified may be entitled, both as to action in one's official capacity and as to action in another capacity while holding such office, and shall insure to the benefit of the heirs, executors and administrators of any such person.**

## **ARTICLE XII**

### **Financial Management**

**SECTION 1. Accounting Period. The fiscal year of the Association shall commence on January 1st and end on December 31st of each year. The fiscal year, however, shall be subject to change by a majority vote of the Board.**

**SECTION 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the officers, by a Certified Public Accounting Firm, subject to the members' right of inspection pursuant to ARTICLE XIII herein.**

## **ARTICLE XIII**

### **Association Records, Inspection**

**SECTION 1. Required Records. The records provided for in this subsection shall be kept at the Association's principle place of business wherever situated.**

- a. Original or duplicate records of written minutes of the meetings of the members and the Directors and of any other body exercising powers or performing duties under these By-Laws.
- b. The original or duplicate of its By-Laws, including all amendments thereto to date, certified by the Secretary of the Association; and
- c. An original or a duplicate membership register in any form prescribed by the Board, giving the names and addresses of members and other details. The Association shall also keep appropriate, complete and accurate books of records of account. The records provided for in this subsection shall be kept at the principle place of business wherever situated.

SECTION 2. Right of Inspection. The rights of members to inspect and copy the records of the Corporation are as specified in the Tennessee Code Annotated 48-66-102 through 48-66-105.

SECTION 3. Proceedings for the Enforcement of Inspection. If the Association or an officer or agent thereof refuses to permit an inspection sought by a member or attorney or other agent acting for the member pursuant to SECTION 2 of this ARTICLE, or does not reply to the demand within ten (10) business days after the demand has been made, the member may apply to the proper court for an order to compel such inspection.

SECTION 4. Turnover of Records. In the event any employee, officer, director, or the Board's designee resigns, is terminated (let go), expires, any and ALL records pertaining to the Association in his or her possession shall be turned over to the President of the Board. In the event that said person is the President, then said records shall be turned over to the Vice-President. The line of succession shall be followed through Secretary then Treasurer. No employee, director, officer, Board designee shall be allowed to keep any records developed by said person. All such records are the property of the Lakeshore Terrace Association.

#### ARTICLE XIV

##### Additional Maintenance Responsibilities of Owners/Construction

SECTION 1. Responsibilities of Owners/Construction. Every owner must perform promptly all maintenance and repair work WITHIN his own unit which, if omitted, would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender. All repairs of internal installations in an apartment such as water, light, gas, power, etc. shall be at the owner's expense. If any exterior construction is done with or without the approval of the LST Board and the ACC and if that construction in any way results in damage to the roof, siding, etc. that would cause damage to the interior of any unit(s), the Association would not be responsible for any necessary repairs. **The Association is not responsible for termite inspection or treatment thereof in any addition made to a unit. In the case of a casualty loss for which insurance proceeds are paid to the association the Board of Directors will have the sole authority to determine the allocation of insurance proceeds and their decision will be binding on the Association and the owner(s) of modified units. Owners of modified units will be responsible for the reconstruction of the modified portion of their units. Owners of modified units will also be responsible for the cost of upgrades to the unit complex systems (roofing, siding, etc..) and will reimburse the association for their respective cost as determined by the LST Board of Directors. This cost will be the prorated cost of materials and labor, etc.,.**

**SECTION 2. Exterior Structural Modifications/Obstructions.** An owner shall not make exterior structural modifications or alterations of ANY kind to his unit without previously submitting a plan in writing to the Board. The Board shall have the obligation to approve or disapprove the request within thirty (30) days of a properly submitted and complete plan. If the Board approves the construction plan, the owner must then submit the plan to the ACC for its approval/disapproval. Construction can begin ONLY after the LST Board and the ACC approve the plan.

**SECTION 3. Right of Entry.** An owner shall grant the right of entry to any person(s) authorized by the Board in case of emergency, originating in or threatening his unit whether the owner is present or not.

An owner shall permit other owners or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

#### ARTICLE XV Saving Clause

**SECTION 1 Saving Clause.** In the event that any part thereof of these By-Laws shall be found by a court to be invalid or unconstitutional, all other remaining sections shall remain in full force and effect.

**SECTION 2 Previous By-Laws.** These By-Laws shall replace any and all pre-existing By-Laws of the Lakeshore Terrace Association and shall not impair or affect any act done, offense Committed or substantial right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred prior to the time these By-Laws or any subsequent By-Laws or amendments thereto take effect, but the same may be enjoyed, asserted, enforced, or prosecuted as fully and to the same extent as if these By-Laws or any amendments thereto had not been enacted.

#### ARTICLE XVI Administration

**SECTION 1. Duties of the Association's Administration** will be performed by a Certified Public Accounting Firm and a Maintenance Supervisor. The purpose of these two entities will be to provide managerial and other personnel for the efficient discharge of duties. Such personnel, or entities, will be approved by a majority of the board of directors.

a. a Certified Public Accounting Firm will be engaged:



1. to collect all monthly assessments, assessments due from owners and is authorized to exercise business like collection methods, including legal process as may be required for the collection of delinquent monthly assessments. All owners are obligated to pay monthly assessments imposed by the Board to meet all projected communal expenses, including liability, fire and extended coverage and such other insurance as the Board may deem desirable or necessary. The assessments shall be made pro rata according to the value of the apartment owned, as stipulated in the Master Deed. Such assessments may include monthly payments to a general operating reserve and a reserve fund for replacement, repairs and maintenance.
2. to take any action as may be necessary to comply with any federal, state, county or municipal authority, or any authorized agents thereof having jurisdiction over the Lakeshore Terrace Complex.
3. to make contracts for water, electricity, gas, fuel oil, telephone, vermin extermination, and other necessary services with approval from the board.
4. to obtain all forms of insurance needed to adequately protect the property, its members and mortgagees holding mortgages covering family units, as their respective interests appear or as required by law, including but not limited to Workman's Compensation Insurance, Public Liability Insurance, Fire and Extended Coverage Insurance.
5. to maintain a reserve account and an operating bank account and cause salaries, insurance premiums and other sums to be paid punctually when due; to maintain an operating reserve fund in an amount approved by the Board; to maintain businesslike office records, books and accounts which shall be subject to examination by officers of the Board and owners and shall furnish the Board monthly statements of receipts and disbursements; to furnish an annual budget statement, setting forth anticipated receipts and disbursements for the year ahead; said budget shall serve as the basis for scheduling monthly assessments and will be approved by the Board of Directors
6. to administer the receipt of ballots returned for all elections in accordance with these by-laws.
7. to issue formal notices to association members of rule or code violations when notified by the Maintenance Supervisor. The Board of Directors will also be notified of these violations to assure correction within a reasonable period of time.
8. to record and issue the minutes of all quarterly meetings to the association members.

9. to provide financial information related to the dues or penalties outstanding as well as current rules and regulations and policies relating to the association to closing agents for the new potential owners when units are sold.

10. to perform other functions as needed.

b. the Maintenance Supervisor and/or other appropriate designee(s) will be utilized for the care, upkeep and surveillance of the buildings and its general or limited common elements and services and:

1. will maintain the property according to standards acceptable to the Board and to the owners; however, the Maintenance Supervisor or the Board's designee shall be authorized to make any repairs deemed necessary for the preservation and safety of the property and those persons present thereon. The Maintenance Supervisor will have the authority to place orders for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain the facilities. The Maintenance Supervisor or the Board's designee shall not incur liabilities which shall at any time exceed the aggregate of \$1,000.00 , but shall be authorized to expend the sum of \$500.00 for any one item of repair or replacement without specific authorization of the Board unless said expenditure would result in exceeding the aforesaid limit.

2. will act as the contact person for members for correction of property related problems or issues relating to the physical support systems of the property

3. will provide input for the long term plans for maintaining the property to standards consistent with the goals and expectations of the Board of Directors

4. will determine violations of the rules and regulations of the association and notify the owner, if possible, for correction of the deficiency within a reasonable period. If not corrected or if the owner cannot be contacted he should contact the Accounting Firm so that the issuance of a formal notice of the violation is sent to the owner.

5. will provide input for the annual budget for cost needed to be expended as well as to provide information as to the long term needs for capital expenditures to sustain the property and maintain or enhance the value of the property

**SECTION 2. Manner of Removal.** The board of directors, by a majority of the board of directors, has the authority to remove either of the two administrative positions to improve administrative operations. In no case may the accounting function be replaced by other than another Certified Public Accounting Firm unless authorized though the process outlined in Article XVI Section 3.

**SECTION 3. Modification of the System of Administration. The owners representing two-thirds (2/3) of the members may at any time modify the system of administration, but all particulars set forth in TN law shall always be embodied in the By-Laws.**

**ARTICLE XVII  
Number and Gender**

**SECTION 1. Number and gender as used in these By-Laws shall extend to and include both singular and plural, and both genders as the context and construction requires.**

**ARTICLE XVIII  
Miscellaneous**

**SECTION 1. A member cannot resign or transfer his membership in the Association so long as he continues to own or control property in the Association.**

**SECTION 2. All current rules and regulations of the Association shall be published and made available to the members upon the purchase of a condominium unit, at the real estate closing of the contract, or upon revision of the rules.**

**ARTICLE XIX  
Amendment**

**Amendments to these By-Laws. These By-Laws may be amended provided that each proposed amendment has either been voted upon and recommended by the Board of Directors or has been proposed in writing to the Board by at least twenty percent (20%) of the members. The proposed amendment(s) must be mailed to the membership for their perusal; then at a regular or special meeting of the membership the members are to be provided with the opportunity to discuss the proposed amendments. Voting by the membership shall be by written ballot or proxy. No amendments shall take effect unless approved by a two-thirds (2/3) majority of the entire membership.**

**ARTICLE XX  
Parliamentary Authority**

**SECTION 1. The rules contained in the current edition of Roberts Rules of Order newly revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By-Laws and any special rules of order the Board may adopt.**

**IN WITNESS WHEREOF**, the undersigned officers, by execution hereinbelow, certify that the above Amended and Restated Declaration of Horizontal Property Regime, Master Deed, and Bylaws were lawfully adopted by the affirmative vote of a majority of the votes cast by the voting members of the Condominium Association.

**LAKESHORE TERRACE  
CONDOMINIUM ASSOCIATION**

By *Laura J. Christ*

Name: Laura J. Christ  
Title: President

**ATTEST:**

*William H. Whittaker*

Name: William H. Whittaker  
Title: Secretary

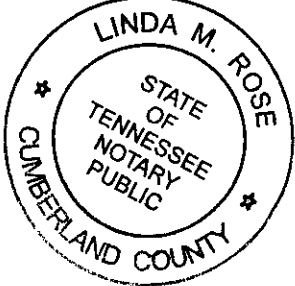
State of Tennessee )  
 )  
County of Cumberland )

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared **Laura J. Christ**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself to be President of **Lakeshore Terrace Condominium Association**, a corporation, and that she 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 herself as such officer.

WITNESS my hand and seal of office this the 8<sup>th</sup> day of September, 2006.

Linda M. Rose  
NOTARY PUBLIC

My commission expires: 1-30-07



State of Tennessee, County of CUMBERLAND  
Received for record the 12 day of  
SEPTEMBER 2006 at 3:47 PM. (REC# 369492)  
Recorded in official records GENERAL IN  
Book 1241 pages 2029-2066  
State Tax \$ .00 Clerks Fee \$ .00,  
Recording \$ 192.00, Total \$ 192.00,  
Register of Deeds JUDY GRAHAM SWALLOWS  
Deputy Register PHYLLIS K. BURDICK

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared **William H. Whittaker**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Secretary of **Lakeshore Terrace Condominium 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 this the 8<sup>th</sup> day  
of September, 2006.

*Linda M. Rose*

NOTARY PUBLIC

My commission expires: 1-30-07

