

Article II

Board of Managers

Section I. Number of Qualifications. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall be composed of five (5) persons, who shall be owners or spouses of owners of apartments; or, in the case of partnership owners, shall be members or employees of such partnership; or, in the case of corporate owners, shall be officers, stockholders or employees of such corporations; or, employees of such partnership; or, in the case of corporate owners, shall be officers, stockholders or employees of such corporations; or, employees of such fiduciaries.

No person shall be eligible to serve, or continue to serve as a Manager, unless he/she occupies an Apartment in the Condominium as his/her principal place of residence. However, in the event that a Manager is elected although disqualified by non-residence, or becomes disqualified, as a result of non-residence, after being elected, no votes cast or actions taken by that person, within the Board of Managers, prior to his/her resignation or replacement, or the end of the term for which he/she was elected, will be rendered invalid.

Article V

Operation of the property

Section II. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) replacement cost fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the entire building (including all of the apartments and the bathroom and kitchen fixtures, bathroom vanities and kitchen and bathroom cabinet work, parquet floors, ceramic tile bathroom flooring and vinyl kitchen floor covering initially installed therein and paid for by the original owner and builder of the buildings, but not necessarily including furniture, furnishings or other property supplies or installed by tenants or co-owners) or other property supplied or installed by tenants or co-owners) together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Condominium, the Board of Managers and the Council of Co-Owners and their mortgages, as their interest may appear, in an amount equal to the full replacement value of the buildings, without deduction for depreciation; each of such policies shall contain a Tennessee standard mortgagee clause in favor of each mortgagee of an apartment which will provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; ~~such insurance policies shall contain a standard deductible clause of not less than \$100.00 or more than \$1,000.00 for each occurrence;~~ **such insurance policies shall contain a standard deductible provision which the Board of Managers, in its reasonable discretion, deems to be in the best interest of the Condominium;** (2) rent insurance covering the rents of the apartments or other areas owned by the Council of Co-owners and which are rented, if any; (3) Workmen's Compensation insurance, if applicable; (4) boiler and machinery insurance, if applicable; (5) water damage and (6) such other insurance as the Board of Managers may determine, including fidelity bonds (see Section 12 of Article II). All such policies shall provide that adjustments of loss shall be made by the Board of Managers, and that the net proceeds thereof, if \$20,000.00 or less, shall be payable to the Board of Managers and if more than \$20,000.00 the net proceeds shall be payable to the Insurance Trustee for disbursement as directed by the Board of Managers. All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of apartments. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment premiums, shall be delivered to all mortgagees of apartments at least ten (1) days prior to expiration of the then current policies.

Section 10. Maintenance and Repair. Except as provided in Section 3 hereof: (a) All maintenance of and repairs to any apartment, structural or non-structural, ordinary or extra-ordinary (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such apartment), shall be made by the owner of such apartments. Each co-owner shall be responsible for all damages to any and all other apartments and/or to the common elements, that his failure so to maintain and repair his apartment may engender. Each apartment owner shall be under a duty to report to the Board of Managers any condition with regard to the common elements within or adjacent to his apartment, which require maintenance or repair. The Board of Managers may make any repairs and maintain any co-owner's apartments and charge the cost of the same to the affected co-owner or co-owners.

(b) All maintenance, repairs and replacement to the common elements, whether located inside or outside of the apartment units, (unless necessitated by the negligence, misuse or neglect of a co-owner) shall be made by the Board of Managers and be charged to all the co-owners as a common expense.

~~(c) All maintenance, repairs and replacements to any limited common elements (except terraces) including but not limited to fences identified on the plat of record or otherwise herein (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of any owner of the abutting apartments, or by any agent, invitee, contractor or guest of any such owner) shall be made by the Board of Managers and be charged to the co-owners who abut such limited common element or who are directly affected by such limited common element, as a common expense allocable to such co-owners alone, unless already paid for by such affected co-owners.~~ (c) All maintenance, repairs and replacements to limited common elements, as identified on the Plat of record or otherwise herein, and as described in the Master Deed and its amendments, shall be made by the Board of Managers and shall be charged to the co-owner(s) who abut such limited common element or who are served or directly affected by such limited common element, as a common expense allocable to such co-owner(s) alone, unless already paid for by such affected/benefitted owner. Notwithstanding the foregoing:

(i) the responsibility for performance of maintenance, repairs and replacements of limited common elements may be delegated, in any instance(s) to the affected/benefitted unit owner(s) in the reasonable discretion of the Board of Managers, and

(ii) The Board of Directors, in its reasonable discretion, may from time to time determine that one or more categories of limited common elements is/are to be repaired and/or replaced at the expense of the Association. In such case(s), the same is to be promulgated in any current "Maintenance Responsibility Chart," or similar, which is effectuated. Such provisions shall be effective as though fully set forth herein.

Article XI

Amendment to By-Laws

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the written consent or vote of ~~seventy percent (70%)~~ **sixty-six (66%) percent** of all co-owners of the then existing apartments in the Condominium.