

**BY-LAWS OF THE
GLENSHIEL CONDOMINIUM TOWNHOUSE ASSOCIATION**

SECTION I: GENERAL

Principal Office: The Principal Office of the Association shall be on the grounds of the property located at **2806 Suncrest Road – Pigeon Forge, Tennessee 37863.**

SECTION II: DEFINITIONS

The definitions used in these By-Laws shall be the same as those listed in the Master Deed establishing the Horizontal Property Regime for the project and shall be incorporated herein by reference.

SECTION III: MANAGEMENT COMMITTEE

A. Management Committee:

The affairs of the Association shall be governed by a Management Committee consisting of officers of the Association as follows: President, Treasurer and Secretary.

B. Resignation:

Any member may resign his/her office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Association, unless some other time will be fixed in the resignation. Acceptance of the resignation shall not be required to make it effective.

C. Vacancy & Replacement:

Vacancies in the Management Committee, other than vacancies occurring as a result of removal by the Unit Owners, shall be filled for the unexpired term by the remaining members at any regular or special meeting. If the office of any member becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, a majority of the remaining members, though less than a quorum, at a special meeting duly called for the purpose of filling such vacancy or vacancies shall choose a successor(s) who shall hold the office for the predecessor member's unexpired term.

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D. Powers & Duties of the Management Committee:

All the powers and duties of the Association existing under the Master Deed and these By-Laws shall be exercised exclusively by the Management Committee, its agents, contractors and employees, subject only to approval by Unit Owners when such is specifically required. Such powers and duties of the management committee shall include but not be limited to the following:

1. To make and collect assessments against Unit Owners in accordance with these By-Laws, to defray the cost and expenses of the Condominium.
2. To use the proceeds from the assessments in the exercise of its powers and duties in the manner provided in these By-Laws.
3. To enter into agreements and to purchase necessary equipment and tools for the maintenance and preservation of the Condominium.
4. To enter in and upon the Units when necessary and reasonable in connection with the maintenance and preservation of the Condominium.
5. To insure the Condominium property against casualty losses and public liability, and to purchase such other insurance as the Management Committee may deem advisable.
6. To reconstruct improvements after casualty and to further improve the Condominium Property.
7. To make and amend reasonable regulations respecting the use of the Condominium Property as provided in these By-Laws.
8. To enforce by legal means, the provisions of the Master Deed and the By-Laws.
9. To employ personnel as may be required for the maintenance and preservation of the Condominium Property.

E. Meetings:

1. Regular Meetings: Regular meetings of the Management Committee may be held twice a year at such time and place as shall be determined from time to time by a majority of the members of the Management Committee. Notice of regular meetings of the Home Owners' Association shall be given to each member by personal delivery, mail or telephone, at least five (5) business days prior to the day of such meeting.

2. Special Meetings: Special meetings of the Management Committee may be called by the Chairman, or by a majority of the members, by giving five (5) business days prior notice to each member of the Management Committee, by personal delivery, mail or telephone, which notice shall state the time, place and purpose of the meeting.
3. Action of Members Without a Meeting: Any action which may be taken at a meeting of the members of a committee thereof, may be taken without a meeting, if a consent in writing setting forth the action to be taken is signed by all the members of the committee, as the case may be, and such consent is filed in the minutes of the proceedings of the Homeowners' Association. Such consent shall have the same effect as a unanimous vote.
4. Emergency Duties of Management Committee: In the event of any emergency situation pertaining to the property, the Management Committee has the authority to take proper action in the interest of all Homeowners and advising Homeowners as soon as possible of any action.

F. Quorum:

At all such meetings of the Homeowners' Association, a majority of the members thereof shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the Homeowners' Association present at a meeting at which a quorum is present, shall constitute the decision of the Management Committee. If, at any meeting of the Management Committee, there shall be less than a quorum present, a majority of those present may adjourn the meeting.

G. Order of Business At Meetings:

The order of business at all meetings of the Management Committee shall be as follows:

1. Call to Order
2. Reading of the Minutes of the last meeting
3. Treasurer's Report
4. Reports of Committees
5. Unfinished Business
6. New Business

7. Election of Officers
8. Adjournment

H. Compensation:

No member of the Management Committee shall receive any compensation from the Condominium for acting in the capacity of members; provided, however, that commencing with the election of a majority of the members of the Management Committee by Unit Owners shall be compensated for reasonable expenses incurred by them while acting as members of the Management Committee.

I. Limitation of Liability:

The members of the Management Committee shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners, including those who are members of the Management Committee, in proportion to their respective interests in the Common Elements, shall indemnify and hold harmless each of the members of the Management Committee against all acts and/or omissions to the fullest extent provided by law while acting on behalf of the Association, unless any such acts and/or omissions shall have been made in bad faith or contrary to the provisions of law, the Master Deed, or these By-Laws. It is understood and permissible for the Management Committee to contract for services required for maintenance and/or repair of Condominium buildings or property.

SECTION IV: MEMBERSHIP

Each Unit Owner shall be a member of the Association; provided, however, that if more than one (1) person owns a single Unit, voting right shall be in the manner set forth in these By-Laws. A Unit Owner will cease to be a member of the Association upon the sale, transfer or disposition of his/her ownership interest in his/her Condominium Unit, and such transfer shall be subject to the procedures set forth herein. As used in these By-Laws and the Master Deed, the term "Unit Owners" shall be synonymous with the term "members" when referring to members of the Association.

SECTION V: MEETINGS

A. Annual Meetings:

Within 10 days after notification, the Management Committee shall call and give notice of the annual meeting of Unit Owners. Annual meetings of the Unit Owners shall be held in the Meeting Room on the property. At each such subsequent meeting, the Unit Owners shall elect a number of members to the Management Committee sufficient to fill all vacancies and to replace or re-elect members whose terms have expired. Unit Owners may also transact such other business of the Association as may properly come before the meeting. The Chairman of the Management Committee shall preside over the annual meeting of Unit Owners or designate another member to act in his place.

B. Special Meeting:

It shall be the duty of the Management Committee to call a special meeting of the Unit Owners, if so directed by a resolution of the Management Committee, or upon a petition signed and presented to the Management Committee by a majority of the members. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent, either in person or by proxy, of Unit Owners owning at least sixty percent (60%) of the common interest.

C. Quorum & Vote Required To Transact Business:

Except as otherwise provided in these By-Laws, the presence, in person or by proxy of Unit Owners owning at least 60% of the common interest in the Condominium, shall constitute a quorum at all meetings of the Unit Owners. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present, in person or represented by written proxy, shall decide any question brought before the meeting, unless these By-Laws expressly provide for a different vote; in which case, such express provisions shall govern with respect to such question.

D. Voting:

Each Unit is entitled to one (1) vote. If a Unit is owned by one (1) person, his/her right to vote shall be established by the record title to his/her Unit. If a Unit is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit and filed with the Management Committee of the Association. If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any owner of a Unit. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

For voting purposes, at least fourteen (14) days prior to a particular meeting, the Management Committee shall prepare a complete list of Unit Owners entitled to vote, arranged numerically by Units. Such list shall be kept until the questions to be voted upon have been determined, and shall be open to examination by Unit Owners throughout such time.

E. Proxies:

Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote, must be in writing and signed by the Unit Owner(s), and shall be valid only for the particular meeting designated therein and must be filed with the Management Committee before the appointed time of the meeting or the adjournment thereof.

F. Order of Business:

The order of business at the meetings of the Unit Owners shall be as follows:

1. Roll Call
2. Reading of the Minutes of the last meeting

3. Consideration of communications
4. Reports of Officers
5. Report of Board of Directors
6. Reports of Committees
7. Election of members of Board of Directors (when appropriate)
8. Unfinished Business
9. New Business

G. Minutes:

The Minutes of all Unit Owners' meetings shall be taken at all meetings of Unit Owners, kept in a business-like manner for a period of at least three (3) years from such meeting and shall be available for inspection by Unit Owners at all reasonable times.

H. Annual Statement:

The Treasurer shall present no less often than at the annual meeting of the Association, a full and clear statement of the business and condition of the Association, herein called the "Annual Statement", including a report of the operating expenses of the Association. Incident to the Annual Statement, the Management Committee shall also prepare and present the proposed annual budget of Common Expenses of the Association in the manner provided in these By-Laws.

I. Waiver & Consent:

Notwithstanding the foregoing, whenever the vote of Unit Owners at a meeting is required or permitted by any provisions of law, these By-Laws, or otherwise, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners entitled to vote at said meeting consent in writing to the proposed actions.

SECTION VI: MAINTENANCE, ALTERATION & IMPROVEMENT

A. Responsibility:

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

1. Apartment Units:

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

- (1) all portions of a Unit, except interior surfaces, contributing to the support of the Condominium building, which portions shall include, but not be limited to, the outside walls of the Condominium building and all fixtures on its exterior, boundary walls of units, floor and ceiling slabs, load-bearing columns and load-bearing walls;
- (2) all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of a Unit that service part or parts of the Condominium other than the Unit within which contained; and
- (3) all incidental damage caused to a Unit by such work specified in (1) and (2) of the subsection.

(b) The responsibility of the Unit Owner shall be as follows:

- (1) to maintain, repair and replace, at his expense, all portions of his Unit, except the portions to be maintained, repaired and replaced by the Association. The portions of a Unit to be maintained, repaired and replaced by the Unit Owner, at his expense, shall include but not be limited to the following items: major appliances such as dishwasher, laundry, refrigerator, oven, stove, water heater, whether or not such items are built-in equipment; floor coverings, except floor slabs, interior fixtures such as electrical and plumbing fixtures; inside paint and other inside wall finishes. Mechanical equipment and installation of such equipment shall be such that its operation will not cause annoyance to the residents of other Units;
- (2) not to make or cause to be made any structural addition or alteration, decoration, repair, replacement or change to the Common Elements and/or the Limited Common Elements or to any outside or exterior portion of the

building, whether part of a Unit, the Common Elements and/or Limited Common Elements;

(3) each owner shall have a duty to repair and reconstruct his Unit according to its original design. If an owner fails to repair or reconstruct his Unit within a reasonable time, the Management Committee may elect to either repair or reconstruct the Unit, and the cost shall be both the personal obligation of the owner and a lien upon the Unit.

(4) Anyone owning two units and wanting to combine them into one, must first have the approval and consent of the Homeowners' Association (this was voted and passed at the Homeowners' Meeting on 10/22/1988).

2. Common Elements:

(a) The maintenance of the Common Elements and the Limited Common Elements shall be the responsibility of the Association; and there shall be no material alteration or additions to the Common Elements and the Limited Common Elements, except in the manner provided in the Master Deed or in the By-Laws of the Association.

(b) The Management Committee of the Association may enter into a contract with any firm, person or corporation for the maintenance and repair of the Condominium Property and may join with other Condominium Associations in contracting with the same firm, person or corporation for maintenance and repair.

(c) No Unit Owner shall make any alterations in the portions of the improvements of the Condominium which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety of soundness of the Condominium Building containing his/her Unit, or impair any easements.

(d) The Association shall determine the exterior scheme of the building and all exterior surfaces and shall be responsible for the maintenance thereof, and no

Unit Owner shall paint an exterior wall, door, window or any exterior surface without the written consent of the Homeowners' Association.

SECTION VII: INSURANCE

A. Acquisition of Insurance:

The Management Committee of the Association shall obtain and maintain at all times the following insurance listed below. The name insured in all insurance policies upon the Condominium Property shall be the Association individually and as agent for the Unit Owners, without naming them, and first mortgagees, and to other mortgagees upon request.

1. Liability Insurance: Public liability insurance covering all of the Common Elements and insuring the Association and the Unit Owners as it and their interests appear, in such amounts as the Management Committee may determine from time to time, provided that the minimum amount of coverage shall be \$1,000,000.00. Premiums for such insurance shall be chargeable as a Common Expense to be assessed against and paid by each of the Unit Owners in the proportions set forth herein. The Association shall not be responsible for purchasing liability insurance to cover accidents occurring within the individual Units.
2. Casualty Insurance: Casualty insurance insuring against vandalism, malicious mischief, fire, windstorm and extended coverage insurance, insuring all of the insurable improvements upon the land and all personal property included in the Common Elements and Limited Common Elements for a minimum of eighty percent (80%) of the full replacement value, together with such other insurance as the Association deems necessary. Premiums for such insurance shall be chargeable as a Common Expense to be assessed against and paid by each of the Unit Owners in the proportion set forth above herein. The Management Committee shall annually make an analysis to determine replacement costs for insurance purposes for all of the then existing improvements for the ensuing year. Said insurance shall not insure against damage to the interior of the individual units or personal property therein contained.

3. Other: Such other insurance as the Management Committee of the Association shall determine from time to time to be desirable.

B. Premiums:

Premiums for such insurance shall be chargeable as a Common Expense to be assessed against and paid by each of the Unit Owners in the proportions set forth herein.

C. Distribution of Proceeds:

In the event a loss occurs for which proceeds of insurance policies are received, payments under the policies shall be disbursed and expended in the following manner:

1. To the Management Committee of the Association.
2. If the damage for which the proceeds are paid is to be repaired or reconstructed, the Association shall pay the proceeds to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, each Owner's share being the same as the undivided interest to his/her unit. Such proceeds shall be paid to the Unit Owners and their mortgagees jointly.
3. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners by the Association, each Owner's share being equal to the undivided interest in the Common Elements and Limited Common Element appurtenant to his/her Unit. Remittances shall be paid to Unit Owners and their mortgagees jointly.

D. Agent:

The Association is irrevocably appointed agent for Unit Owner and for each holder of a mortgage of other lien upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

E. Unit Owners' Insurance Responsibility:

Unit Owners may obtain insurance coverage at their own expense upon their own property and for their personal liability and living expense.

SECTION VIII: RECONSTRUCTION OR REPAIR AFTER CASUALTY

A. Decision to Reconstruct or Repair:

If any part of the Condominium Property shall be damaged by casualty, a decision as to whether or not it shall be reconstructed or repaired shall be determined in the following manner:

1. Lesser Damage: If Units to which at least fifty percent (50%) of the Common Elements are appurtenant are found by the Management Committee of the Association to be tenantable after the casualty, the damaged property shall be reconstructed or repaired by the Association
2. Major Damage: If Units to which more than fifty percent (50%) of the Common Elements and the Limited Common Elements are appurtenant are found by the Management Committee to be not tenantable after the casualty, a decision as to whether the damaged property will be reconstructed and repaired or the condominium terminated shall be determined in the following manner:
 - a. Immediately after the casualty, the Association shall obtain reliable and detailed estimates of the costs to rebuild and repair.
 - b. Immediately after the determination of the amount of insurance proceeds, the Association shall give notice to all Unit Owners of the casualty, the extent of the damage, the estimated costs to rebuild or repair, the amount of insurance proceeds and the estimated amount of assessments required to pay the excess of the cost of reconstruction or repair over the amount of insurance proceeds. Such notice shall announce a meeting of Unit Owners to be held within thirty (30) days from the mailing of such notice. If the reconstruction and repair is approved at such meeting by the Owners of seventy-five percent (75%) of the Common Elements and Limited Common Elements, the damaged property shall be reconstructed or repaired; or if not so approved, the Condominium shall be terminated without agreement and any proceeds from insurance of sale of Condominium Property shall

be distributed as provided for herein. Such approval may be expressed by vote or in writing filed with the Association at/or prior to the meeting. The expense of such determination shall be assessed against all Unit Owners in proportion to their shares of the Common Elements and the Limited Common Elements.

B. Manner of Reconstruction or Repair:

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements, or if not, then according to plans and specifications approved by the Management Committee of the Association and by the owners of not less than seventy-five percent (75%) of the Common Elements, including Institutional First Mortgagees, The owners of damaged Units and owners of Units whose plans are intended to be altered, which approvals shall not be unreasonable withheld.

C. Unit Owner Responsibility to Reconstruct or Repair:

If the damage is only to those parts of an individual Unit or Units for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty shall be that of the Association.

SECTION IX: CONDEMNATION

In case at any time or times the Condominium Property or any part thereof shall be taken or condemned by an authority having the power of eminent domain, all proceeds paid for or on account of such taking shall be payable to the Association as trustee for all Unit Owners and mortgagees according to the loss or damage to their respective interest in the Condominium Property, as follows:

A. Taking Does Not Make Untenantable:

If such taking does not reduce or make untenable any of the Units, said proceeds shall be used promptly to replace or restore improvements taken upon the affirmative vote of seventy-five percent (75%) of the Unit Owners. In the event seventy-five percent (75%) in number and in common interest of the Unit Owners do not approve the replacement and

restoration of the property so taken, the proceeds shall be distributed to the Unit Owners in proportion to the impairment of their respective interest.

B. Taking Does Make Untenantable Part of Units:

If such taking reduces or makes untenable any of the Units, the proceeds shall be distributed to the Unit Owners and mortgagees affected by such taking jointly and in proportion to the impairment of their respective interest. The shares in the Common Elements appurtenant to the Units which continue as part of the Condominium shall be equitably adjusted to distribute the ownership of the Common Elements among the reduced number of Owners.

C. Taking Makes Untenantable All Units:

If such taking reduces or makes untenable all of the Units, the proceeds shall be distributed by the Association in the same manner as insurance proceeds as provided above, unless seventy-five percent (75%) in number and in common interest of the Unit Owners vote to restore or replace the portions of the Condominium Property so taken. In the event said Unit Owners approve the restoration and replacement of said property, the Association shall disburse the award to contractors engaged in such replacement and restoration in appropriate progress payments; provided, however, any such replacement or restoration must be according to plans and specification approved by the management Committee of the Association and by the Owners of not less than seventy-five percent (75%) in number and in common interest of the Unit Owners. If the award is not sufficient to pay the costs of such replacement and restoration, the additional assessments may be made against Unit Owners as provided in these By-Laws.

SECTION X: AUTHORITY TO GRANT EASEMENTS

The Management Committee shall have the authority to grant such easements over and across the Common Elements as shall be determined by said Management Committee to be in the interest of the Owners.

SECTION XI: AUDIT OR INSPECTION OF BOOKS

Any Owner may, at any time, at his own expense, cause an audit or inspection to be made of the books and records of the Association. The Management Committee, at the expense of the Common Expense Fund, may obtain an audit of all books and records pertaining to the project from year to year, if it is deemed necessary by a majority of the members thereof.

SECITION XII: LIBERAL CONSTRUCTION / WAIVER

The provisions of these By-Laws shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of this Horizontal Property Regime. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision of any provision hereof.

SECTION XIII: FINANCES

A. Calendar Year:

The Association shall operate upon a calendar year beginning the first day of January and ending on the 31st day of December of each year. The Management Committee is expressly authorized to change from a calendar year to that of a fiscal year basis whenever deemed expedient for the best interest of the Association.

B. Checks:

All checks or demands for money and notes of the Association shall be signed by person or persons authorized by the Management Committee.

C. Annual Budget:

Annually the Management Committee of the Association shall prepare a proposed budget setting forth the sums necessary and adequate for the Common Expenses of the Condominium Property in advance for the next year upon which Unit Owners' assessments shall be based. Said budget shall include projected expenses for the operation and maintenance of the Common Elements.

All used in these By-Laws, the term "Common Expenses" shall mean expenses or charges for which Unit Owners are proportionately liable, and shall include but not be limited to, the following:

1. All expenses of administration, maintenance, repair and replacement of the Common Elements.
2. Insurance premium on all policies of insurance obtained by the Management Committee.
3. Warranty capital and reserve.
4. General operating reserve.
5. Reserve for deficiency accrued in prior years.
6. All other amounts designated Common Expenses by the Master Deed, these By-Laws or by law.
7. All other amounts that the Unit Owners may agree upon or that the management Committee may deem necessary or appropriate for the operation, administration and maintenance of the Condominium.

A copy of said proposed annual budget shall be mailed to the Unit Owners not less than thirty (30) days prior to the management Committee meeting at which the budget will be considered, together with written notice of the time and place of that meeting, and said meeting shall be open to Unit Owners. A final budget of Common Expenses will be adopted by the Management Committee at such meeting subject to the rights of the Unit Owners set forth below.

Upon written application of ten percent (10%) of the Unit Owners, a special meeting of the Unit Owners shall be held upon not less than ten (10) days written notice to Unit Owners, but within thirty (30) days of the delivery of such application to the Management Committee or any member thereof, at which special meeting Unit Owners may consider and enact a revision of the budget, or recall any and all members of the Management Committee and elect their successors. The revisions of the budget or the recall of any and all members of the Management Committee shall require a vote of not less than a majority of the votes of all Unit Owners.

D. Assessments:

Funds for the payment of Common Expenses shall be assessed against Unit Owners in the amount specified by the Management Committee and shall be paid directly to the Association Treasurer. Thereafter, each Unit Owner shall be obligated to pay Common Expenses assessed by the Management Committee pursuant to a property approved annual budget in the proportion set forth in the Master Deed and By-Laws. Said Assessments shall be payable monthly, in advance, as ordered by the Management Committee.

Should the annual budget prove inadequate for the maintenance of Common Elements, or should expenses arise not contemplated by the time of preparation of said budget, the Management Committee may levy special assessments as required. Special assessments shall be levied in the same proportion as set forth in the Master Deed and the By-Laws and paid in the same manner as hereinabove provided for regular assessments.

E. Billing and Payment of Assessments:

When the Management Committee, of which a majority of the members have been elected by the Unit Owners, has determined the amount of any assessment, the Management Committee shall mail or present a statement of the assessment to each Unit Owner or Owners. All assessments shall be payable to the Management Committee, and upon request, the Management Committee shall give a receipt for each payment made.

F. Common Surplus:

If, in any taxable year, the net receipts of the Association from assessments and all other sources, except casualty insurance proceeds and other non-recurring items, exceeds the sum of (a) total Common Expenses for which payment has been made or liability incurred within the taxable year; and (b) reasonable reserves for Common Expenses and other liabilities in the next succeeding taxable year as may be determined by the Management Committee, such excess shall be retained and applied to lessen the assessments for the next succeeding year.

G. Default in the Payment of Assessments:

In the event a Unit owner does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting on its own behalf or through its Management Committee, may foreclose on the Unit in the same manner as allowed by the laws and statutes of the State of Tennessee that govern the foreclosure of chattel mortgage.

SECTION XIV: BLANKET MORTGAGE

Should the Condominium Property, or some or all of the Units therein, together with the undivided interest in the Common Elements and Limited Common Elements appurtenant thereto, become subject to a blanket mortgage constituting a first lien thereon, created by an instrument executed by all Owners of the property of units covered thereby and recorded in the office in which these By-Laws are recorded, then any Unit included under the lien of such mortgage may be sold or otherwise conveyed or transferred subject thereto. The instrument creating any such mortgage shall provide a method where by any Unit Owner may obtain a release of his/her Unit and its appurtenant interest in the Common Elements and Limited Common Elements from the lien of such mortgage and a satisfaction and discharge in recordable form, upon payment of a sum equal to the proportionate share attributable to his/her Unit, or the then outstanding balance of unpaid principal and accrued interest and other proper charges. The proportionate share attributable to each Unit shall be in each case the proportion in which all Units then subject to the lien of the mortgage share among themselves in liability for Common Expenses as provided in the Master Deed and these By-Laws.

SECTION XV: HOUSE RULES

In addition to the other provisions of these By-Laws, the following house rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Management Committee, shall govern the use of the Units located on the property and the conduct of the residents thereof.

A. Residential Use:

Each Unit may be used for residential purposes and long-term rentals.

B. Nuisance:

Unit owners shall not use or permit the use of their premises in any manner which would be disturbing or be a nuisance to the other Unit Owners, or in such a way as to be injurious to the reputation of the property.

C. Conformance With Law:

The use of the Units shall be consistent with existing law, and these restrictions.

D. Obstruction of Common Elements:

Common Elements shall not be obstructed, littered, defaced or misused in any manner. Front and rear entrance patios shall not be used as storage areas. Basically patio furniture and BBQ grills are acceptable. Due to changing technology, it would be acceptable to install a TV satellite dish on the back side of the building only...NOT ON THE ROOF.

E. No Advertisements:

No Unit Owner or occupant of a Unit shall post any advertisements or posters of any kind in or on the Unit or the Condominium Property except as authorized, in writing, by a majority of the Management Committee. You may put a "For Sale" sign on the door or in a window.

F. Minimize Noise:

Owners and occupants of Units shall exercise extreme care to minimize noises and in the use of musical instruments, radios, television sets, amplifiers, so as not to disturb the other persons and parties occupying the Units.

G. No Objects &/or Cleaning to Hang From Windows:

No garments, rugs, or other items, may be hung from the windows of the Unit. Rugs, etc. may only be cleaned within the Units, and not in any other portion of the Condominium Property.

H. Garbage and Trash:

All garbage and trash shall be deposited in the city garbage cans provided for your Unit. Any garbage/trash that is not picked up by the City should be placed on the grass at the end of the driveway near the mailboxes ... then call the City of Pigeon Forge and let them know that you have trash to be picked up that is not suitable for the garbage cans.

I. No Wiring Without Authorization:

No Owner or occupants of a Unit shall install wiring for electrical or telephone installations, nor install any type of television antenna, machines or air conditioning units, etc., except as authorized, in writing, by a majority of the Management Committee.

J. Parking:

Each Homeowner is to park in their designated numbered parking space, leaving the spaces marked "Guest" open on a first come first serve basis. No Homeowner is to use more than two parking spaces at any time. All visitors are to park in spaces provided, or over in the field. No motorcycles are permitted on the property. No bicycles are permitted in front...must be parked in storage area.

K. Pets:

No birds, reptiles or animals shall be kept or harbored in the condominium except for **small dogs and cats, not to exceed ten (10) pounds. ABSOLUTELY NO LARGE ANIMALS.** No animals, owned by members or renters, shall be allowed to permit a nuisance in any public portion or common elements of the building or grounds (i.e. run free or through the flower gardens, etc.). Pets must be kept on a leash in the common elements of the property. **Owners must clean up their pet's defecation.**

L. Obstructions:

Sidewalks, entrances, driveways, passages, courts and stairways must be kept open and shall not be obstructed in any manner. No sign, notice or advertisement shall be inscribed or exposed on any window or other part of the condominium, except such as shall have been approved in writing by the Association; nor shall anything be projected out of any window in the condominium without similar approval. No radio or television antenna or aerial shall be attached to, or hung from the exterior of the condominium or the roof thereon. Satellite dishes may be installed on rear side of structure of Unit, not on the roof.

M. Children:

No Unit Owner shall keep or maintain any children (18 years and under) in the condominium unit on a permanent basis. Any stay by visiting children for more than twenty-one (21) days shall be considered as staying on a permanent basis and a violation of this provision. Children who are visiting are not to play on the public walkways or parking areas. Supervision must be exercised when children are playing on the grounds.

N. Destruction of Property:

Owners, their dependents, nor guests shall mark, damage, destroy, deface or engrave any part of the building. Owners shall be responsible for any such damage.

O. Exterior Appearance:

The exterior of the condominium and all other areas appurtenant to the condominium shall not be painted, decorated or modified by any Owner in any manner without prior consent of the Association; which consent may be withheld on purely aesthetic grounds within the sole discretion of the Association. No awnings, window guards, light reflective materials, draperies, storm shutters, ventilators, fans or air-conditioning devices shall be used in or about the condominium except as shall have been approved by the Association. No uniform exterior colors may be altered. Make sure all window treatments (i.e. blinds, curtains, etc.) are all showing white.

Remove any and all obstructions (i.e. shrubbery, birdhouses, art work, etc.) from your front patio if it sticks above the fence. If you have trees or shrubbery that grows above the fence, then trim them down below the fence. All front and back patios need to be kept clean and free of clutter at all times.

P. Balconies:

Plants, pots, receptacles and other removable objects, must not be kept, placed and maintained on ledges of balconies. No objects shall be hung from balconies or window sills. No cloth, clothing, rugs or mops, shall be hung up or shaken from windows, doors or balconies. Owners and/or renters shall not throw objects from the balconies. No open fires or barbecuing shall be permitted upon the balconies.

Q. Store Rooms:

A storage area shall be provided for each condominium unit. The storage areas shall be designated by Unit owners and the Unit owner shall have the exclusive right to use that designated space to the exclusion of other Unit owners. Owners are responsible to see that nothing is placed in the storage areas which would be a fire hazard. Each storage area is numbered the same as the owner's Unit number. Please keep the storage room clean and neat at all times. Please turn the lights out when you leave and make sure the outside door is locked.

R. Emergency Entry:

In case of an emergency originating in or threatening any dwelling, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the building superintendent or the managing agent, shall have the right to enter such dwelling for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate and to facilitate entry in the event of any such emergency, the Owner of each dwelling, if required by the Association, shall deposit under the control of the Association, a key to such dwelling.

S. Bicycles:

Bicycles must be placed or stored in areas as may be designated by the Management.

T. Roof:

Owners and renters are not permitted on the roof for any purpose.

U. Washing and Maintenance of Vehicles:

Owners and renters are permitted to wash vehicles for personal use only. Washing vehicles as a business, or for a business, is prohibited. After washing your vehicles, please hose down the driveway so that there is no soap residue left visible. Maintenance on vehicles on condominium property is prohibited.

SECTION XVI: DEFAULT

A. Remedies:

In the event of violation of the provisions of law, the Master Deed or these By-Laws, as the same or may hereafter be constituted, thirty (30) days after notice from the Association, by certified mail to the Unit Owner to correct such breach or violation of the Association, in its own behalf or by and through its Management Committee, may bring appropriate action to enjoin such violation or may enforce the provisions of said documents, including suit for damages or foreclosure, or pursue such other course or action or legal remedy as it may deem appropriate.

B. Attorney's Fees and Costs:

In the event such legal action is brought against a Unit Owner, then the Unit Owner, as defendant, shall pay the prevailing plaintiff's reasonable attorney's fees and court costs.

C. Unit Owners' Bound:

Each Unit Owner, for himself/herself, his/her successors or assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of the harshness of the remedy available to the Association, and regardless of the availability of the other equally adequate legal procedures. It is the intent of all Owners of Condominium

Units to give the Association a method and procedure which will enable it, at all times, to operate on a business-like basis, to collect those monies due and owing it from the Unit Owners, and to preserve each Unit Owner's right to enjoy the Condominium Unit free from unreasonable restraint and nuisance.

SECTION XVII: MISCELLANEOUS

A. Governing Documents:

The documents governing this Condominium and ownership of Condominium parcels therein shall include the Master Deed and By-Laws, which may be amended from time to time.

B. Authority of the Association:

The Association shall have the powers, right and authority, including lien rights, subject to any limitations thereon imposed by the Master Deed and By-Laws, which may be amended from time to time. No Unit Owner or member of the Management Committee shall have any authority to act for the Association or bind it.

C. Partial Invalidity:

If any By-Laws, or part thereof, shall be adjudged invalid, the same shall not affect the validity of any other By-Laws, or part thereof.

D. Gender:

Whenever the masculine singular from the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so requires.

SECTION XVIII: AMENDMENT

These By-Laws may be amended by a majority of the Unit Owners, in the following manner only:

A. Notice:

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. Approval:

An amendment shall be approved by two-thirds (2/3) of all of the voting Unit Owners. Unit Owners not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.

C. Proviso:

Provided however, that no amendment shall discriminate against any Unit Owner, or against any Unit, or class, or group of Units, unless the members so affected shall consent. No amendment may be made affecting the rights, as expressed in the Master Deed and By-Laws, or any documents attached thereto.

D. Execution and Recording:

A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Master Deed and By-Laws which certificate shall be executed by the Officer of the Association with the formalities of a deed.

SECTION XIX: RENTALS OF UNITS (Addendum to By-Laws)

A. Leasing of Units:

A Unit Owner may lease his/her Unit for the duration of not less than six (6) months. At the end of the sixth month lease, rental unit may be done on a month-to-month basis, with either party giving a thirty (30) day notice of moving. Any Lessee of the Unit shall abide by the rules and regulations of the Management Committee and these By-Laws. NO

subleasing permitted. Units shall not be leased to individuals or families with minor children (18 years and under).

It was voted by mail Proxy that there will be NO OVERNIGHT RENTALS OR WEEKLY RENTALS. (Amendment) 9/11/2020

B. Damages:

Any damages to the common grounds and/or common property shall be the responsibility of the Lessee. If the Lessee fails to pay for the damages, then the Unit Owner will be immediately responsible for the payment and will be billed accordingly.

C. Parking:

Renters are allowed only one parking space, using the numbers designated of the unit rented. Renters are not permitted to use any parking spaces with designated numbers, as these belong to the Unit Owners. If this is not strictly enforced, vehicles will be towed at the Renter's expense.