

EXHIBIT D  
TO MASTER DEED  
FOR PRESCOTT PLACE

BY-LAWS OF PRESCOTT PLACE  
HOMEOWNERS' ASSOCIATION

ARTICLE I  
Name and Location

1. Name and Location: The name of the Association is PRESCOTT PLACE HOMEOWNERS ASSOCIATION (the "Association"). The Association is a Tennessee nonprofit corporation. The principal office of the Association shall be located at Gherter & Company, 413 Seventh Avenue South, Nashville, Tennessee 37203.

ARTICLE II  
Members  
(Unit Owners)

Section 1. Eligibility. The members of the Association shall consist of the Unit Owners of the horizontal property regime known as Prescott Place Condominiums located in Williamson County, Tennessee (the "Property"), which has been submitted and is subject to the Horizontal Property Act of the State of Tennessee (the "Act"). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner or beneficiary.

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

Section 3. Regular Meetings.

(a) During the Development Period, as defined in the Master Deed, regular meetings of the Unit Owners shall be held annually, with the first such meeting to be held not less than one (1) year after Declarant or Builder has conveyed and delivered the deed for the first Unit to the initial purchaser thereof (other than the Builder). Subsequent regular meetings shall be held each year during the Development Period within fifteen (15) days of the anniversary of the immediately preceding regular meeting. All such meetings shall be held at such place in Williamson County, Tennessee and at such time, as specified in the written notice of such meeting which shall be delivered by the Board to all Unit Owners at least ten (10) days prior to the date of such meeting.

(b) The first regular annual meeting of Unit Owners (the "First Annual Meeting") shall be held not less than thirty (30) days after the expiration or termination of the Development Period. Subsequent to the First Annual Meeting, there shall be a regular annual meeting of Unit Owners held each year within fifteen (15) days of the anniversary of the First Annual Meeting. All such meetings of Unit Owners shall be held at such place in Williamson County, Tennessee, and at such time, as specified in the written notice of such meeting which shall be delivered by the Board to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meeting. Special meetings of Unit Owners may be called by the President of the Association or by a majority of the Directors of the Association, or by Unit Owners having at least one-fifth (1/5) of the votes entitled to be cast at such meeting. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the meeting, stating the date, time and place of the special meeting and the matters to be considered.

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

Section 6. Voting. Each Unit Owner, including the Declarant, shall be entitled to the number of votes provided for in the Master Deed. If any Unit Owner consists of more than one person, the voting rights of such Unit shall not be divided, but shall be exercised as if all Unit Owners consisted of one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. In the event of disagreement among such persons, and an attempt by two or more of them to cast such vote, such persons shall not be recognized, and such vote shall not be counted.

At all meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association prior to such meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

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

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding not less than twenty-five percent (25%) of the votes of the membership of the Association entitled to be cast at such meeting unless a greater number is required by the Act, the Master Deed or the Charter of the Association. If such a quorum shall not be present or represented at any meeting, the members entitled to vote at the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

### ARTICLE III Board of Directors

#### Section 1. Number, Election and Term of Office.

(a) Until such time as the First Annual Meeting of members is held, the Board of Directors of the Association (referred to in the Act as the "board of administrators" and referred to herein as the "Board") shall consist of four (4) persons (hereinafter referred to as "Directors" and individually as a "Director") each of whom shall be appointed by the Declarant (such initial Board hereinafter called the "First Board" when referring specifically to such Board; otherwise the term "Board" shall include the "First Board"). The Declarant may, but shall not be obligated to do so, appoint an Advisory Board of Directors, consisting of three Unit Owners, during the term of the First Board. Such Advisory Board shall have no authority to manage the affairs of the Association, but may, upon invitation, meet with the First Board from time to time. From and after the First Annual Meeting of the members, the Board of Directors of the Association shall consist of seven (7) Directors who shall be elected by the members of the Association as hereinafter provided. Two (2) of the Directors shall at all times be Cottage Unit Owners (or owners of an interest in a Cottage Unit), two (2) of the Directors shall at all times be Courtyard Unit Owners (or owners of an interest in a Cottage Unit), two (2) of the Directors shall at all times be Villa Unit Owners (or owners of an interest in a Villa Unit), and one (1) Director shall be an at-large Director.

(b) Every Director, except for members of the First Board and members of the Board elected at the First Annual Meeting, shall hold office for the term of three (3) years and until his successor shall be elected and qualified or until he is removed in the manner elsewhere provided. At the First Annual Meeting, the terms of office for the first Board to be elected by the Members shall be fixed wherein one (1) Director shall serve of one (1) year, three (3) Directors shall serve for two (2) years, and three (3) Directors shall serve for three (3) years.

(c) Except for the First Board, (i) those candidates for election as Director for the two positions on the Board to be occupied by Cottage Unit Owners (or owners of an interest in a Cottage Unit) receiving the greatest number of votes cast by Cottage Unit Owners either in person or by proxy at the regular annual meeting or special meeting in the case of removal or vacancy in the manner elsewhere provided, shall be elected, (ii) those candidates for election as Director for the two positions on the Board to be occupied by Courtyard Unit Owners (or owners of an interest in a Courtyard Unit) receiving the greatest number of votes cast by Courtyard Unit Owners either in person or by proxy at the regular annual meeting, or special meeting in the case of removal or vacancy in the manner elsewhere provided, shall be elected, (iii) those candidates for election as Director for the two positions on the Board to be occupied by Villa Unit Owners (or owners of an interest in a Villa Unit) receiving the greatest number of votes cast by Villa Unit Owners either in person or by proxy at the regular annual meeting, or special meeting in the case of removal or vacancy in the manner elsewhere provided, shall be elected, and (iv) the candidate for election as the at-large Director receiving the majority of votes cast by all Unit Owners either in person or by proxy at the regular annual meeting, or special meeting in the case of removal or vacancy in the manner elsewhere provided, shall be elected.

Section 2. Qualification. Except for members of the First Board, each Director shall be a Unit Owner (or owner of an interest in a Unit). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than seventy-two (72) hours' notice in writing to each Director, delivered personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 4. Removal. A Director appointed by the Declarant may be removed from office with or without cause by the Declarant. From and after the First Annual Meeting of the members, any Director may be removed from office with or without cause by a two-thirds (2/3) vote of the Unit Owners entitled to elect such Director at a regular or special meeting of the Unit Owners called for that purpose. The vacancy in the Board of Directors so created shall be filled by the Unit Owners entitled to remove such Director at the same meeting. Any Director so elected shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 5. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Unit Owners.

Section 6. Quorum. Except in the case of the First Board, four (4) Directors shall constitute a quorum for the transaction of business at all meetings of the Board. Two (2) Directors shall constitute a quorum of the First Board for the transaction of business at all meetings. The acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board.

Section 7. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements, including the Limited Common Elements;

- (e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, including the Limited Common Elements, and to amend such rules and regulations from time to time;
- (f) to provide for the maintenance, repair, and replacement of the Common Elements, including the Limited Common Elements, and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or Managing Agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, including the Limited Common Elements and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advise tie;
- (j) to fix the estimated annual budget, and to provide the manner of assessing and collecting from Unit Owners their respective shares of such estimated expenses, as hereinafter provided;
- (k) to enter into any lease agreement for lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board may approve;
- (l) to borrow money for the purpose of repair or restoration of Common Elements, including any Limited Common elements that are the responsibility of the Association to repair or restore;
- (m) to secure insurance policies as required or allowed by the Master Deed, and in this regard, annually to review the amounts of coverage afforded by such policies.
- (n) unless otherwise provided herein or in the Master Deed, to comply with the instructions expressed in resolutions duly adopted at any annual or special meeting of Unit Owners by a majority vote of the Unit Owners at such meeting;
- (o) to exercise all other rights, powers and duties on behalf of the Unit Owners as a group provided or referred to in the Horizontal Property Act of the State of Tennessee, or as provided or referred to in the Master Deed or these By-Laws.

Section 8. Authority of Board to Act for Association. Whenever in these By-Laws the Association is given the power to take any action, it is the intention of these By-Laws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Unit Owners.

Section 9. Non-Delegation. Nothing in these By-Laws shall be considered to grant to the Board, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to Unit Owners.

Section 10. Vacancies. Except as to vacancies occasioned by the removal of Directors by Unit Owners, any vacancy occurring in the Board shall be filled by the Unit Owners entitled to fill such vacancy at

a special meeting called for such purpose in the manner provided in Section 1(c), above, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by Declarant. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 11. Nomination. Nomination for election to the Board at each regular annual meeting shall be made by a Nominating Committee which shall consist of three (3) members appointed (i) by the Board to serve from the close of one annual meeting to the close of the succeeding annual meeting, such appointed to be announced at the annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nomination shall be made at least thirty (30) days prior to the annual meeting, and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the regular annual meeting.

#### ARTICLE IV Officers

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

- (a) a President, who shall be a Director, who shall preside over meetings of the Board and of Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;
- (d) such additional officers as the Board shall see fit to elect.

Prior to the first regular annual meeting of the Board, the officers of the Association shall be elected by a majority vote of the First Board appointed by the Declarant.

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

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

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

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

#### ARTICLE V Assessments

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

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

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

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

Section 4. Annual Report. Within one-hundred twenty (120) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as practicable, the Board shall cause to be furnished to each Unit Owner a financial statement for the preceding fiscal year (or portion thereof if the Association has been established for less than a full fiscal year), showing the receipts and expenditures and such other information as the Board may deem desirable. Such financial statement will be audited by an independent certified public accountant if:

- (a) the Property contains fifty (50) or more Units, in which case the cost of the audit will be a common expense; or
- (b) any First Mortgagee requests it, in which case the First Mortgagee will bear the cost of the audit.

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

thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article III, Section 6(c) hereof and expenditures and contracts specifically authorized by the Master Deed and By-Laws, the Board shall not approve any non-budgeted expenditure in an amount in excess of ten percent (10%) of the annual budget for the then current year, unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the votes of Association members who are voting in person or by proxy at a meeting duly called for this purpose.

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

If any Unit Owner shall fail or refuse to make any such payment of assessments within twenty (20) days following the date when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment shall also bear interest at the Delinquency Rate as defined in the Master Deed. Such delinquent payment, together with penalty and interest, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property.

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

Section 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of its receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

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

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

Section 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners.

Section 11. Special Assessments. Subject to the budget procedures required hereinabove, the Board may fix and assess in any fiscal year one or more special assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement within the Common Elements (including the Limited Common Elements) or any facilities located in the Common Elements (including the Limited Common Elements) which are the responsibility of the Association, including the necessary fixtures and personal property related to it. The Board will apportion special assessments among the Unit Owners and collect payment according to the same guidelines as set forth for assessments in Section 2, above. Notice of the amount and due dates for such special assessments must be sent to each Unit Owner at least 30 days prior to the due date. If any of the special assessments levied pursuant to this Section 11 are to be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities in the Property), and if the total amount of the special assessments levied for such construction exceeds 10% of the gross annual budget for the Association for that year, then the use of special assessments for that construction will require the approval of Unit Owners representing at least 67% of the votes of the Association. The use of special assessments pursuant to this Section 11 for constructing any Common Elements shall not apply to the construction of any Common Elements to be completed by Declarant or Builder in development of the Property.

#### ARTICLE VI Contractual Powers

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

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or
- (b) The contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

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

#### ARTICLE VII Amendments

These Bylaws may be amended or modified in the following manner:

- (a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- (b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members of the Association. Members not present in person or by proxy at the meetings to consider the amendment may express their approval in writing, providing such approval is delivered to the Secretary. Any amendment must be approved by not less than sixty-seven (67%) percent of the Unit Owners and the specified number or percentage of Eligible Mortgage Holders, if any, required pursuant to Paragraph 25 of the Master Deed.
- (c) Except as provided in the Master Deed, no amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless the Unit Owner so affected shall consent and no amendment shall change any Unit, nor the share in the Common Elements

appurtenant to it, nor increase the Unit Owner's share of the common expenses (as this term is used in Section 9 of the Master Deed), nor the method of assessment for common expenses, nor change the voting rights of members, without the consent of the record owner of the Unit so affected and any Institutional Lenders as required by the Master Deed.

- (d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective upon recording in the Register's Office for Williamson County, Tennessee.
- (e) Notwithstanding the provisions of paragraphs (a) through (e) above, these Bylaws may not be amended by the Unit Owners during the Development Period without the express written approval of the Declarant. Further, for so long as there is a Class B membership in the Association, the Federal Housing Administration and/or the Veteran's Administration shall have the right to veto amendments.

#### ARTICLE VIII Indemnification

Section 1. General. To the extent permitted by law, the Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to these By-Laws, the Board, the Declarant and Builder against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such Directors, officers, Board committee members, Declarant or Builder, for or on behalf of the Association, or arising out of their status as Directors, officers, Board or committee members, agents or representatives of the Association, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such Director, officer, committee member, Declarant or Builder, may be involved by virtue of such person's being or having been such Director, officer, Board or committee member, agent or representative of the Association provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board or committee member, agent or representative of the Association or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board or committee member, agent or representative of the Association. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association, or disinterested members of the Board or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board, officer of the Association, or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

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

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

ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, officers, members of such committees, Declarant or Builder, or out of the aforesaid indemnity in favor of the Directors, officers, members of such committees, Declarant or Builder, shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. Every agreement made by the Directors, officers, members of such committees, or by the Managing Agent, Declarant or Builder, on behalf of Unit Owners shall provide that the Directors, officers, members of such committees, the Managing Agent, Declarant or Builder, as the case may be, are acting only as agents for Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements.

## ARTICLE IX

### Mortgages; Books and Records

Section 1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and deed of trust or mortgage with Association.

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

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

Section 4. Examination of Books and Records. The Association shall maintain current copies of the Master Deed, these Bylaws, any Rules and Regulations as well as its own books, records and financial statements which shall be available for inspection by the Unit Owners, Eligible Mortgage Holders or other First Mortgagees. The Association shall also make available to prospective purchasers of the Units current copies of the Master Deed, these Bylaws, any Rules and Regulations and the most recent annual audited financial statements, if such is prepared. For purposes of this Section 4, "available" means available for inspection upon request, during normal business hours or under other reasonable circumstances.

## ARTICLE X

### Definition of Terms

The terms used in these By-Laws, not otherwise defined herein, shall have the same meaning as set forth in the Master Deed and Bylaws for Prescott Place Condominiums (the "Master Deed") of record in the Register's Office of Williamson County, Tennessee, to the extent they are defined therein.

The term "member", as used in these By-Laws, means "Unit Owner" as defined in the Master Deed.

**ARTICLE XI**  
**Conflicts**

These Bylaws are set forth to comply with the requirements of Section 66-27-101 et. seq. of the Tennessee Code Annotated, the Horizontal Property Act for the State of Tennessee, as it may be amended from time to time (the "Act"), and to allow the Bylaws to control in specific situations where such law allows. In the event any of the Bylaws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.

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EXHIBIT E  
TO MASTER DEED FOR PRESCOTT PLACE  
PERCENTAGE OF COMMON ELEMENTS

The total number of Units in Prescott Place Condominiums is forty (40) Units. The percentage interest of each Unit in the Common Elements is equal to a fraction, the numerator of which is the number one (1) and the denominator is the number forty (40) or  $1/40 = 0.025$ .

BK 1485 PG1052

## COURTYARD UNIT

NOTE:

- 1.) SHADED AREA DESIGNATED  
FOR THE PRIVATE USE &  
ENJOYMENT OF COURTYARD  
UNIT OWNER
- 2.) CROSSHATCHED AREA WITHIN  
FENCED IN COURTYARD TO BE  
MAINTAINED BY COURTYARD  
UNIT OWNER

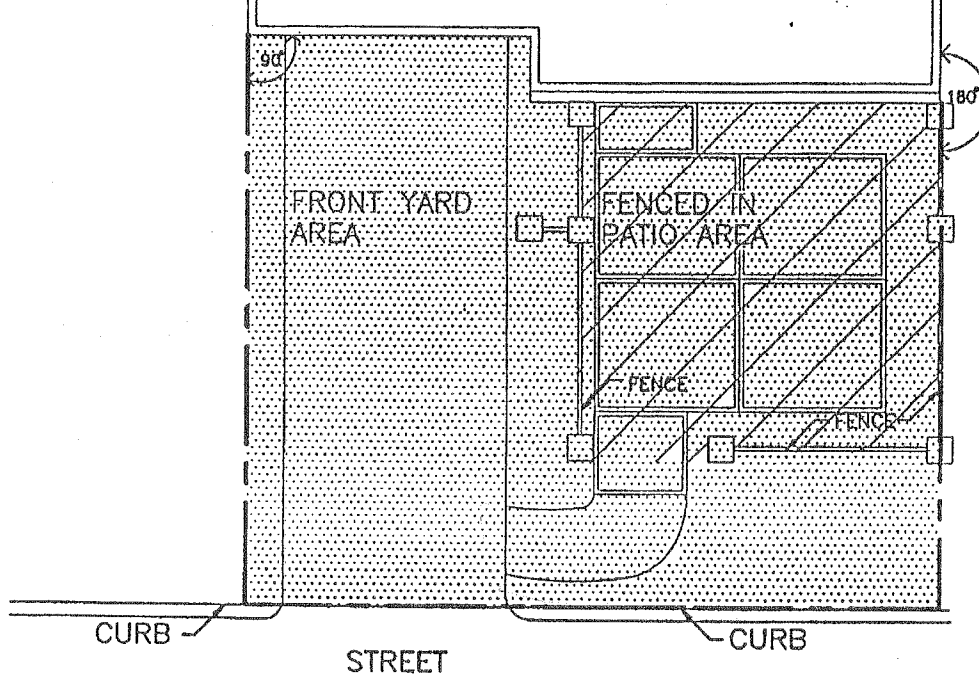


EXHIBIT "F"

TYPICAL COURTYARD UNIT

PHASE 1

PRESCOTT PLACE - SECTION I

# Fieldstone Farms

FRANKLIN

WILLIAMSON CO.

TENNESSEE



**J**  
ENGINEERING PLANNING LANDSCAPE ARCHITECTURE  
1935 Twenty-First Avenue South Nashville, Tennessee 37212 Phone 615-385-4144

THIS AREA OF REAR  
YARD NOT FENCEDNOTE:

HADED AREA  
DESIGNATED FOR THE  
PRIVATE USE &  
ENJOYMENT OF VILLA UNIT  
OWNER

2.) CROSSHATCHED AREA WITHIN  
FENCED IN PATIO AREA  
TO BE MAINTAINED BY  
VILLA UNIT OWNER

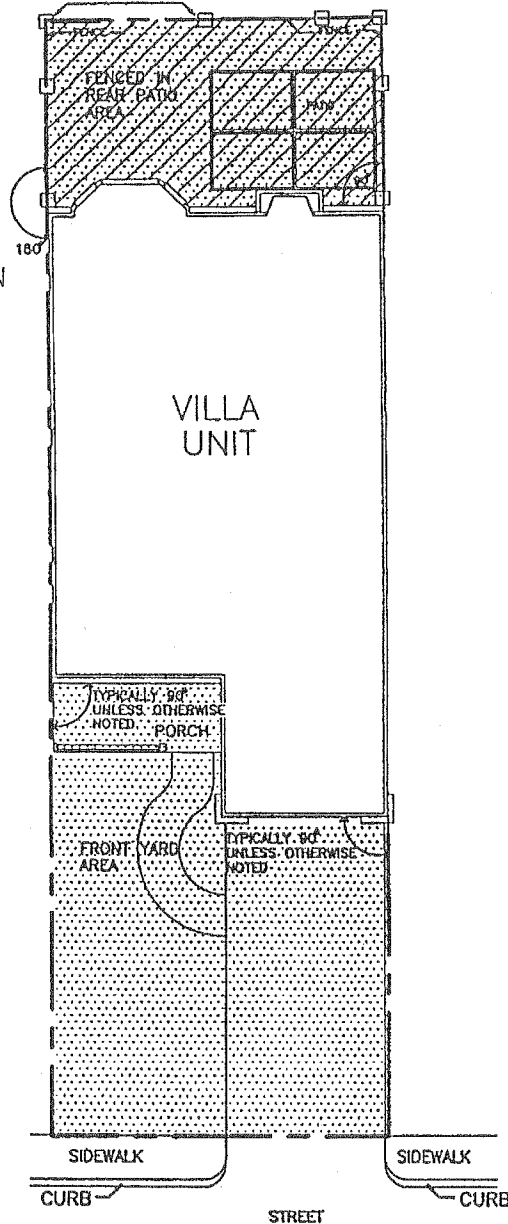


EXHIBIT "G"

TYPICAL VILLA UNIT

PHASE 1

PRESCOTT PLACE - SECTION I

Fieldstone Farms  
FRANKLIN WILLIAMSON CO. TENNESSEE



J  
ENGINEERING PLANNING LANDSCAPE ARCHITECTURE  
1835 Twenty-First Avenue South Nashville, Tennessee 37212 Phone 615-385-4144

EXHIBIT H  
TO MASTER DEED  
FOR PRESCOTT PLACE

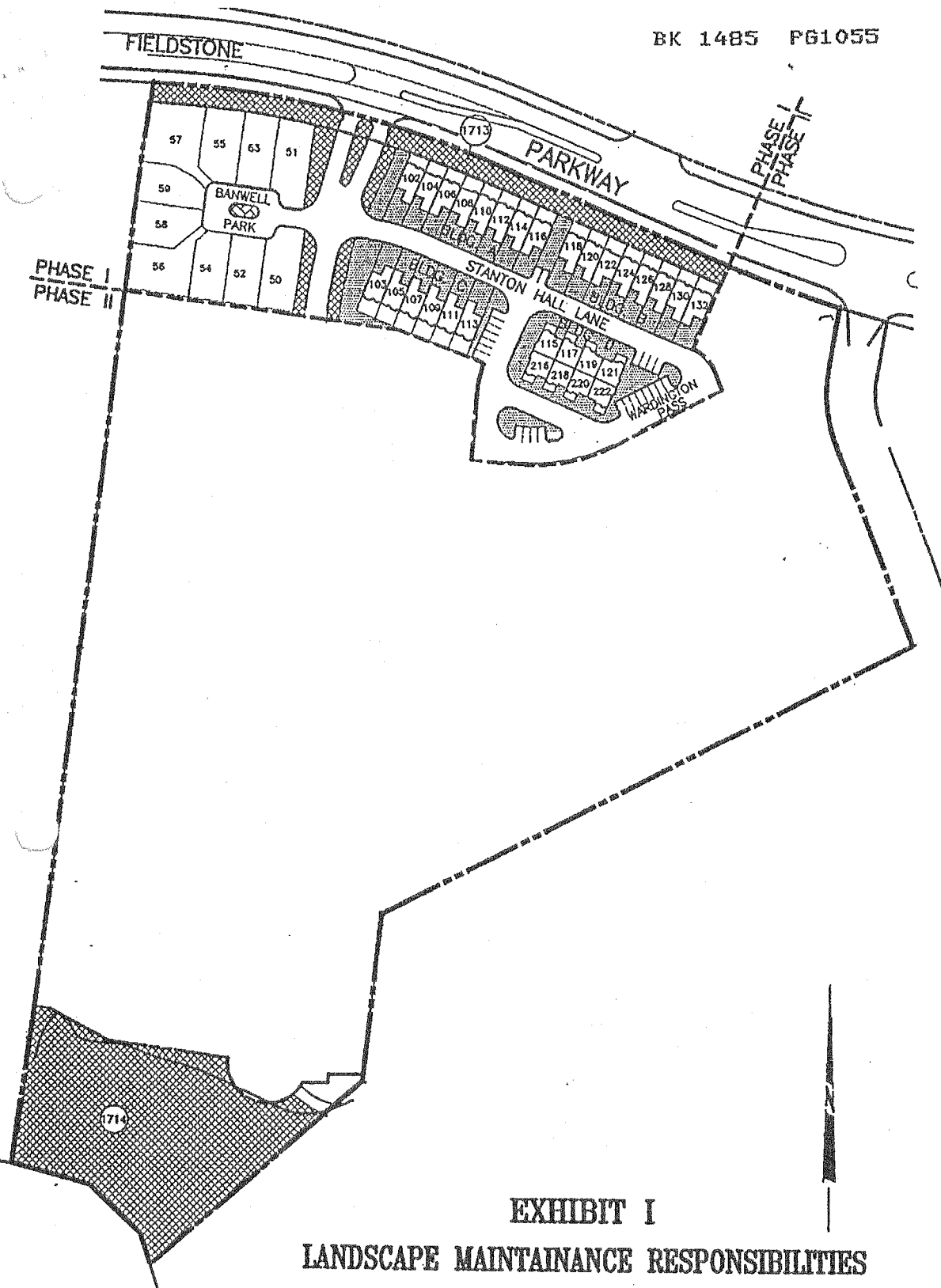
Front Yard Area Variances

None for Courtyard Units and Villa Units in Phase I



FIELDSTONE

BK 1485 PG1055



## EXHIBIT I

### LANDSCAPE MAINTAINANCE RESPONSIBILITIES

#### PHASE 1

MASTER HOMEOWNERS ASSOCIATION  
OR FIELDSTONE FARMS

PRESCOTT PLACE - SECTION I

# Fieldstone Farms

FRANKLIN

WILLIAMSON CO.

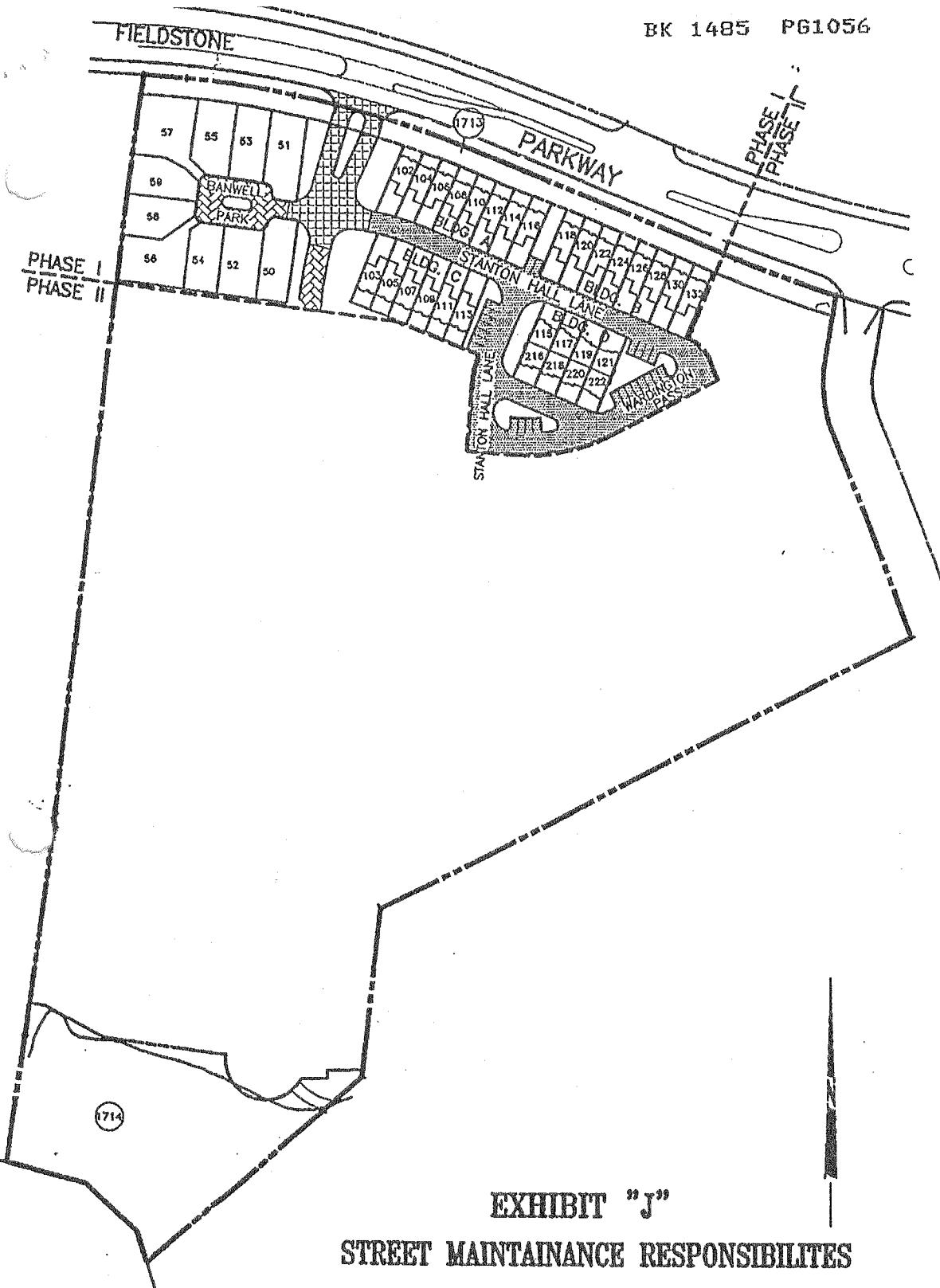
TENNESSEE

CONTRACT UNITS

CONTRACT UNITS AND COURTYARD UNITS



**LITTLEJOHN ENGINEERING ASSOCIATES, INC.**  
ENGINEERING PLANNING LANDSCAPE ARCHITECTURE  
1935 Twenty-First Avenue South Nashville, Tennessee 37212 Phone 615-295-1144



## EXHIBIT "J"

## STREET MAINTAINANCE RESPONSIBILITIES

## PHASE 1

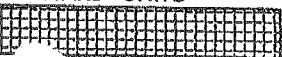
## PRESCOTT PLACE - SECTION I

## Fieldstone Farms

FRANKLIN

WILLIAMSON CO.

TENNESSEE

COTTAGE, VILLA, AND  
COURTYARD UNITS

COTTAGE UNITS



VILLA AND COURTYARD UNITS



**LITTLEJOHN ENGINEERING ASSOCIATES, INC.**  
 ENGINEERING PLANNING LANDSCAPE ARCHITECTURE  
 1935 Twenty-First Avenue South Nashville, Tennessee 37212 Phone 615-385-4144

## EXHIBIT K

## TO MASTER DEED FOR PRESCOTT PLACE

MAINTENANCE & EXPENSE MATRIX

## Maintenance and/or Expense Responsibility

Unit Owner - O  
 Association - A  
 Master Association - MA

## Billing Method

To Individual Unit Owner - I - *Bill from Association to owner*  
 No Bill - Unit Owner arranges and pays for maintenance - NB - *owner to take care of himself*  
 Pro Rata to All Unit Owners - PR - *Bill each unit affected*  
 Pro Rata to All Unit Owners by Unit Type - UT - *repairs built into dues*  
 Pro Rata to Unit Owners in Building - OIB - *Bill all units in building involved*  
 Pro Rata to All Unit Owners in Master Association - MA - *Bill entire master association*

N/A - Not Applicable

<u>ITEM</u>	<u>COTTAGE</u>	<u>COURTYARD</u>	<u>VILLA</u>
Fences			
White Horse Farm	MA	MA	MA
Western Cedar Yard Fences	A/UT	A/UT	A/UT
Patio Fences	N/A	A/UT	A/UT
Parking Spaces (Common)	A/PR	A/PR	A/PR
Water Lines			
Exterior	O/NB <sup>1</sup>	A/PR <sup>2</sup>	A/PR <sup>2</sup>
Interior	O/NB	O/NB <sup>3</sup>	O/NB <sup>3</sup>
Sewer Lines			
Common Lines to Bldg. Clean Out	A/PR	A/PR	A/PR
Bldg. Clean Out to Exterior	O/NB <sup>1</sup>	A/OIB	A/OIB
Wall of Unit			
Within Interior Walls of Unit	O/NB	O/NB	O/NB

<u>ITEM</u>	<u>COTTAGE</u>	<u>COURTYARD</u>	<u>VILLA</u>
Areas Around Courtyard & Villa Units	N/A	A/UT	A/UT
Within Villa & Courtyard Fences	N/A	O/NB	O/NB
Mail Boxes & Trellises	A/PR	A/PR	A/PR
Cottage Bldg. Maint. (Interior & Exterior)	O/NB	O/NB	O/NB

## Building Maintenance

EXHIBIT K  
(cont.)TO MASTER DEED FOR PRESCOTT PLACE  
MAINTENANCE & EXPENSE MATRIX

Exterior	N/A	A/UT	A/UT
Interior	N/A	O/NB	O/NB
A.C. Units	O/NB	O/NB	O/NB
Telephone, Electric, Gas, Cable			
Exterior	A/PR <sup>4</sup>	A/PR <sup>4</sup>	A/PR <sup>4</sup>
Interior	O/NB	O/NB	O/NB
Water Meters			
Master Meter	A/PR	A/PR	A/PR
Individual Meters	A/I	A/I	A/I

Notes

1. All utility service lines within the Maintenance Area for each Cottage Unit are the responsibility of the Unit Owner.
2. Association maintains water lines to exterior wall of Unit.
3. Unit Owner responsible for arranging and paying for interior plumbing maintenance.
4. Association to maintain exterior utility conduits and lines which are not maintained by individual utility service providers.

State of Tennessee, County of WILLIAMSON  
 Received for record the 29 day of  
 JANUARY 1997 at 2:02 PM. (RECN 207094)  
 Recorded in official records  
 Book 1485 Page 992-1058  
 Notebook 57 Page 279  
 State Tax \$ .00 Clerks Fee \$ .00,  
 Recordings \$268.00, Total \$ 268.00,  
 Register of Deeds SADIE WADE  
 Deputy Register KAREN OWENS

BK 1702 PG 79

UNIT ENVELOPE

MAINTENANCE AREA

PHASE 2,  
SECTION 5

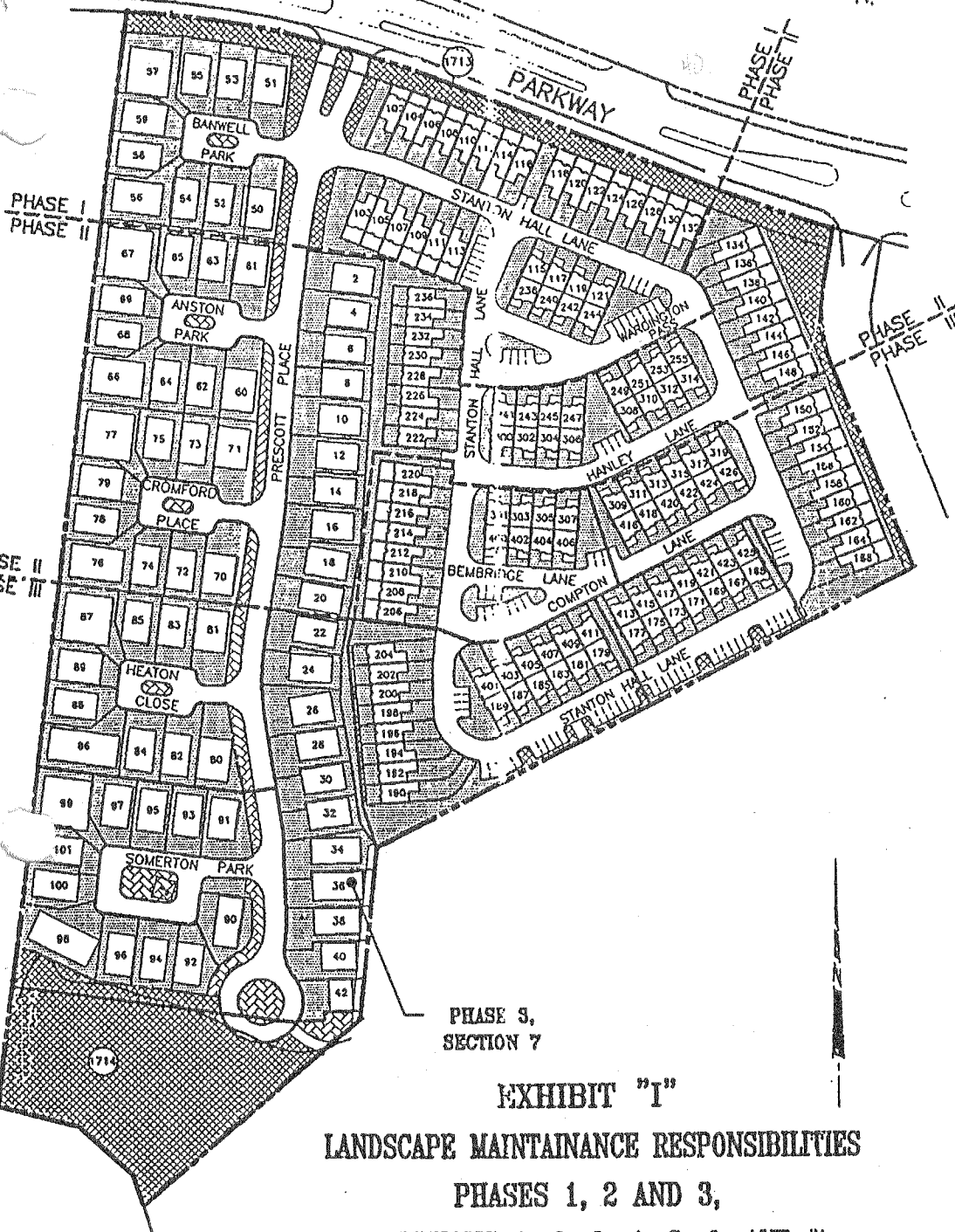
PHASE 3,  
SECTION 7

**EXHIBIT "C"**  
**PRESCOTT PLACE**  
BOUNDARY PLAN FOR PHASE 1,  
PHASE 2 SECTIONS 1-5, AND  
PHASE 3 SECTIONS 1-7  
FIELDSTONE FARMS SECTION "I"  
RESUBDIVISION OF LOT 1364

SHEET 2 OF 2

**Fieldstone Farms**  
FRANKLIN WILLIAMSON CO. TENNESSEE

**LITTLEJOHN ENGINEERING ASSOCIATES, INC.**  
REGISTERED PROFESSIONAL ENGINEERS  
1000 Twenty-First Avenue South, Nashville, Tennessee 37212 Phone 265-395-0111  
REVISED 07/22/91 SCALE: 1"=150' 147043A  
REV. 05/04/88, REV. 07/22/88



## EXHIBIT "I"

## LANDSCAPE MAINTAINANCE RESPONSIBILITIES

PHASES 1, 2 AND 3,

SECTIONS 1, 2, 3, 4, 5, 6, AND 7

PRESCOTT PLACE - SECTION I

Fieldstone Farms

FRANKLIN WILLIAMSON CO. TENNESSEE

MASTER HOMEOWNERS ASSOCIATION  
FOR FIELDSTONE FARMS

ATTACHMENT UNITS

LA AND COURTYARD UNITS



LITTLEJOHN ENGINEERING ASSOCIATES, INC.  
ENGINEERING PLANNING LANDSCAPE ARCHITECTURE  
1935 Twenty-First Avenue South Nashville, Tennessee 37212 Phone 615-385-1144

REVISED 09/22/97 SCALE: 1"=150' 147EXH3

