

FIRST AMENDMENT TO THE MASTER DEED

AND BY-LAWS

FOR CHATHAM VILLAGE CONDOMINIUM

WHEREAS, the Master Deed for Chatham Village Condominium is recorded in the Register's Office of Shelby County, Tennessee as Instrument P7 0660; and

WHEREAS, the undersigned owns greater than sixty-seven per cent (67%) of the total number of units and is legal title holder to more than two thirds (2/3) of the total ownership of Common Elements of Chatham Village Condominium;

NOW, THEREFORE, the undersigned, hereby amends the Master Deed and By-Laws for Chatham Village Condominium as follows:

1.

The period (.) following the last sentence in paragraph 8 of the Master Deed shall be deleted and the following shall be added to the last sentence:

", provided there shall at all times be at least one space per unit."

2.

Paragraph 20 of the Master Deed shall be deleted and the following shall be added in its place:

"Remedies. In the event of any violation of the provisions of the Act, Master Deed, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Act, Master Deed, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or

specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided in Paragraph 10(b), or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of ten per cent (10%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for non-payment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property, provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security).

Paragraph 28(a) of the Master Deed shall be deleted and the following shall be added in its place:

"(a) The right of the Association to suspend the right of any member to use the pool, club house, and other recreational facilities for any period during which assessments remain unpaid and for such period as it considers appropriate for any infraction of its published rules and regulations; and".

4.

Paragraph 28(d) of the Master Deed shall be deleted and the following shall be added in its place:

"The right of the Association to grant, cancel and terminate easements and rights of way in the Common Elements."

5.

Paragraph 29(h) of the Master Deed shall be deleted and the following paragraph shall be added in its place:

"Any agreement for professional management of the condominium project, whether it be by the Developer, its successors and assigns, or any other person or entity, may be terminated on ninety (90) days written notice and the terms of any such contract shall so provide and shall not be of a duration in excess of one (1) year."

6.

Article II, Section 8(c) of the By-Laws of Chatham Village Homeowners Association, Exhibit C of the Master Deed, shall be deleted and the following shall be added in its place:

"To engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain repair, replace, administer and operate the Property or any part thereof for all or the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall ratify and approve the Management Agreement between the Developer, on behalf of the Association, and a management corporation, which will be a corporation related to the Developer, to act as Managing Agent for the Property for a term of one (1) year commencing on the date the first unit is conveyed, at an annual rate of Thirty One Thousand Eight Hundred Dollars (\$31,800.00), which ratification and approval shall not be subject to the provisions of Article IV, Section 6 hereof;".

3

The last paragraph of Article IV, Section 7 of the By-Laws of Chatham Village Homeowners Association, Exhibit C of the Master Deed, shall be deleted and the following paragraph added in its place:

"The Association or its successors and assigns, or the Board or its agents, shall have the right to enforce the lien as provided in Paragraph 10(b) of the Master Deed or to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the Court. Furthermore, if any Unit Owner fails to pay when due his proportionate assessment for common expense on any special assessment, the Association shall have the right to suspend the right of such Unit Owner to use the pool, club house and any other recreational facilities as long as said assessment is not paid. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Master Deed or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments."

Pursuant to Paragraph 21 of the Master Deed all of the lien holders of record have been notified by certified mail of the foregoing amendments to the Master Deed and By-Laws, such notification being evidenced by the affidavit of the secretary of the Association which is attached hereto as Exhibit A and incorporated herein by reference.

4

EXHIBIT A

TO FIRST AMENDMENT OF MASTER DEED AND BY LAWS
FOR CHATHAM VILLAGE CONDOMINIUM

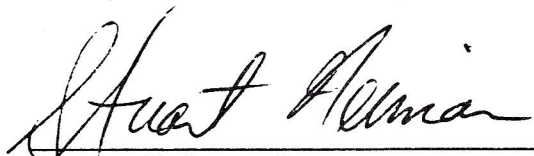
AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF SHELBY

Before me, the undersigned authority, a Notary Public, in and for said County and State, on this day personally appeared Stuart Neiman, who upon his oath does depose and say that:

I, as Secretary of Chatham Village Homeowners Association, have this date mailed by certified mail a copy of the First Amendment of the Master Deed and By Laws for Chatham Village Condominium to all of the lien holders of record of Chatham Village Condominium, to-wit: Continental Illinois National Bank and Trust Company of Chicago and First Federal Savings and Loan Association of Memphis.



Stuart Neiman, Secretary
Chatham Village Homeowners Association

Subscribed and sworn to before me
this 25th day of September, 1979.


NOTARY PUBLIC

STATE OF ILLINOIS

COUNTY OF COOK

Before me, the undersigned Notary Public for said County and State,
personally appeared _____ and _____
with whom I am personally acquainted, and who, upon oath, acknowledged them-
selves to be the _____ and _____ of Chatham
Village, Inc., partner of Chatham Village Limited Partnership, the within
named bargainor, an Illinois limited partnership, and who acknowledged them-
selves to be authorized to execute the foregoing instrument as
and _____ of the said general partner, and acknowledged
that they, as such _____ and _____ executed
the foregoing instrument on behalf of Chatham Village Limited Partnership,
as the free act and deed of Chatham Village Limited Partnership for the
purpose therein contained by signing the name of said corporation on behalf
of Chatham Village Limited Partnership, as general partner, by themselves
as _____ and _____

WITNESS my hand and seal, at office in _____ this
day of _____, 1979.

NOTARY PUBLIC

My commission expires on:

STATE OF Illinois

COUNTY OF Cook

Before me, the undersigned Notary Public for said County and State, personally appeared Stephen R. Nichols and Carol Gordon with whom I am personally acquainted, and who, upon oath, acknowledged themselves to be the ^{Vice}President and ^{First}Secretary of Chatham Village, Inc., partner of Chatham Village Limited Partnership, the within bargainor, an Illinois limited partnership, and who acknowledged themselves to be authorized to execute the foregoing instrument as ^{Vice}President and ^{First}Secretary of the said general partner, and acknowledged that they, as such ^{Vice}President and ^{First}Secretary executed the foregoing instrument on behalf of Chatham Village Limited Partnership, as the free act and deed of Chatham Village Limited Partnership for the purpose therein contained by signing the name of said corporation on behalf of Chatham Village Limited Partnership, as general partner, by themselves as ^{Vice}President and ^{First}Secretary.

WITNESS my hand and seal, at office in Chicago, Illinois this 22nd day of August, 1979.


Notary Public

My commission expires on December 29, 1982

IN WITNESS WHEREOF, the said Chatham Village Limited Partnership has caused its name to be signed to these presents by its duly authorized general partner Chatham Village, Inc., a Tennessee corporation, acting herein through its duly authorized President and its Secretary, this day of 1979.

CHATHAM VILLAGE LIMITED PARTNERSHIP

By: CHATHAM VILLAGE, INC.
General Partner

By: Stephen R. Nichols
President

ATTEST:

Carol Gordon
att. Secretary