

**BYLAWS FOR THE ADMINISTRATION
OF
RIVER POINT CONDOMINIUMS ASSOCIATION, INC.**

I.

ASSOCIATION

All of the owners of Units within River Point Condominiums (the "Project") shall be members of River Point Condominium Association, Inc., a Tennessee not-for-profit corporation (the "Association").

The purpose of the Association is to administer on a nonprofit basis, and through a Board of Directors, River Point Condominiums; to elect the Board of Directors; to amend and supplement from time to time these bylaws (the "Bylaws") and the system of administration; and to do and perform any and all other things, matters, or acts required by or permitted by the owners or an assembly or council under The Horizontal Property Act of the State of Tennessee, T.C.A. §§ 66-27-101 et seq. (the "Act"), and by the Master Deed creating the Project (the "Master Deed").

II.

MEETING AND VOTING RIGHTS OF OWNERS

II.1. *Eligibility and Succession.* The Owner or Owners of a Unit, who have become such in compliance with all of the requirements and conditions precedent contained in the Master Deed, including these Bylaws, shall be entitled to attend and vote at all meetings of the Association. The Developer shall be considered the Owner of each Unit that is unsold by it. Ownership of a Unit shall be the sole qualification for membership in the Association. The membership in the Association of each Unit Owner will automatically terminate when he ceases to be a Unit Owner, and upon conveyance, transfer or other disposition of a Unit Owner's ownership interest in the Property, said Unit Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest. Upon the conveyance, transfer or other disposition of a portion of a Unit Owner's ownership interest, the transferring Unit Owner and the transferee hereof shall each be members of the Association in accordance with the percentage of ownership interest in the Common Elements of each following such conveyance or transfer.

II.2. *Voting Rights.* Except as set forth in Section 22.6, of the Master Deed, the aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership in the Common Elements. The Developer may exercise the voting rights with respect to Units owned by it. Except as set forth in the Master Deed and for the election of Directors and except as set forth below, all matters shall be determined by an affirmative vote by Unit Owners holding the majority of the total

undivided ownership of Common Elements voting at such meeting at which a quorum was in attendance. The following matters shall require the approval of Unit Owners owning not less than seventy-five percent (75%) of the total undivided ownership of the Common Elements, by affirmative vote at a meeting duly called for that purpose or by written proxy or consent: (a) the merger or consolidation of the Association; (b) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Association; and (c) the purchase or sale of land or Units on behalf of all Unit Owners. At any meeting of Unit Owners, each Unit Owner shall be entitled to vote in person or by proxy.

II.3. Corporation as Owner. In the event a partnership, trustee, corporation or other entity owns a Unit or Units, after having complied with all conditions precedent contained in the Master Deed, including these Bylaws, the votes of such may be cast by a partner, trustee or officer of the same or by any person authorized in writing by a partner, trustee or officer thereof, to represent the same.

II.4. Proxies. Votes may be cast in person or by proxy. Proxies, to be valid, shall be in writing for the particular meeting designated therein and any adjournments thereof and shall be filed with the secretary of the meeting prior to voting.

II.5. Annual Meetings. The annual meeting of the Association shall be held at _____ o'clock p.m. on the _____ in _____ of each year beginning in 20____, at a place designated in writing to the Owners of all Units, for the purpose of appointing or electing a Board of Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if such day is a legal holiday, then the meeting shall be held at the same hour on the next following business day.

II.6. Special Meetings. Special meetings of the Association shall be held whenever called by the President, Board of Directors or by the written request of Owners holding at least ten percent (10%) of the total votes of the Association. When a special meeting is so called, the Secretary shall mail or deliver written notice of the meeting to all Owners.

II.7. Notice. Notice shall be given to all Owners of meetings of Owners, stating the date, time, and place (and purpose, in the case of special meetings) for which the meeting is called. Such notice shall be in writing and shall be mailed or delivered to each member at his or her address as it appears on the books of the Association, or may be mailed or delivered to his or her Unit not less than ten (10) days nor more than two (2) months before the meeting. Proof of such mailing or delivery may be given by the written statement of the Secretary or other person giving the notice. Notice of a meeting may be waived before, at or after the meeting.

II.8. Quorum. A quorum at any meeting of the Association shall consist of persons entitled to cast at least fifty-one percent (51 %) of the votes entitled to be cast on a matter unless otherwise provided in the Master Deed or herein. Except as otherwise provided in

the Master Deed or herein, the affirmative vote of a majority of the votes cast, being more than fifty percent (50%) of the total number of votes cast, is required to adopt any resolution, elect any Director, make any decision or take any action; except that these Bylaws and the system of administration may be modified only in the manner hereinafter set forth.

II.9. *Presiding Officer.* The President shall preside over all Association meetings; and the Secretary shall take and keep the minutes and minute book of all Association meetings, wherein adopted resolution, shall be recorded, and shall serve as Secretary at such meetings.

II.10. *Amendments.* Unless otherwise provided herein, by law or in the Master Deed, the Association may, at any duly called, held and convened meeting, modify or amend the system of administration of River Point Condominiums, Inc. and these Bylaws by the affirmative vote of Owners representing at least seventy-five percent (75%) of the total undivided ownership of the Common Elements, as set forth in Section 2.10 of this of this Article II, and the Developer so long as the Developer owns any Unit in the Project. The said system of administration and these Bylaws, however, may only be amended in such manner that all of the provisions required by the Act to be within the contents of the Bylaws shall always be embodied in the Bylaws. No such modification or amendment of a system of administration or of these Bylaws shall be operative unless and until it is embodied in a written instrument and is recorded in the Register's Office of Hamilton County, Tennessee.

III.

BOARD OF DIRECTORS

III.1. *Number, Election and Term of Office.* The Board of Directors of the Association shall constitute the "Board of Administrators" provided for in the Horizontal Property Act of the State of Tennessee, as amended, and all rights, titles, powers, privileges, and obligations vested in or imposed upon the "Board of Administrators" in said Act or in the Master Deed may be held or performed by the Association or by the duly elected members of the Board and their successors in office. Except as hereinafter provided, the Board shall consist of three (3) Directors. The Directors shall be elected by plurality vote at the regular annual meeting of Association members by the vote of Unit Owners, except that Directors of the first Board shall be appointed by the Developer. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for the members of the first Board shall hold office for the term of three (3) years. Directors may succeed themselves in office. One (1) member of the first Board shall hold office until the first meeting, and two (2) other members of the first Board shall hold office until the second regular annual meeting of the Association members.

III.2. Qualifications. Except for members of the first Board, each Director shall be a Unit Owner or the spouse of a Unit Owner, or, if a Unit Owner is a trustee of a trust, then a beneficiary of such trust may be a Director, and if a Unit Owner or such beneficiary is a partnership, then a general partner of such Unit Owner or beneficiary may be a Director, and if a Unit Owner or such beneficiary or such partner is a corporation, then an officer of such corporation or an agent appointed by the Board of Directors of such corporation may be a Director. 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.

III.3. Vacancies. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

III.4. Regular Meetings. Regular meetings of the Board of Directors may be held on such date and at such time and place as shall be determined, from time to time, by at least fifty-one percent (51%) of the Board. Regular meetings may be held without notice.

III.5. Special Meetings. Special meetings of the Board may be called by the President, the presiding officer of the Board or any two (2) directors. Not less than two (2) days' notice of the meeting shall be given, personally or by mail, telephone or telegraph, which notice shall state the date, time, place and purpose of the meeting.

III.6. Waiver of Notice. Any Director may waive notice in writing of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

III.7. Quorum. A quorum at Directors' meetings shall consist of the Directors entitled to cast at least fifty-one percent (51%) of the votes of the entire board. The acts of the Board approved by at least fifty-one percent (51%) of votes cast at a meeting at which a quorum is present when a vote is taken shall, constitute the acts of the Board of Directors except as specifically otherwise provided in the Master Deed or elsewhere in these Bylaws. If, at any meeting of the Board of Directors, there be less than a quorum present, at least fifty-one percent (51%) of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

III.8. Presiding Officer. The President of the Board of Directors shall preside at all meetings of the Board; the Secretary of the Board shall serve as Secretary of all meetings of the Board. In the absence of either, the Board shall designate one of their number to preside or to serve as Secretary as the case may be.

III.9. Compensation. No compensation shall be paid to any member of the Board or to any officer for services as such, unless approved by at least fifty-one percent (51%) of the

total votes of Owners. Any member of the Board or any officer may be reimbursed for expenses actually incurred by him or her upon approval by the Board.

III.10. Designation and Removal. Any Director may resign at any time by written notice to the Association effective as of the date such notice is received by the Association. Except for the initial Board of Directors who may be removed only by the Developer, any member of the Board may be removed with or without cause and relieved of duty as such by the vote of Owners representing at least fifty-one percent (51%) of the total votes cast at any regular or special meeting duly called and convened of the Association. The vacancy created by such removal shall be filled by the Developer if the removed Director was appointed by the Developer and otherwise by the Association.

IV.

OFFICERS

IV.1. Board Officers. The Board of Directors shall elect from its members:

- (a) A *President* who shall be the chief administrative officer of the Board; shall execute contracts and agreements in the name and behalf of the Board when directed by the Board; shall preside at all meetings and shall perform such other duties as the chief administrative officer as the Board may from time to time direct.
- (b) A *Secretary* who shall keep the Minutes of all meetings and proceedings of the Association and of the Board of Directors. The Secretary shall attend to the giving and serving of all notices to the Owners of meetings of the Association, and to the Directors of meetings of the Board of Directors. The Secretary shall keep all other records of the Board.
- (c) A *Treasurer* who shall have the custody of all property of the Board, including funds, securities, evidences of indebtedness, books, assessment rolls and accounts of Owners. The Treasurer shall keep the books in accordance with good accounting practice, and shall perform all other duties incident to the office of Treasurer.

IV.2. Compensation of Board Officers. No compensation shall be paid to any Director or officer for services as such, except upon approval, by at least fifty-one percent (51%) of the total votes of the Owners. This provision shall not preclude, however, the Board of Directors from employing an independent contractor for some of all of the above services or employing an officer or administrator as an employee of the Association, such as manager or as a bookkeeper, auditor, attorney or the like.

IV.3. Use of Banks. All moneys and funds of the Board of Directors shall be deposited in such bank or banks as may be designated from time to time by the Board of Directors.

Withdrawals of moneys from such accounts in banks shall be only by checks or drafts signed by such persons as are authorized by the Board of Directors.

IV.4. *Fidelity Bonds*. Fidelity bonds may be required by the Board of Directors covering all officers and employees of the Board and any agents or managers handling or responsible for funds of the Board of Directors or of the Association. The amount of such bond or bonds shall be determined by the Board of Directors but shall be at least in the amount of the total annual assessments against members for common expenses. Premiums on such bonds shall be paid by the Board of Directors from the maintenance fund.

V.

POWERS OF THE BOARD OF DIRECTORS

In addition to the rights, powers and duties conferred upon the Board of Directors by the Master Deed, the Act and by other provisions of these Bylaws and without in anywise limiting the same, the Board of Directors shall have the following additional and cumulative rights, powers and duties:

- A. To hold title and possession to funds and property, including the maintenance funds and other assessments and including title to any purchased Unit or purchased leasehold interest pursuant to the powers hereinabove conferred, as trustee for the use and benefit of the Owners of Units;
- B. To make and collect maintenance fund assessments against members to defray the costs of the Units, including, without limitation, all costs and expenses of maintaining, repairing, replacing, improving, altering, operating and administering the roofs and exteriors of the Units and the Common Elements and of engaging all necessary services and employees therefore;
- C. To use the proceeds of assessments in the exercise of its powers and duties;
- D. To oversee the maintenance, repair, replacement, operation and administration of the Project, including the roofs and exteriors of the Units and the Common Elements;
- E. To oversee the reconstruction of the improvements after casualty and the further improvements of the property, including buildings and Common Elements;
- F. To make and amend regulations respecting the use of the Property in the Project, including the buildings and Common Elements;
- G. To enforce by legal means, or otherwise, the provisions of the Master Deed, including these Bylaws and the regulations for the use of the Property;

- H. To contract for the management of the Association and to delegate to a Manager the management duties of the Board of Directors, to be performed by such Manager under the supervision of the Board of Directors;
- I. To pay any taxes and assessments which are liens against any part of the Property other than individual Units and the appurtenances thereto and to assess the same against the Unit subject to such liens; to oppose the levying of any such taxes;
- J. To carry insurance for the protection of Unit Owners and the Board of Directors against property damage and liabilities;
- K. To pay the cost of all power, water, sewer and other utility services rendered to the Association and not billed to Owners of individual Units;
- L. To employ personnel for reasonable compensation to perform the services required for proper administration of the Association, including, without limitation, auditors, attorneys, bookkeepers and managers;
- M. To contract for treatment of the Building against termites and other damage causing insects or organisms, with the cost to be paid through the monthly assessments;
- N. To take such other and additional actions as may be deemed advisable to carry out the intent and purposes hereof.

VI.

INSURANCE

The insurance which shall be carried on the Project shall be governed by the following provisions:

VI.1. *Authority to Purchase.* All insurance policies upon the property (except as hereinafter allowed) shall be purchased by the Board of Directors for the benefit of the Unit Owners and their respective mortgagees as their interest may appear and shall provide for the issuance of certificates of insurance to the Unit Owners, mortgage endorsements to the holders of the mortgages on the Units or any of them, and, unless prohibited by the policies, shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners and the Board of Directors, who must first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

VI.2. *Unit Owners.* Each Unit Owner shall obtain additional insurance at his or her own expense, affording coverage upon the property, including a Unit Owner's endorsement for improvements and betterments to the Unit made or acquired at the expense of the Owner within the boundaries of his or her individual physical Unit and for his or her personal liability and as may be required by law, but all such property insurance shall contain the

same waiver of subrogation as that referred to in Section 6.1 hereof (if the same is available) and shall be obtained from a company which is acceptable to the Board of Directors. Each Unit Owner will provide evidence satisfactory to the Board of Directors of the existence of such coverage.

VI.3. Coverage.

- (a) The Project, including all insurable improvements upon the land and all personal property as may be owned by the Board of Directors as trustees for the Owners, shall be insured in an amount equal to the full replacement cost without deduction or allowance for depreciation thereof (exclusive of excavation and foundation) as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against the following unless the Board of Directors determines otherwise:
 - (1) Loss or damage by fire and other hazards covered by "causes of loss-special form" property policies, together with coverage for common expenses with respect to Units during any period of repair or reconstruction.
 - (2) Such other risks as from time to time customarily insured shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and other damage, and such other insurance as the Board of Directors may determine.
- (b) Public liability and property damage coverage shall be carried in such amounts and in such forms as shall be required by the Board of Directors.
- (c) Workmen's compensation coverage shall be carried to meet the requirements of any applicable law, or as may be desired.
- (d) Such other policies of insurance as are or shall hereafter be considered appropriate by the Board of Directors shall be carried, including insurance for other risks of similar or dissimilar nature.

VI.4. Insurance Premiums. Premiums for insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a Common Expense.

VI.5. Insurance Benefits. All insurance policies purchased by the Board of Directors shall be for the benefit of the Board of Directors and the Unit Owners and their mortgagees as their rights may appear, and shall provide that all proceeds payable as a result of property losses shall be paid to either the Board of Directors

- (a) Common Elements. Proceeds on account of damage to the Common Elements shall be held for each Unit Owner in the percentage interest of each Unit Owner and the Unit Owner's mortgagee, if any, which is set forth in Exhibit F to the Master Deed or with respect to Limited Common Elements, proportionate to the number of Units benefited by such Limited Common Elements.
- (b) Units. Proceeds on account of damage to Units shall be held for each Unit Owner on a pro rata basis to the extent of damage suffered by the Owner's Unit.
- (c) Mortgages. In the event a mortgagee endorsement has been issued on a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear.

VI.6. Insurance Proceeds. Proceeds of insurance policies received by the Board of Directors shall be distributed to or for the benefit of the beneficial Owners in the following manner:

- (a) Reconstruction or Repair. If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, all remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the mortgagee.
- (b) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, all remittances to Unit Owners and their mortgagee being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by the mortgagee.
- (c) Payments. The Board of Directors shall make payments and disbursements of the insurance proceeds during the course of reconstruction upon certificates of the supervising architect or engineer that reconstruction or repair has progressed to the extent of the payment or partial payment certified for payment.

VI.7. Rights of Action. Unless the insurance policy shall expressly prohibit a waiver of subrogation or shall be rendered invalid by an agreement providing for a waiver of subrogation, neither the Owners, their mortgagees nor the Board of Directors nor the insurers shall have any right of action against any other Owner or the Board of Directors for property damage, it being the intention of this provision that all insurance carried for the use and benefit of any Unit Owner shall inure to protect every other Unit Owner and the Board of Directors, including the servants, agents, invitees and guests of each.

VI.8. *Requirements.* Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

- (a) All policies shall be written with a company or companies licensed to do business in the State of Tennessee and holding a rating acceptable to mortgagees.
- (b) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any and all mortgagees of Units in the condominium project.

VII.

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

If the whole or any part of the Project shall be damaged by fire, casualty or any other disaster, the determination of whether or not to reconstruct or repair, and upon whether or not to apply the insurance indemnity to reconstruct or repair, shall be made as follows:

VII.1. *Partial Destruction.* In the event Units containing two-thirds (2/3) or less of the total area in the building are destroyed or rendered untenable, the Building shall be reconstructed and the damage repaired, and the entire insurance indemnity and insurance proceeds shall be applied to that end, to the extent necessary.

VII.2. *Complete Destruction.* In the event that the Building is destroyed or Units containing more than two-thirds (2/3) of the total area in the Building be rendered untenable, then the building or buildings shall not be reconstructed and the damage repaired unless ninety percent (90%) of the total votes of Owners of affected Units and the holders of mortgages thereon agree to said reconstruction and repair at a meeting of the Association to be called and held after such destruction or after the rendering of Units containing more than two-thirds (2/3) of the total area untenable. In the event the provisions of this subparagraph become operative, the insurance indemnity and all insurance funds shall be distributed to the Owners and to their respective mortgagees in accordance with the applicable provisions of Article VI of these Bylaws.

VII.3. *Insufficient Insurance Coverage.* Where reconstruction or repair is required under the provisions of Paragraph 7.1 above, (Partial Destruction) and where the Buildings are not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction or repair, the excess building costs shall be paid by the Unit Owner affected to the extent the reconstruction or repair concerns the elements of the Unit owned by him or her, and shall be paid by the Association otherwise, with a determination to be made by the Board of Directors.

If anyone or more of the Owners shall refuse to make such payment, the Board of Directors may proceed with the reconstruction at the expense of said Owner, upon proper

resolution setting forth the circumstances of the case and the cost of the work. The expenses and building costs of such reconstruction and repair shall be a lien upon the Unit thus repaired in the same manner and enforceable by the same means as set forth in the Master Deed with respect to a maintenance fund assessment.

VII.4. *Reconstruction According to Original Plan.* Any such reconstruction or repair shall be substantially in accordance with the original plans, specifications and improvements.

VII.5. *Encroachment During Reconstruction.* Encroachments upon or in favor of Units, which may be created as a result of such reconstruction or repair, shall not constitute a claim or basis of a proceeding or action by the Unit Owner, upon whose property such encroachments exist, provided that such reconstruction was either substantially in accordance with the original plans and specifications or as the Building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the Buildings stand.

VII.6. *Damage to Individual Unit.* If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty, unless covered by insurance carried by the Board of Directors. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

VII.7. *Estimates.* Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Board of Directors shall obtain reliable and detailed estimates of the cost to replace the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desires.

VII.8. *Delegation of Right to Adjust.* Each Unit Owner shall be deemed to have delegated to the Board of Directors his or her right to adjust with insurance companies all losses under policies purchased by the Board of Directors, except in any case where the damage is restricted to one Unit, subject to the rights of mortgagees of such Unit.

VIII.

INDEMNIFICATION

VIII.1. *Generally.* The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any pending or completed action, suit or proceedings, whether civil, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director, officer or Developer of River Point Condominiums, Inc. against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith

and in a manner he or she reasonably believed to be in, or not opposed to the best interest of River Point Condominiums, Inc. The termination of any action, suit or proceeding by judgment, order, settlement, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of River Point Condominiums, Inc.

VIII.2. Limitation on Indemnification. No indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for his or her willful misconduct or bad faith in the performance of his or her duty to River Point Condominiums, Inc., unless and only to the extent that the Chancery Court of Hamilton County, Tennessee, or the Court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court shall deem proper. To the extent that a Director, officer or Developer of River Point Condominiums, Inc. has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

VIII.3. Authorization for Indemnification. Any indemnification under this Article (unless ordered by a court) shall be made only as authorized in the specific case upon a determination that indemnification of the Director, officer or Developer is proper in the circumstances because he or she has met the applicable standard of conduct set forth herein. Such determination shall be made (1) by the Board of Directors by at least fifty-one percent (51%) of the votes of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Association.

VIII.4. Expenses and Repayment. Expenses incurred in defending an action, suit or proceeding may be paid by River Point Condominiums, Inc. in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon a secured receipt of an undertaking by or on behalf of the Director, officer or Developer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized herein.

VIII.5. Non-Exclusive Rights. The indemnification provided in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law or under the Master Deed and Bylaws, by agreement, vote of the Association, or disinterested Directors or otherwise, both as to an action in his or her official capacity and as to an action in another capacity while holding office or acting as Developer, and shall continue as to a person who has ceased to be a Director, Officer or

Developer, and shall inure to the benefit of the heirs, executors and administrators of such a person.

IX.

USE AND OCCUPANCY RESTRICTIONS

IX.1. *General.*

- (a) Each Unit Owner at his own expense shall maintain his Unit in good condition and in good order and repair. Subject to the provisions of the Master Deed and these Bylaws, no part of the Property may be used for purposes other than housing, the recreational amenities incident thereto, and the related common purposes for which the Property was designated except for the streets which provide vehicular and pedestrian access to the Property and for the parking areas, if any, which shall be used for vehicular parking purposes. Each Unit or any two or more adjoining Units used together shall be used as a single family residence or such other use permitted by the Master Deed or these Bylaws, and for no other purpose, except that, subject to applicable laws, regulations and ordinances, a professional or quasi-professional occupant using a Unit as a residence may also use that Unit as an office, provided that such Unit is not used for the conduct of an active business which involves business meetings or appointments in the occupant's Unit or business deliveries thereto or shipments therefrom. Such uses are expressly declared customarily incidental to the principal residential use and no in violation of said restrictions. The foregoing restrictions as to residence shall not, however, be construed in such manner as to apply to the Developer during the period of Unit sales or promotion or in such manner as to prohibit an occupant or Unit Owner from:
- (1) maintaining his personal professional library;
 - (2) keeping his personal business or professional records or accounts;
 - (3) handling his personal business or professional telephone calls or correspondence.
- (b) The Common Elements shall be used only by the Unit Owners and Occupants and their guests, servants, tenants, family members, customers, invitees and licensees and shall be used only for access and ingress to and egress from the respective Units and for such other purposes incidental to use of the Units; provided, however, that any parking areas, laundry rooms, clubhouse, Association management office, party rooms, receiving rooms, storage areas, maintenance areas, swimming pool areas, tennis court areas and areas designated for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or

unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession, license or easement presently in existence or entered into by the Board at some future time affecting any part or all of said Common Elements.

- (c) Without limiting the generality of the foregoing provisions of this Section A, use of the Property by the Unit Owners shall be subject to the following restrictions and to the rules and regulations adopted or approved by the Board from time to time:
- (1) Nothing shall be stored in the Common Elements without prior consent of the Board except as otherwise herein expressly provided;
 - (2) Nothing shall be done to any Unit or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property or cause the cancellation of insurance on other Units or on the Common Elements without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance on any Unit or any part of the Common Elements, or which will be in violation of the law;
 - (3) No waste shall be committed in or on the Common Elements;
 - (4) Subject to Developer's rights under Section 15.3 of the Master Deed, no sign of any kind shall be hung or displayed to the public view on or from an Unit or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accordance with the Board's direction;
 - (5) No Unit Owner shall display, hang, store, or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or in any place from which the same may be visible from the outside of his Unit (other than draperies, curtains or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit or install outside his Unit any canopy or awning or outside radio or television antenna, or other equipment, fixtures, or items of any kind, without the prior written consent of the Board or the prior written consent of the Managing Agent, acting in accordance with the Board's direction. The foregoing restriction as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a balcony, patio, deck or terrace constituting Limited Common Elements for such Unit Owner's Unit;

- (6) No unlawful noxious or offensive activity shall be carried on around or in any Unit or on or in the Common Elements nor shall anything be done therein or thereon which in the reasonable judgment of the Board either is or may be or become an annoyance, noise, disturbance or nuisance to the other Unit Owners or other persons or which unreasonably interferes with other Unit Owners' use of their Units or the Common Elements;
- (7) Except as expressly provided in the Master Deed or in these Bylaws, nothing shall be altered or constructed in or removed from the Common Elements, except with the prior written consent of the Board;
- (8) No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-building shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the construction and development of the Property by the Developer and in connection with the repair or rebuilding of the Buildings or any portion thereof;
- (9) Outdoor drying of clothes shall not be permitted;
- (10) Parking and use of vehicles (including motorcycles) in driveways, parking areas, if any, and on streets shall be subject to the rules and regulations of the Board applicable thereto;
- (11) Except within individual Units, no planting, transplanting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board;
- (12) Units are to be made available by Unit Owners for regular interior and exterior treatment for pest control;
- (13) Without limiting its rule-making authority under the Master Deed, these Bylaws or the rules and regulations of the Board or the Association, the Board is specifically authorized, in its discretion, to assign and to reassign to a particular Unit Owner storage areas, if any, and parking spaces, if any, which are located on the Common Elements.

IX.2. *Animals.* No animals shall be raised, bred or kept in any Unit for any commercial purpose. Household pets of occupants shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, provided that any such pet shall not in the judgment of the Board constitute an unreasonable annoyance or disturbance to others.

IX.3. *Trash.* Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner in strict accordance with the rules and regulations adopted or approved by the Board from time to time.

IX.4. *Use by Developer.* During the period of sale of any Unit by the Developer, the Developer and its respective agents, employees, successors, assigns, contractors, subcontractors, brokers, licensees, invitees and the respective agents and employees thereof shall be entitled to use, parking, access, ingress to and egress from the Building, Property, and Common Elements, without charge, as may be required for purposes of the sale of Units and other activities of the Developer on or about the Property and Building. While the Developer owns any Units and until each Unit sold by it is occupied by the purchasers thereof, the Developer and its respective agents and employees and the respective agents and employees thereof, may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units or a portion of the Common Elements, without charge, as a sales office, administrative office, management office or for other uses and offices incidental to the Developer's use of the Building and may further use and display such customary signs, banners, equipment and lighting in connection therewith as the Developer may see fit. This section may only be amended or modified with the express written consent of the Developer.

IX.5. *Storage.* Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, or other common areas, except in the common storage area, if any, and in the storage lockers, if any, specifically designated by the Board or the Managing Agent, acting in accordance with the Board's direction, for use by such Unit Owner.

IX.6. *Wiring.* No Unit Owner shall overload the electrical wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board or the prior written consent of the Managing Agent, acting in accordance with the Board's direction.

X.

MAINTENANCE, REPAIRS AND REPLACEMENTS

X.1. *Responsibility for Maintenance. Repairs and Replacements.* Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit, including and together with the furnace, HVAC system, water heater and other equipment serving only his Unit. In addition, a Unit Owner is responsible for the maintenance, repair and replacement of all equipment (including furnace, HVAC system and water heater) whether located within or without his

Unit and whether or not forming a part of the Common Elements, if such equipment serves only such Unit Owner's Unit. Subject to the rules and regulations of the Association, each Unit Owner hereby is granted an easement over and across the Common Elements for the purpose of maintaining, repairing and replacing all equipment for which such Unit Owner is responsible. Except as otherwise set forth herein or in the Master Deed, maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the Common Expenses, subject to the provisions of these Bylaws and the rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby, and further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefited Unit Owners, to pay the cost thereof with their own funds, and to procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

X.2. *Board's Authority to Maintain and Repair.* In addition to the discretionary authority provided herein for maintenance of all or any portion of the Common Elements, the Board shall have the authority to maintain and repair any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair directed by the Board; and the Board shall have the right to levy a special assessment against the Unit Owner of such Unit for the cost and expenses incurred for such necessary maintenance or repair.

X.3. *Damage to Common Elements.* If, due to the act or negligence of a Unit Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, and maintenance, repair or replacement are required, the cost of which would otherwise be a Common Expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacement as may be determined by the Association, and the cost of such damage shall be deemed to be a special assessment against such Unit Owner's Unit; however, the provisions of this Article X, Section 10.3 are subject to the provisions of Section 10.7 of the Master Deed providing for waiver of subrogation rights with respect to casualty damage insured against by reason of policies of insurance maintained by the Board.

X.4. Authorization for Access to Units and Limited Common Elements. The authorized representatives of the Association or the Board, or the authorized representatives of the Managing Agent, with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or the Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs to or replacements within the Common Elements, or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements, or in the making of any alteration required by any governmental authority.

XI.

CONSTRUCTION

The Bylaws are intended to be read in conjunction with the Master Deed, and if there is any conflict between the Bylaws and the said Master Deed, the Master Deed shall control.