

DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS

This Declaration, made this 28th day of May, 1987, by FIELDS DEVELOPMENT COMPANY, INC., hereinafter called "DEVELOPER" for itself, its successors, grantees, and assigns, pursuant to the provisions of the Tennessee Horizontal Property Act (Tennessee Code Annotated Sections 64-2701-2722, hereinafter referred to as "The Condominium Act").

WHEREAS, Developer is the owner of a certain land located in Campbell County, Tennessee, hereinafter referred to as the "Land", and is recorded in: Deed Book 275, Page 139, in the Register's Office for Campbell County, Tennessee.

WHEREAS, Developer is the owner of certain buildings and other improvements now existing upon the Land, and it is the intention of the Developer to submit the Land and improvements to a horizontal property regime and sell and convey the same to various purchasers, subject to the covenants, conditions, and restrictions herein reserved to be kept and observed; and

WHEREAS, simultaneously herewith, Developer has filed for record in the Office of the Register of Deeds of Campbell County, Tennessee in Jacksboro, Tennessee, a certain instrument entitled, "Plat Cab. 1, slide # 601", hereinafter referred to as "Plat", showing the location of condominium units and other improvements on the Land;

WHEREAS, Developer desires and intends by filing a Master Deed and Plat to submit the property to the provisions of the Horizontal Property Act of the State of Tennessee as a condominium property and to impose upon such property mutually beneficial restrictions under a general plan of improvements for the benefit of such property and the owners thereof;

The Declarant hereby states that all of the condominiums described above shall be held, sold and conveyed subject to the easements, restrictions, agreements, covenants and conditions described herein and in addition, to those conditions and agreements, also incorporated herein by reference and described as follows:

1. Agreement for the Development, Maintenance and Operation of a Sewage Collection and Subsurface Disposal System Book: 48 Page: 653
2. Contract Agreement with Maintenance Facilitator Book: 48 Page: 658
3. Articles of Incorporation of DEERFIELD CONDO OWNER'S ASSOCIATION, INC. Book 14 Page 160.

NOW, THEREFORE, the Developer does hereby publish and declare that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations, and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of such property in the division thereof into condominiums, and shall be deemed to run with the Land and shall be a burden and a benefit to the Developer, its successors and property, their grantees, successors, heirs, executors, administrators, devisees and assigns.

STATE OF TENNESSEE, CAMPBELL COUNTY
The foregoing instrument and certificate were noted in notebook 19
page 102 at 9:20 o'clock A.M. 10-5-94 and
recorded in Misc book 48 page 660 of Paid
Recording fee 60.00 Tax 2.00
Total \$ 62.00 Receipt No. 17127
Register of Deeds Ranmie C. Branam

ARTICLE I

DEFINITIONS

1. **"Association" or "Homeowners Association"** shall refer to The Deerfield Resort Condo Owner's Association, Inc., a Tennessee Non-profit corporation, its successors and assigns.
2. **"Owner" or "Unit Owner"** means "co-owner" as defined by the Horizontal Property Act.
3. **"Property"** shall mean the entire parcel of real property referred to in the Master Deed to be divided into condominiums including the Land, the buildings, all improvements and structures thereon, all owned in fee simple absolute, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for common use in connection therewith. It specifically refers to Condo Units #
1A,2A,3A,4A,1B,2B,3B,4B,5B,6B,7B,8B,1C,2C,3C,4C,5C,6C,7C,8C,9C,10C,11C,12C,14D,15D,16D,16D,17D,18D,19, 1E, 2E, 3E, 4E, 5E, 6E, 7E, 8E, 9E, 10E, 11E, 12E, 1F,2F,3F,4F,1G, 2G, 3G, 4G, 5G, 6G, 7G, 8G, 9G, 10G, 11G, 12G, 1H, 2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 1J, 2J, 3J, 4J, 5J, 6J, 7J, 8J, 9J, 10J, 11J, 12J.
4. **"Subsurface Sewage Collection and Disposal System"**, also referred to as "the System Common Area" shall mean all real property including improvements and easements owned by the Association or otherwise dedicated to the use of the maintenance and operation of the subsurface sewage collection and disposal system, including the reserve area, and as set out in the plat book A page 34 Septic and pump tanks located on individual lots are not part of the system. This system is exclusively used by DeerLake Condominiums, consisting of Units #:
1E,2E,3E,4E,5E,6E,7E,8E,9E,10E,11E,12E,1G,2G,3G,4G,5G,6G,7G,8G,9G,10G,11G,12G,1H,2H,3H,4H,5H,6H,7H,8H,9H,10H,11H,12H,1J,2J,3J,4J,5J,6J,7J,8J,9J,10J,11J,12J.
5. **"Condominium"** means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the Horizontal Property Act. "Unit" means "Apartment" as defined by the Horizontal Property Act and shall be a portion of the condominium designed and intended for individual ownership and use.
6. **"Declarant"** shall refer to Fields Development Co. Inc., their successors and assigns. Declarant and developer are synonymous for the purposes of this declaration.
7. **"Member"** shall mean and refer to those persons entitled to membership as provided in this Declaration.
8. **"By-Laws"** shall mean the by-laws of the Deerfield Resort Condo Owners' Association, Inc. for the administration of the condominium and the Association attached hereto as Exhibit A.
9. **"Articles of Incorporation"** shall mean the Articles of Incorporation of the Deerfield Condo Owners Association, Inc. attached hereto as Exhibit B.
10. **"Board of Directors"** means the governing body of the Association with the powers and duties as set forth in the By-Laws.
11. **"Common Elements"** includes all items defined as general and limited common elements in the Horizontal Property Act, and shall be all portions of the condominium other than the units. This shall include, but not be limited to landscaping, roadways, driveways, septic system and septic common area, and other facilities.

12. "Common Expenses" include:

- Expenses of administration, expenses of maintenance, operation, repair or replacement of the common elements and of the portions of units to be maintained by the Association, rental, taxes, special assessments, insurance, maintenance, operation, repair, replacement, alteration or improvement of all common elements and facilities located upon the Land.
- Expenses declared common expenses by the provisions of the Master Deed, Declaration of Covenants, or By-Laws.
- Any valid charge against the condominium as a whole.

13. "Limited Common Elements" shall mean a portion of the common elements reserved for the exclusive use of owners of such units to which they may be appurtenant as hereinafter set forth including all porches, balconies, steps, patios, doorways, decks and storage lockers.

14. "Master Deed" shall mean this document recording the property pursuant to the provisions of the Horizontal Property Act of the State of Tennessee. For the purposes of this document, Master Deed shall be synonymous with Declaration of Covenants Conditions and Restrictions.

15. "Mortgage" shall mean a deed of trust as well as a mortgage.

16. "Mortgagee" shall mean a beneficiary under or holder of a deed of trust, as well as a mortgage.

17. "Site Plans" as used herein shall include the Plat and all other filings and/or exhibits hereto showing the location of buildings and units on the Land.

ARTICLE II

PROPERTY RIGHTS AND RESTRICTIONS

1. **Owners' Easements of Enjoyment:** Every owner shall have an undivided interest in and a right and easement of enjoyment in and to the common areas, including the subsurface sewage system common area, which shall be appurtenant to and shall pass with the title to every unit, subject to the following provisions:
 - (A) The right of the Association to suspend the voting rights of an owner for any period during which he is in default in the payment of the assessment against his unit, and for a period not to exceed thirty (30) days for any infraction of its published Rules and Regulations after hearing by the Board of Directors of the Association. This shall include the right to suspend the use of the sewage disposal facilities by an owner.
 - (B) The right of the Association to dedicate or transfer all or any part of the common elements to any public or private utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of all those entitled to vote and agreeing to such dedication or transfer has been recorded. This shall include the right to dedicate or transfer all or any part of the System Common Area.
 - (C) The right of the Association to reasonably limit the number of guests of owners.

2. **Restriction of Usage of sewage Areas.** No building, structure or other improvement shall be placed on or above any part of the subsurface sewage collection and disposal common area. This area shall not be paved or otherwise covered over, nor shall it be used as a parking area, as such uses can damage the suitability of the soil or the system. It shall remain a grassed or otherwise vegetated area.
3. **Rules for System Common Area.** The association is authorized to adopt rules for the use and enjoyment of the Common Area and such rules shall be furnished in writing to the Owners.
4. **Delegation of Use:** Any owners may delegate, in accordance with the By-Laws, their right of enjoyment to the common elements and facilities to the members of their families, their tenants, or contract purchasers who reside on the property. This shall include right of use of the System Common Area and facilities.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

The operation of the condominium shall be by Deerfield Condo Owners' Association, Inc., a non-profit Tennessee corporation, which has been organized and shall fulfill its functions pursuant to the following provisions:

1. Each unit owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment.
2. Every unit/unit owner shall be subject to assessment.
3. The Association shall have voting members.
4. The owner or owners of each unit shall collectively have one vote per unit in the affairs of the Association. . In no event shall more than one vote be cast with respect to any unit.
5. However, until the Developer has sold seventy-five percent (75%) of the units in the Condominium, project including future development, Developer shall be entitled to seventy-five percent (75%) of all votes in the affairs of the Association
6. In the event the Declarant, it's successors and assigns, owns or retains a unit, the Declarant shall be entitled to one vote for each such unit.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

1. **Purpose of Assessments.** The assessments levied under this declaration by the Association shall be used exclusively for the improvement and maintenance of common elements, to include the maintenance and operation of sewage collection and subsurface disposal system. All assessments shall be made, and be due and collected in accordance with the conditions, agreements and obligations set out herein and with the By-Laws of the Condo Owners' Association. This shall also include the terms of the Agreement for the Development, Maintenance and Operation of a Sewage Collection and Subsurface Disposal System.
2. **Sinking Fund.** A special sinking fund for maintenance and repair of the sewage collection and subsurface disposal system shall be created and maintained for the exclusive purpose of operation, maintaining and repairing said system. A one time sinking fund assessment of \$ 100.00 per unit and all interest accrued shall be retained in said account.
3. **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each unit, hereby covenants, and each owner of unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association the following:

- Annual and/or monthly assessment of charges for the maintenance and repair of common areas, to include the maintenance and repair of the sewage collection and disposal system.
 - Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.
 - The annual, monthly or special assessments, together with any interest, costs and reasonable attorney's fee, there shall be a lien on the unit and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due. **Any delinquent assessments on the unit shall pass to any successors in title, unless satisfied in full.** Such lien shall be subordinate to the lien of a mortgage recorded prior to the time of recording of the claim of lien for such unpaid assessments.
4. **Share of Common Expense:** Each unit owner shall be liable for a proportionate share of the common expenses and shall share in the common surplus, each share being the same as his undivided share in the common elements. The assessments shall be divided according to the number of units and assessed accordingly, unless otherwise set out in the Association Rules. This liability shall commence as to all units with the conveyance by Developer of the first unit in the Condominium. A special assessment will be applied to DeerLake Condominiums Units#: 1E,2E,3E,4E,5E,6E,7E,8E,9E,10E,11E,12E,1G,2G,3G,4G,5G,6G,7G,8G,9G,10G,11G,12G,1H,2H,3H,4H,5H,6H,7H,8H,9H,10H,11H,12H,1J,2J,3J,4J,5J,6J,7J,8J,9J,10J,11J,12J for the upkeep and general maintenance of the septic common area and the DeerLake swimming pool both of which shall be used exclusively by the DeerLake Condominiums.
 5. **Rights of the Department of Environment and Conservation and obligations of landowners and Association.** The Director of the Tennessee Department of Environment and Conservation, Division of Groundwater Protection may make a special assessment against any Association Condominiums to correct any deficiency and/or health hazard concerning the sewage collection and subsurface disposal system, provided the Association has failed to comply with the Directives of the Division in a timely fashion. The Director shall have the authority pursuant to such assessment, to place and record a lien in favor of the Division upon the property of any owner who is delinquent in payment, and to have the property sold if required to satisfy this debt if, in his discretion, such debt or lien is not timely satisfied by Association action. Whether compliance with said directives has been satisfied in a timely manner shall be a judgment in the discretion of the Division. Whether or not a special levy is required, it is the duty and responsibility of the Association to implement the directives of the Division.
 6. **Special Assessments for Capital Improvements** In addition to the annual assessments authorized above, the associations may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of any common areas, including the System Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all units and may be collected monthly.
 7. **Additional Assessments.** Assessments may be levied upon members for expenses for repairs arising over and above funds provided through monthly dues. These assessments may arise from, but not be limited to: roof repair, siding repair, painting/staining of entire building, deck resealing, insurance, parking lot paving, maintenance and operation of sewage collection and subsurface disposal system. All assessments shall be made and be due and collected in accordance with the conditions, agreements and obligations set out in the By-Laws of the Association.
 8. **Notice and Quorum for certain actions.** Written notice of any meeting called for the purpose of changing or levying a new or different monthly assessment or capital improvement assessment shall be sent to all members not less than 15 days nor more

than 40 days in advance of the meeting. At the first such meeting called, the presence of the member of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be thirty percent (30%) of the required quorum at the preceding meeting. Not such subsequent meeting shall be held more than 60 days following the preceding meeting.

9. **Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for each unit and each size unit.
10. **Date of Annual Assessments.** Due dates. The annual assessments provided for herein shall be due on June 1 of each calendar year. The Board of Directors shall fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments of a specified unit have been paid. A properly executed certificate of the Association as to the status of assessments on a unit is binding upon the Association as of the date of its issuance.
11. **Effect of Nonpayment of Assessments. Remedies of the Association.** Any assessment not paid within thirty days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. All payments upon account shall be first applied to interest and then to the assessment first due. A unit owner shall be declared to be in default if an assessment is not paid twenty (20) days after the date it is due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. Attorney fees, court costs, cost of mailing, advertising and any other expenses incurred to collect the assessment shall be added to the assessment and become a lien on the property and a personal liability of the owner. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas, to include the Septic Common area, or abandonment of unit.
 - Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the Owner to pay such assessment, in accordance with its terms, such sale to be conducted in accordance with the provisions of Tennessee law applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.
 - The Association, acting on behalf of the unit owners, shall have the power to bid for the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common area expenses, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.
 - The Board may suspend the voting rights and right to use the recreational facilities, common areas, and septic common area of a member who is in default in payment of any assessment.
 - In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Association shall be entitled to the appointment of a receiver to collect the same.
 - The mortgage of any unit shall be notified of any default of the owner of such unit with respect to nonpayment of such owner's assessment of any other charge which might constitute a lien against the unit which default remains unpaid for thirty (30) days.
12. **Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any unit shall not affect the assessment lien. However, the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of any assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments

thereafter becoming due or from the lien thereof. Lien of the assessments shall also subordinate to all taxes, bonds, assessments and other levies, which, by law, would be superior thereto.

V

COVENANTS, USES AND RESTRICTIONS

1. Units: Each of the units shall be occupied only by an owner, his servants and guests, or an authorized rental client as a residence as hereinafter provided, and for no other purpose. Except as reserved to the Developer, no units may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending the Master Deed to show the changes in the units to be affected thereby and obtaining the prior written consent of the holder of a mortgage as to such unit.

2. Common Elements: The common elements shall be used only for the purposes of which they are intended in the furnishings of services and facilities for the enjoyment of occupants of the individual units.

3. Pets: Animals or pets shall be allowed in the units or on the condominium property only pursuant to the By-Laws of the Association or Rules and Regulations promulgated by the Board of Directors.

4. Nuisances: No nuisance shall be allowed upon the condominium property, no any use or practice which is the source of annoyance to residences or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. No unit owner shall permit any use of his unit or of the common elements which will increase the rate of insurance upon the condominium property.

5. Lawful Use: No immoral, improper, offensive, or unlawful use shall be made of the condominium property not any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental which require maintenance, modification, or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

6. Rules and Regulations: Reasonable rules and regulations concerning the use of the condominium property and common elements may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and by-laws. Copies of such Rules and Regulations and amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium, and such rules and regulations shall be of the same force and effect as the provisions of the Master Deed.

7. Commercial Business: No commercial business shall be permitted within the property. Unit rentals by owners shall not be considered a commercial business.

Obstruction of Common Elements: There shall be no obstruction of the common elements. Except in the case of designated storage areas, nothing shall be stored in the common elements without the prior written consent of the Board of Directors for the Association.

8. Signs: No sign of any kind shall be displayed for the public view on any unit, deck railing or displayed in unit window. One sign of not more than five square ft may be used in advertising the property for sale, not rent. Signs used by Developer to advertise the property during the construction and sales period are permitted.

9. Insurance: Nothing shall be done or kept in any unit or in the common element which will increase the rate of insurance on the common elements without the prior written consent of the Association. No owner shall permit anything to be done or kept in his unit

or in the common elements which will result in the cancellation of insurance of any unit or any part of the common elements, or which would be in violation of any law.

10. Waste: No waste will be committed of the common elements.

11. Alteration: Nothing shall be altered or constructed in or removed from the common elements, except upon the written consent of the Association.

12. Architectural Control: No building, fence, wall or other structure shall be commenced, erected or maintained upon the property, nor shall any exterior addition to or change or alteration therein be made, nor any interior modification affecting the structural support of a unit and/or common elements, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surroundings, structures, and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said board or designated committee fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required and this subsection will be deemed to have been fully complied with.

13. Exterior Work: there shall be no exterior painting of units or patio or yard walls by or on behalf of the owners thereof, or any person holding thereunder, or repair or replacing of original roofs or utility laterals by such persons being the intention hereunder that such items be maintained and replaced by the Association in conjunction with the Association's maintenance of common area in order to preserve the external harmony of the property, the Association is hereby granted an easement over and upon such units for the purpose of accomplishing the foregoing.

14. Repair of Vehicles: No vehicle of any type shall be permanently or semi-permanently parked on the property or in the vicinity of any unit or in the common elements for purposes of accomplishing repairs thereto, or the reconstruction thereof except as permitted by the rules and regulations adopted by the Association.

15. Recreational Vehicles and Boats: Parking of boats and all recreational vehicles shall be allowed on the common elements only in accordance with the By-Laws and Rules and Regulations of the Association.

VI

GENERAL PROVISIONS

- 1. Enforcement:** The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Master Deed. Failure by the Association or by any unit owner to enforce any covenant of restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- 2. Severability:** Invalidation of any one of these covenants or restrictions by judgment or court order shall not effect any other provisions all of which shall remain in full force and effect.
- 3. Easements for Utilities:** The board of Directors of Association shall have the right and power to grant easements upon, across, over and under all or any portion of the common area for ingress, egress, installation, replacing, repairing or maintaining all utilities, including but not limited to: water, gas electricity, telephone, sewer or television.
- 4. Easement for Emergency Access:** There shall exist in favor of any manager employed in connection with the operation of the condominium and in favor of all policemen, firemen, ambulance personnel and all similar emergency personnel and easement to enter upon the property or any portion thereof in case of an emergency in the proper performance of their respective duties.
- 5. Easements for Other Purposes:** Postal employees and other bona fide delivery personnel shall have an easement across the common elements for access to the units in the performance of their duties.
- 6. Additions:** Additional Residential Property is planned for the same area.

VII

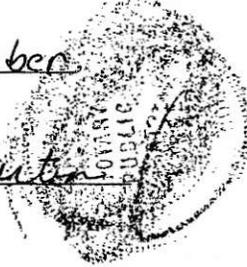
STATE OF TENNESSEE

COUNTY OF Campbell

Personally appeared before me, the undersigned Notary Public in and for the State and county aforesaid the within named bargainor, MARC LEJEUNE, with whom I am personally acquainted, and who acknowledged himself to be the Member/Manager of the RAE ALAN PROPERTIES, LP, and that he as such Member/Manager being authorized so to do, executed the within instrument for the purpose therein contained, by signing the name of the partnership by himself as such Member/Manager.

Witness my hand and official seal this 4 day of October 1999.

Kathy Martin
NOTARY PUBLIC



My commission expires: March 18, 2001

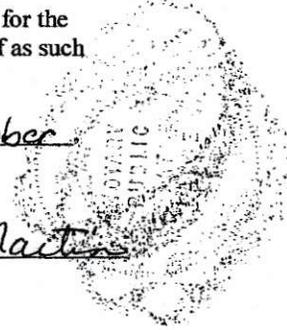
STATE OF TENNESSEE

COUNTY OF Campbell

Personally appeared before me, the undersigned Notary Public in and for the State and county aforesaid the within named bargainor PAUL FIELDS with whom I am personally acquainted, and who acknowledged herself to be the Member/Manager of the DEERFIELD RESORT CONDO ASSOCIATION, INC., and that she as such Member/Manager being authorized so to do, executed the within instrument for the purpose therein contained, by signing the name of the corporation by himself as such Member/Manager.

Witness my hand and official seal this 4 day of October 1999.

Kathy Martin
NOTARY PUBLIC



My commission expires: March 18, 2001

Prepared By: Fields Development

GRIEVANCE PROCEDURE

1. **Administration:** Any grievance or complaint which an owner or owners shall have against any other owner or owners or other delegated tenant or user for violation of the provisions of the Master Deed, by-laws, other rules and regulations of the Association, or for any other reason shall be submitted to the Board of Directors of the Association for determination.
2. **Procedure:** All such grievances shall be submitted in writing to the Board outlining the owner or owners complaining, the owner or owners or other delegated tenant or user complained against, the nature of the complaint, the date of all relevant facts, and the specific violations, if any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days. If the Board decides adversely to the complaining party, or fails to act within thirty (30) days of submission of the complaint, then the complaining party shall have the right to resort to any other legal remedies which may be available.
3. **Exclusive Remedy:** The grievance procedure set out herein shall be the exclusive remedy for all grievances and complaints, and no owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted. The Board shall have the authority in its absolute discretion to levy monetary fines or penalties against owners for such violations as stated in paragraph 1 of this Article no to exceed \$ 50.00, and these shall be added to the assessment for the unit(s) of such owner(s). If unpaid, such fines shall constitute a lien against the interest of such owner(s) in and to the unit(s) and the condominium.

VII

THE UNITS AND COMMON ELEMENTS

The units of the condominium are more particularly described and the rights of their owners established as follows:

1. **Units Numbered:**
1A,2A,3A,4A,1B,2B,3B,4B,5B,6B,7B,8B,1C,2C,3C,4C,5C,6C,7C,8C,9C,10C,11C, 12C,14D,15D,16D,17D,18D,19, 1E, 2E, 3E, 4E, 5E, 6E, 7E, 8E, 9E, 10E, 11E, 12E, 1F,2F,3F,4F,1G, 2G, 3G, 4G, 5G, 6G, 7G, 8G, 9G, 10G, 11G, 12G, 1H, 2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 1J, 2J, 3J, 4J, 5J, 6J, 7J, 8J, 9J, 10J, 11J, 12J.
2. **Boundaries Defined:** The upper boundaries of each unit shall be the horizontal plane, or planes, the elevation of which coincides with the elevation of the exterior surface of the interior ceiling thereof. The lower boundary of each unit shall be the plane of the lowest surfaces of the basement floor slab, if there be a basement, otherwise, the lowest surface of the unfinished subfloor. The upper and lower boundaries shall be extended to an intersection with the parametrical boundaries. The parametrical boundaries shall be the intersecting vertical planes adjacent to and which shall include the exterior surfaces of the interior perimeter or main walls and party walls to include the dry wall and fixtures therein and shall be extended to an intersection with the upper and lower boundaries. All lath, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be deemed a part of each unit, while all other portions of such walls, floors, and/or ceilings, shall be deemed a part of the common elements. If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, plumbing heating and air-conditioning equipment, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of that unit, while any portions thereof serving more than one unit or any portion of the common elements shall be deemed a part of the common elements. Subject to the foregoing sentence, all space, interior partitions, and other fixtures and improvements within the boundaries of a unit shall be deemed a part of that unit.

3. **Easement for Encroachments:** To the extent that any unit or common element encroaches on any other unit or common element, whether by reason of any deviation from the place and plans in the construction, repair, renovation, restoration, or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement, for such encroachment shall exist.
4. **Appurtenances to Units:** The owner of each unit shall own a share and certain interests in the condominium property which are appurtenant to his unit, including but not limited to the following items:
 - (A) Common Elements and Common Surplus: Each unit shall have an appurtenant undivided share and interest in the common elements and common surplus.
 - (B) Association: Each unit owner shall be a member of the Association.
 - (C) Limited Common Elements: Each unit shall have appurtenant to it such steps, balconies, decks, patios and storage lockers, which may be shown on the floor plans in site plans, and/or described herein. These are designated as limited common elements and shall be for the exclusive use of the unit to which they are appurtenant. Ownership of the Unit and the limited common elements may not be divided, and any transfer of the unit shall include a transfer of the limited common elements appurtenant thereto.
5. **General Common Elements:** The common area consists of the entire property other than units and limited common areas, including, without limitation, the following:
 - (A) All foundations, main walls, columns, girders, beams and all structural supports.
 - (B) All exterior, perimeter, and load-bearing walls of the building, not including the finished surface of the unit side of said walls; all walls and partitions separating units from corridors, stairs, incinerators, mechanical equipment spaces and other common area, not including the finished surface of the unit side of said walls and partitions; the walls and partitions separating units from other units, not including the finished surfaces of said walls and partitions; and all floors and ceilings, not including the surfaces on the unit sides of said floors and ceilings.
 - (C) Roofs, halls, corridors, lobbies, stairs, stairways, and entrances to and exists from the building;
 - (D) All mail rooms, laundry rooms, vaults, maintenance rooms, storage areas, driveway areas and all other community facilities;
 - (E) All space devoted to the use or lodging of the manager or other persons employed in connection with the operation of the property
 - (F) All central installations for services such as power, light, telephone, gas, hot and cold water, heat, air conditioning and refrigeration, and incineration (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units), together with all other mechanical equipment spaces;
 - (G) All tanks, motors, pumps, sewer pipes, and control equipment with the exception of air conditioning and heating units located within each unit;
 - (H) The land
 - (I) All other parts of the property and all apparatus and installations existing on the property for common use or necessary or convenient to the existence, maintenance, or safety of the property.
 - (J) The Subsurface Sewage Collection and Disposal System or the System Common Area.
5. **Limited Common Elements:** Certain areas shall constitute limited common elements and are designated as such herein and on the Site Plans. Such limited common elements shall be for the exclusive use of the unit to which they are appurtenant. Ownership of the unit and the limited common elements may not be divided, and any transfer of the unit shall include a transfer of the limited common elements appurtenant thereto, including the following as shown on the site plan:
 - (A) all steps, balconies and decks designated as limited common elements on the site plans and floor plans
 - (B) storage lockers designated for exclusive use by a unit owner
6. **Liability for Common Expenses:** Each unit owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements which is appurtenant to his unit. This shall include the Subsurface Sewage Collection and Disposal System.

VIII

MAINTENANCE, ALTERATION & IMPROVEMENT

The responsibility for the maintenance of the Condominium and restrictions upon the alteration and improvement thereof, shall be as follows:

1. Units:

(A) By the Association: The Association shall maintain, repair, and replace at the Association's expense:

- All portions of a unit except interior surfaces and exterior glass surfaces, contributing to the support of the unit building, which portions shall include but not be limited to the outside walls of the unit building and all fixtures on the exterior thereof, boundary walls of units, floor and ceiling slabs, and load-bearing columns and load-bearing walls
- All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which are contained in the portion of a unit maintained by the Association, and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.
- Any maintenance or necessary repair to the Subsurface Sewage Collection and Disposal System
- All incidental damage caused to a unit by such work shall promptly be repaired at the expense of the Association

(B) By the Unit Owner: The responsibility of the unit owner shall be as follows:

- To maintain, repair and replace at his expense all portions of his unit including heating and air conditioning compressor and fan units located therein, except the portions to be maintained, repaired and replaced by the Association.
- To maintain, repair and replace at his expense any and all screening of screened patios and balconies attached to his unit
- Unit owner shall be responsible for damage caused to lower units due to malfunction of mechanical/plumbing related items within his unit.

(C) Alterations & Improvements: Except as elsewhere reserved to Developer, neither a unit owner nor the Association shall make any alterations in the portions of a unit which are to be maintained by the Associations, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the unit building, or impair any easement, without first obtaining approval in writing of owners of all units in which such work is to be done and the approval of the Board of Directors of the Association as set forth in Article V Paragraph 12.

2. Common Elements:

- (A) By the Association: The maintenance and operation of the common elements shall be the responsibility of the Association and shall be a common expense.
- (B) Alteration & Improvement: There shall be no major alteration of further improvement of the real property constituting the common elements without prior approval in writing by the owners having not less than seventy five (75%) of the votes in the affairs of the Association. Failure of an owner or owners to approve of an alteration or improvement approved by at least seventy-five (75%) percent of the other owners shall not relieve such owner or owners of their respective share of the cost thereof.

IX

ASSOCIATION

1. **Articles of Incorporation**: The Association shall be incorporated under Articles of Incorporation in the form attached as Exhibit B.
2. **By-laws**: The by-laws of the Association shall be the by-laws of the condominium, a copy of which is attached as Exhibit C.
3. **Limitation Upon Liability of Association**: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the negligence of other owners or persons.
4. **Restraint Upon Assignment of Shares in Assets**: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his unit.
5. **Approval or Disapproval of Matters**: Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner in an Association meeting, unless the joinder of record owners is specifically required by the Master Deed.
6. **Roster of Unit Owners and Mortgagees**:
 - (A) **Unit Owners**: The Association shall maintain a roster of unit owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of unit owners which shall be furnished by them from time to time.
 - (B) **Developer's Amendments**: Notwithstanding the foregoing provisions of this Article, as long as Developer is entitled to exercise seventy five percent (75%) of the vote in the affairs of the Association as set out in Article III paragraph 5., of the Master Deed, Developer shall have the right to amend the Master Deed also known as the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, and By-laws as may be necessary to conform to applicable laws or governmental regulations, to meet requirements of lending institutions, or to expedite the completion of sale of the Condominium Project.

X

TERMINATION

The condominium may be terminated in the following manner provided by the Horizontal Property Act: