This Instrument Prepared By
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MASTER DEED
FOR
ELLISTON PLACE QUARTERS

THIS MASTER DEED, made and entered into by G. I. R. INVESTMENT PROPERTIES, a Tennessee general partnership composed of GORDON E. INMAN, EDWARD RICHEY, and W. BARRY GOODMAN, formed under the laws of the State of Tennessee, having its principal office at Brentwood, Tennessee, (hereinafter referred to as "Developer");

W I T N E S S E T H:

WHEREAS, Developer is the legal title holder of certain real property located in Davidson County, Tennessee, and more particularly described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Parcel"); and

WHEREAS, Developer intends to and does hereby submit said Parcel, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon or to be constructed thereon, and all rights and privileges belonging or in any way pertaining thereto (hereinafter referred to as the "Property"), to the provisions of the Horizontal Property Act of the State of Tennessee, being Tennessee Code Annotated 66-27-101, et seg.; and

WHEREAS, Developer further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, Developer, as the legal title holder of the real estate hereinabove described, and for the purposes above set forth, declares as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means the "Horizontal Property Act" of the State of Tennessee, being Tennessee Code Annotated 66-27-101, et seq.

(b) "Association" means Elliston Place Quarters Homeowners Association, a Tennessee not-for-profit corporation.

(c) "Board" means the Board of Directors of the Association.

(d) "Buildings" means the buildings located on the Parcel and forming part of the Property and containing the Units. The "Buildings" are delineated on the Plat, of record in Book _____, page _____, Register's Office of Davidson County, Tennessee.

(e) "By-Laws" means the By-Laws of the Association, attached hereto as Exhibit "C" and made a part hereof, as amended from time-to-time. For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration and maintenance of the Property shall be deemed to be part of the By-Laws.

(f) "Common Elements" means all of the Property, except for the Units, and, without limiting the generality of the foregoing, shall include the following:

(1) The Parcel;

(2) All foundations, bearing walls and columns, beams, supports, corridors, roofs, halls, lobbies, stairways, and entrances and exits or communication ways;

(3) All drives, access roads, parking areas, and open spaces as shown on the Plat;

(4) All compartments or installations of central services, if any, which provide power, light, gas, cold and hot water, and all devises or installations existing for common use;

(5) Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit);

(6) all other elements of the Buildings and parts of the Property, desirable or rationally of common use or necessary to the existence, maintenance and safety of the condominium regime established by this Master Deed.

(g) "Developer" means the partnership, hereinabove named, its successors and assigns, provided such successors and assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

(h) "Limited Common Elements" means all common elements contiguous to and serving exclusively a single unit or one or more adjoining units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful occupants of such unit or units either in this Master Deed, on the Plat, or by the Board. Said Limited Common Elements shall include, but shall not be limited to the separate furnace, air conditioner and water heater located within or adjacent to a Unit and serving only such Unit; any and all pipes, ducts, electrical wiring and conduits located entirely within a Unit and serving only such Unit; and such portions of the perimeter walls, doors, vestibules, windows, screens, entries, and all associated fixtures and structures therein as lie outside the Unit boundaries.

(i) "Majority" or "majority of the Unit Owners" means the owners of more than fifty per cent (50%) of the Units.

(j) "Master Deed"means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Master Deed as amended from time-to-time.

(k) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(l) "Parcel" means the parcel or tract of real estate, described on Exhibit "A" attached to this Master Deed and submitted hereby to the provisions of the Act.

(m) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to a Unit.

(n) "Plat" means the plat or survey of the Parcel submitted to the provisions of the Act showing the number of each Unit, and garage, or portion thereof, designated for individual units expressing its area, location and other data necessary for identification, said Plat being of record in Book _____, page _____, of the Register's Office for Davidson County, Tennessee.

(o) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, right and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of Unit Owners, submitted to the provisions of the Act.

(p) "Record or recording" refers to the record or recording in the Register's Office for Davidson County, Tennessee.

(q) "Rules and Regulations" refer to rules and regulations concerning the use of the Units and the Common Elements, as adopted from time-to-time by the Board in accordance with the Master Deed and By-Laws.

(r) "Unit" means an enclosed space consisting of rooms located in the buildings, which enclosed space is not owned in common with Unit Owners of other Units. Each Unit is numbered as shown on the plat. The boundaries of each Unit shall be and are the plane of the unfinished interior surfaces of its perimeter walls, the plane of the interior surface of the lower-most floor or floors of the Unit, and, if applicable, stairways leading to the Unit, and the interior surface of the roof of the Unit. A Unit includes both the portion of the buildings so described and the air space so encompassed, excepting Common Elements. It is intended that the term "Unit" as used in this Master Deed, shall have the same meaning as the term "Apartment" as used in the Act.

(s) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, and shall be deemed the same as "co-owner" under the Act. Unless specifically provided otherwise herein, Developer shall be deemed a Unit Owner so long as it is the legal titleholder of any Unit.

2. Submission of Property to the Act. Developer does hereby submit and subject the Parcel and the Property to the provisions of the Horizontal Property Act of the State of Tennessee, and does hereby establish a horizontal property regime as authorized and described in the Act and to be hereafter known as Elliston Place Quarters.

3. Plat. The Plat sets forth the numbers and location of each Unit and other data as required by the Act.

4. Units. The legal description of each Unit shall consist of the identifying number of each Unit as shown on the Plat. Every deed, lease, mortgage, deed of trust, or other instrument shall legally describe a Unit by its identifying number as shown on the plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

5. Association of Unit Owners and Administration and Operation of the Property.

(a) There has been or will be formed an Association having the name "Elliston Place Quarters," a Tennessee not-for-profit corporation, which Association shall be the governing body for all Unit Owners, shall be operated to provide for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Master Deed and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Master Deed as Exhibit "C" and made a part hereof. The Board of Directors of the Association shall be elected and serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time-to-time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners, in accordance with the provisions of this Master Deed and By-Laws. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously

succeed to the former Unit Owner's membership in the Association. Each Unit shall have one (1) vote.

(b) Management of Property. The Board shall have the authority to engage the services of the agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subparagraph (c) below. The Board shall require that such Management Agent have fidelity bond coverage on its employees handling Association funds. The cost of such service shall be a common expense, as defined in paragraph 9 hereof.

(c) Use by Developer. During the period of sale by Developer of any Units, Developer, and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of Units. While Developer owns any of the Units and until each Unit is sold by and it is occupied by the Purchasers, Developer and its employees 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 as a sales office, and may maintain customary signs in connection therewith.

(d) Non-Liability of Directors and Officers. Neither the directors nor officers of the Association shall be personally liable to Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud. Unit Owners shall indemnity and hold harmless each of the directors and officers and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of the By-Laws.

6. Ownership of the Common Elements. Each Unit is hereby allocated an undivided interest in the Common Elements as set forth on Exhibit "B" attached hereto and made a part hereof as though fully set forth herein. The assigned percentages of interest set forth on Exhibit "B" shall remain constant unless hereafter changed by recorded amendment to this Master Deed consented to in writing by all Unit Owners, in accordance with paragraph 20 hereof. The ownership of a Unit shall not be conveyed separate from the undivided ownership in the Common Elements appurtenant to any Unit and shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering such Unit may refer only to the fee title to that Unit.

7. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Master Deed, By-Laws, and Rules and Regulations of the Association. In addition, the Association shall have the authority to grant easements with respect to parts of the Common Elements, subject to the provisions of this Master Deed and By-Laws. Any income derived by the Association from easements or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions and regulations as the Board may adopt or prescribe.

8. Parking Spaces. Parking spaces, not including enclosed garage space, shall be part of the Common Elements, and may be allocated and reallocated, from time-to-time, to the respective Unit Owners, and shall be used by such Unit Owners subject to the Rules and Regulations of the Association, and parking spaces so used by Unit Owners may be rented or otherwise used in such manner as the Board may prescribe.

9. (a) Common Expenses. Each Unit Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Master Deed and the By-Laws (which expenses are herein sometimes referred to as "common expenses"), including but not limited to, the maintenance and repair of the Common Elements and any and all replacements and additions thereto. Each Unit Owner shall be responsible for paying common expenses in the same proportion as his percentage of ownership in the Common Elements. Assessments for the payment of common expenses shall be in such amounts and shall be payable at such times as determined in the manner provided by the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or enjoyment of the Common or Limited Elements or by abandonment of his Unit. If any Unit Owner shall fail to make any such payment of assessments for common expenses when due, the amount thereof, together with any reasonable late charge established by the Board, and together with interest at the rate of ten per cent (10%) per annum, or such greater contractual rate as then be permitted under the law of the State of Tennessee, and any other costs or expenses incurred by reason of the Unit Owner's default, including attorney's fees, after said assessments become due and payable shall constitute a continuing lien on the Unit against which the assessment is made, as provided in the Act. Each Unit Owner shall be personally liable for his portion of each assessment made while he is the owner of a Unit, and his grantee

shall be jointly and severally liable for any assessments due and payable at the time of conveyance.

Notwithstanding the foregoing, Developer shall not be required to pay assessments on the Units which it owns until such time as deeds for at least five (5) of the Units have been delivered. After the date this Master Deed is recorded, but prior to the sale of five (5) of the Units, Developer shall fund any deficit in the operations of the Association after utilization of available funds from assessments on Units previously sold. After the sale of five (5) of the Units, Developer's only responsibility for the maintenance, repair, or replacement of the Common Elements shall be to pay assessments on all unsold Units; provided, however, should Developer expend any of its own funds for such expenses, it shall be entitled to a credit for all sums so paid against the assessments which it is required to pay as a Unit Owner.

(b) Mortgage and Deed of Trust Protection. The lien for assessments payable by a Unit Owner shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, except for assessments which become due and payable from and after the date on which the Mortgagee or Beneficiary thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. This subparagraph (b) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees and Beneficiaries of record.

10. Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to mortgage his Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to mortgage or place a lien on the Property or any part thereof, except to the extent of his own Unit and its appurtenant interest in the Common Elements.

11. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for his Unit and its appurtenant interest in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.

12. Insurance. The Board shall obtain insurance for the Property and Common Elements, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed to be the cost of restoring the Common Elements, Units, or any part thereof, to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of the Association, as the trustee for the Unit Owners in proportion to the Unit Owners' respective percentages of ownership in the Common Elements, as set forth in this Master Deed, and as trustees for the holders of mortgages on the Property as a whole, and on the individual Units, if any. The policy of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against the Unit Owners. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice of all Unit Owners, premiums for such insurance shall be separately billed to Unit Owners based upon their respective percentages of ownership in the Common Elements.

In the event of damage to or destruction of any Buildings as a result of fire or other casualty covered by insurance proceeds (unless more than two-thirds (2/3) of all Buildings require reconstruction), the Board shall, at its sole and absolute discretion, with the prior written approval of a majority of the mortgagees of the Units affected, determine and, without intervention of any Unit Owner, arrange for the prompt repair and restoration of the damaged portions of all Units, Buildings and Common Elements substantially in accordance with the original plans and specifications therefor. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all Unit Owners directly affected by the damage, in proportion to each Unit Owner's percentage of ownership in the Common Elements. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering, or any other part of a Unit for which the responsibility of maintenance and repair is that of a Unit Owner, or for furniture, furnishings, fixtures, appliances or equipment installed in the Unit by a Unit Owner or Occupant unless insurance therefor is specifically provided for in the insurance policy obtained by the Board.

Reconstruction shall not be compulsory where the whole or more than two-thirds (2/3) of all the Buildings and Common Areas is destroyed or damaged by fire or other casualty, as determined by the Board. In such case, and unless otherwise unanimously agreed upon by the Unit Owners and their mortgagees, the insurance proceeds shall be delivered to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Master Deed, which shall terminate upon such sale, on terms satisfactory to the Board, and

the net proceeds of such sale, and the net proceeds of all insurance policies shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent, or the Board shall, or if they do not, any Unit Owner or Mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Master Deed the prohibition against judicial partition provided for in this Master Deed has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

The Board shall also obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance in such amounts as it deems desirable, insuring each Unit Owner, mortgagee of record, the Association, its officers, directors, Board and employees, the Developer, and the Managing Agent, if any, from liability in connection with the Property. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner with each Unit Owner to bear a proportion thereof based upon his percentage of ownership in the Common Elements. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

The Board shall also obtain such other insurance and bonds as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officers of the Association, and

each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that said person is or was a director of officer of the Association, or a member of such a committee. The premiums for such insurance and bonds shall be a common expense.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his Unit and the Limited Common Elements serving his Unit, and the decorations, furnishings, and personal property therein and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

13. 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 Unit. Except to the extent hereinafter set forth, maintenance of, repairs to, and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association, and the cost thereof shall be part of the common expenses, subject to the By-Laws, Rules and Regulations of the Association. 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 benefitted thereby. Further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefitted by such maintenance of, repairs to, and replacements within the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name and for the account of such benefitted Unit Owners, pay the cost thereof with their own funds, and 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 mecnanics' or materialmen's claims that may arise therefrom; provided, however, that if, in order to maintain, repair, or replace the electrical wiring, plumbing, or other utilities of a Unit, it shall become necessary to gain entry to another Unit, it shall be the responsibility of the Association to provide such maintenance, repair, or replacement, but the cost of such maintenance, repair, or replacement may be assessed to the Unit Owners benefitted thereby, as hereinabove provided.

If, due to the act or neglect 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, or maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered and paid by the Association's insurance. Then such Unit Owner shall pay for such damage or replacement, repairs and replacements, as may be determined by the Board, to the extent not covered and paid by the Association's insurance.

The authorized representatives of the Association, Board, or 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 Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs to, or replacements within the Common Elements, Limited Common Elements, or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements, or to make any alteration required by any governmental authority.

Under no circumstances shall the fire walls between the Units be breached or penetrated in any fashion for any purpose.

14. Alterations, Additions or Improvements. Except as expressly provided herein, no alteration of any Common

Elements,or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions, and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

15. Decorating. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his Unit and Limited Common Elements serving his Unit, as may be required from time-to-time, including painting, wallpapering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lighting, and other furnishings and decorating. Decorating of the Common Elements (other than of Limited Common Elements), specifically including the painting of all exterior Building surfaces and any redecorating of Units to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of he Common Expenses. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Unit.

16. Encroachments and Easements. If any portions of the Common Elements shall actually encroach upon any Unit,or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown on the plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners

involved, to the extent of such encroachment, so long as the same shall exist.

The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

17. Leases. No Unit, or interest therein, shall be leased by a Unit Owner for a term less than one (1) year. A copy of every such lease of which the general terms thereof shall be approved by the Board, and as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations under this Master Deed and By-Laws, of the Unit Owner making such lease and the lease shall expressly so provide. The Unit Owner making such lease shall not be relieved thereby from any of said obligations. The Board shall have all authority in its sole discretion to require at any time that any Unit Owner who is leasing his Unit, place on deposit with the Board such sums as the Board may require and determine to be used as an indemnity against loss or damage to the Common Elements which might be caused by such Unit Owner's lessee. The terms of the indemnity shall be such terms as might be satisfactory to the Board. The Board shall furnish the Unit Owner a notice in writing which shall constitute the Unit Owner's notice to make such deposit.

18. Use and Occupancy Restrictions. Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed and as allowed by applicable municipal zoning laws. Each Unit shall be used as a residence or such other use permitted by this Master Deed, and for no other purpose, except that professional and quasi-professional people may use their residence (not in violation of municipal zoning laws) as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to

residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by Unit Owners and their guests, agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units. 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 easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

No Unit may be partitioned or subdivided. Any lease of any Unit must comply with the provisions hereof. No Unit shall be used for hotel, motel, time-share, or transient purposes.

19. Remedies. In the event of any violation of the provisions of the Act, this Master Deed, By-Laws, or Rules and Regulations of the Association by any Unit Owner, (either by his own conduct or by the conduct of any Occupant of his Unit), the Association, or its successors or assigns, shall have each and all of the rights and remedies which may be provided for in the Act, this 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 hereinafter in this paragraph, 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 maximum rate allowed by the laws of the State of Tennessee, 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 nonpayment of common expenses, upon the Unit, and its appurtenant 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 Unit, to the extent hereinabove set forth in paragraph 9(b) hereof. In the event of any such default by any Unit Owner, the Board and the Manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all rights and remedies may be exercised at any time and from time-to-time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Units.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Master Deed: (a) to enter (either peaceably or forceably without liability to such Unit Owner for such entry) upon the Unit, or any portion of

the Property upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forceably without liability to such Unit Owner for such entry) of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

20. Amendment. The provisions of this Master Deed may be amended by an instrument in writing, setting forth such amendment, signed by two-thirds (2/3) of the Unit Owners (except to the extent that unanimous consent may be required under other provisions of this Master Deed); provided, however, that all lien holders of record have been notified by certified mail of such amendment, and an affidavit by the Secretary of the Association certifying to such mailing is made a part of such instrument, and that each such mortgagee has agreed thereto.

However, if the Act, this Master Deed or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Master Deed with respect to such action shall be signed by all Unit Owners or all lien holders or both as required by the Act or this Master Deed. Any amendment shall be effective upon the recording of such instrument in the Office of the Register of Davidson County, Tennessee; provided, however, that no provisions in this Master Deed may be amended so as to conflict with the provisions of the Act.

Notwithstanding any of the foregoing, Developer shall have full power and authority to amend the provisions of this

Master Deed without the joinder of any Unit Owner for one (1) year from date of execution of this instrument.

21. Rights and Obligations. Each Grantee of Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Master Deed. All future Unit Owners and Occupants shall be subject to and shall comply with the provisions of this Master Deed. Any restrictions or rules in the By-Laws which are more administrative in nature such as, but not limited to, reservations and future rights of Developer, are hereby incorporated into and made a part of this Master Deed by reference. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Master Deed were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Unit Owners, Tenants and Occupants of a Unit shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith, pursuant to Tennessee Code Annotated 66-27-111, as they may be amended from time-to-time. The acceptance of a deed of conveyance, devise, or lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the By-Laws, and any Rules and Regulations promulgated thereunder, as they may be amended from time-to-time, are assumed, accepted and ratified by such Unit Owner, Tenant or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at anytime any interest or estate in such Unit, as though

such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

The terms and conditions of the Master Deed, By-Laws, and Rules and Regulations of the Association may be incorporated by reference in, and become part of, the agreement between any first mortgagee and any present or future Unit Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of this Master Deed, By-Laws, and Rules and Regulations may be considered by the first mortgagee as a default, whereupon said first mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Unit Owner.

22. Condemnation. In the event of a taking of part of the Common Elements in condemnation or by eminent domain, the award made for such taking shall be payable to the Association and all mortgagees affected. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board and the mortgagees do not approve the repair and commence restoration of such Common Elements within one hundred twenty (120) days after taking by the the public authority, the Board shall disburse the net proceeds of such award on the basis of each Unit's percentage of ownership in the Common Elements to the Unit Owners and the mortgagees as their interests may appear.

23. Rights Reserved. Unit Owner's right of enjoyment in the Common Elements shall be subject to:

(a) The right of the Association, as provided in its By-Laws or Rules and Regulations, to suspend the enjoyment rights of any member for any period during which any assessment remains

unpaid, and for such period as it considers appropriate for any infraction of its published Rules and Regulations; and

(b) The right of the Association to charge reasonable fees for the use of any part or parts of the Common Elements; and

(c) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution or dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless all Unit Owners have agreed to such dedication, transfer, purpose or condition; and

(d) The right of Developer, at its sole expense, to relocate, expand, modify, reduce, or extend existing driveways, parking areas and yard, and to construct, expand, enlarge or relocate sewers, utility lines or service connections, in order to serve the existing Buildings; and

(e) The right of the Association to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary for the proper servicing and maintenance of the Common Elements and the Units.

24. Trustee as Unit Owner. In the event title to any Unit is conveyed to a land title-holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Master Deed against such Unit. No claim shall be made against any such title-holding trustee personally for payment of any lien or obligation hereunder created, and the trustee shall not be obligated to sequester funds or trust property to apply in

whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interests of any such trust or any transfer of title to such Unit.

25. Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Regulations. Notwithstanding anything to the contrary contained in this Master Deed, or the By-Laws which are attached hereto, all terms, conditions and regulations which are now existing, or which may be amended from time-to-time, by the Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") pertaining to condominiums are hereby incorporated as terms and conditions of the Master Deed and By-Laws and such shall be governing upon the Property, the Developer and the Association, so long as such terms or conditions are not inconsistent with the laws of the State of Tennessee, as found in the Tennessee Code Annotated, 66-27-101, et seq., as amended.

Specifically, without limitation upon the foregoing, the following declarations shall be fully effective and controlling over any terms of the Master Deed or By-Laws which are in conflict. Any portions of such Master Deed or By-Laws which are in conflict with this paragraph, or any portion of the FHLMC AND FNMA regulations pertaining to condominiums, are hereby deleted and the following rights of mortgagees are itemized as follows:

(a) A first mortgagee under a condominium Unit at his request is entitled to a financial statement of the Association for the preceding fiscal year, and to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under the Master Deed, By-Laws, or any of the condominium documents, which is not cured within sixty (60) days.

(b) Any first mortgagee of a condominium Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage, deed of trust, foreclosure of the mortgage or deed of trust, or deed in lieu of foreclosure shall take the Property free of any claims for unpaid assessments or charges against the mortgaged Unit, which accrue prior to the time such older comes into possession of the Unit.

(c) Unless two-thirds (2/3) of the first mortgagees (based upon one (1) vote for each mortgage owned), or owners (other than the Developer) of condominium Units have given their prior written approval, the Association shall not be entitled to:

(i) Change the percentage interests of ownership of all or any condominium Unit or Unit Owners.

(ii) Partition or subdivide any Unit or the Common Elements.

(iii) By act or omission seek to abandon the horizontal property regime of the Property, or encumber, sell or transfer the Common Elements, except for the granting of public utilities or for other public purposes consistent with the intended use of the Common Elements.

(iv) Use hazard insurance proceeds for losses to any condominium Property (whether to individual Units or Common Elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by Tennessee Code Annotated 66-27-118, in case of substantial loss to the Units and/or Common Elements to the condominium project.

(d) First mortgage holders and insurers or guarantors of any first mortgage shall have the right to examine the books, records, current copies of the Master Deed and By Laws, and Rules and Regulations of the Association and/or the condominium project during normal business hours and upon request.

(e) An adequate reserve fund for maintenance, repair and replacement of Common Elements which must be replaced on a

periodic basis will be established and funded by regular monthly payments rather than by special assessments.

(f) As set forth in Tennessee Code Annotated 66-27-120, all taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Tennessee shall relate only to the individual condominium Unit and not to the condominium project as a whole.

(g) No Unit Owner, or any other party shall have priority over any rights of the first mortgagees of condominium Units and/or Common Elements.

(h) 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 three (3) years.

(i) Upon written request, the Association shall give to any mortgagee of a Unit, the FHLMC, FNMA, or any lending institution servicing such mortgages as are acquired by the FHLMC or FNMA timely notice in writing of any loss to or the taking of the Common Elements of the condominium project if such loss or taking exceeds Ten Thousand Dollars ($10,000.00), a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, or any proposed action that requires the consent of a specified percentage of mortgages. The Association may rely upon the information contained in the book entitled "Mortgagees of Units" as must be established pursuant to the By-Laws, for a list of mortgagees to be notified hereby.

(j) The interest of a first mortgagee in a mortgaged Unit shall be superior to the interests of any other person, group, partnership, corporation or entity of any kind, including any interest the Board, the Developer or any Unit Owner may have

in any portion of the premises, regardless of the nature of the interest or the manner in which it is acquired.

(k) Notwithstanding the above, any first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee under its Deed of Trust, and under the laws of the State of Tennessee.

(l) A first mortgagee of a Unit Owner, upon written request, is entitled to written notification from the Association of any default in the performance by such Unit Owner of any obligation under this Master Deed and/or By-Laws which is not cured witnin sixty (60) days.

26. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to the Association or any Unit Owner, as the case may be, c/o Gordon Inman, Inman Realtors, Court Square, Franklin, Tennessee 37064. The Association may designate a different address or addresses for notices to it by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Master Deed to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

27. Severability. If any provision of this Master Deed or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstances, is held invalid, the validity of the remainder of this Master Deed and the By-Laws and of the application of any such provision, section, sentence,

clause, phrase or word in any other circumstances shall not be affected thereby, and the remainder of this Master Deed or the By-Laws shall be construed as if such invalid part was never included therein.

28. Captions. The captions herein are inserted only as a matter of convenience, and in no way define, limit, or describe the scope of these provisions or the intent of any provision hereof.

29. Gender. The use of the masculine gender in this Master Deed and in the By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

IN WITNESS WHEREOF, Developer has executed this Master Deed this 4TH day of SEPTEMBER, 1985.

DEVELOPER:

G. I. R. INVESTMENT PROPERTIES

By Gordon E. Inman
Gordon E. Inman

By Edward Richey
Edward Richey

By W. Barry Goodman
W. Barry Goodman

STATE OF TENNESSEE

COUNTY OF WILLIAMSON

Before me, NANCY M. PITNER, a Notary Public, of the State and County aforesaid, personally appeared GORDON E. INMAN, EDWARD RICHEY, and W. BARRY GOODMAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged themselves to be partners of G. I. R. INVESTMENT PROPERTIES, the within named bargainor, a Tennessee general partnership, and that they as such partners, executed the foregoing instrument for the

purposes therein contained, by signing the name of the partnership by themselves as partners.

WITNESS my hand and seal, at office, this 4TH day of September, 1985.

My Commission Expires:
July 23, 1988.

Nancy M. Potter
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF ELLISTON PLACE QUARTERS

Land in Davidson County, Tennessee, being Lots Nos. 17 and 18 in the Subdivision of a part of the Elliston property, a plan of said subdivision not of record, the original plan of said property being of record in Book 21, page 141, Register's Office for said County.

Said Lots Nos. 17 and 18 are described together as follows: Beginning at the Northeast intersection of 24th Avenue North and Elliston Place; thence with the Easterly margin of said Elliston Place, Northerly 207.8 feet; thence Easterly 139.9 feet to the Westerly margin of an alley; thence with the same Southerly 200 feet to the Northerly margin of 24th Avenue North; thence with the same, Westerly 84 feet to the beginning.

The above described property was conveyed to GIR Investments, a Tennessee general partnership composed of Gordon E. Inman, William Barry Goodman and Edward Richey, by deed from Webb/Nashville Ventures, a Tennessee general partnership composed of Wesley N. Williams, Jr. and R. Dudley Webb, of record in Book 6565, page 274, Register's Office for Davidson County, Tennessee. (Refer to Contract of Sale for a specific unit to be transferred to Purchaser)

EXHIBIT B

ELLISTON PLACE QUARTERS

FOUR FLOORS • 48 UNITS

FIRST FLOOR

BOOK 6657 PAGE 101

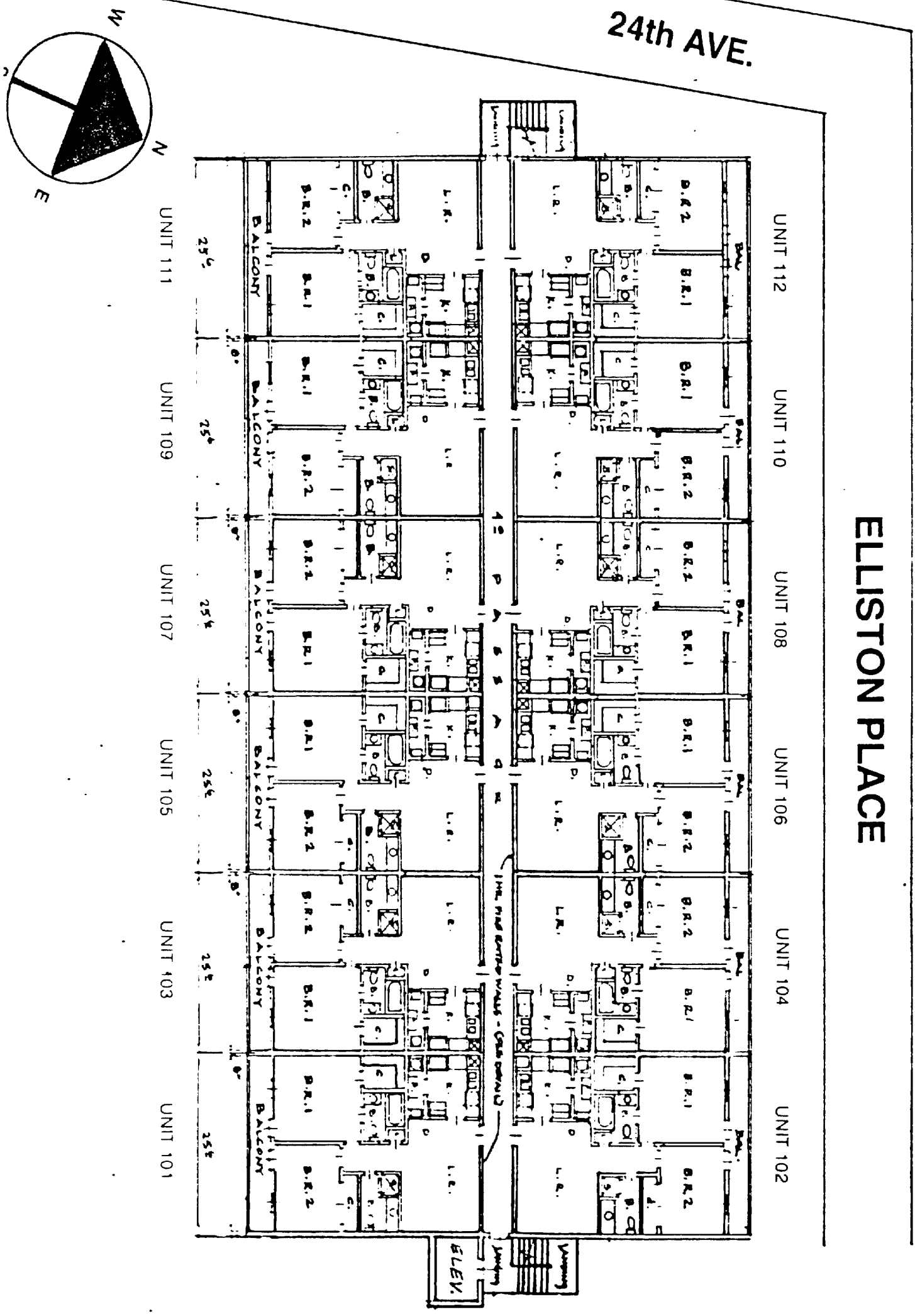


EXHIBIT 1

ELLISTON PLACE QUARTERS

SECOND FLOOR

BOOK 6657 PAGE 102

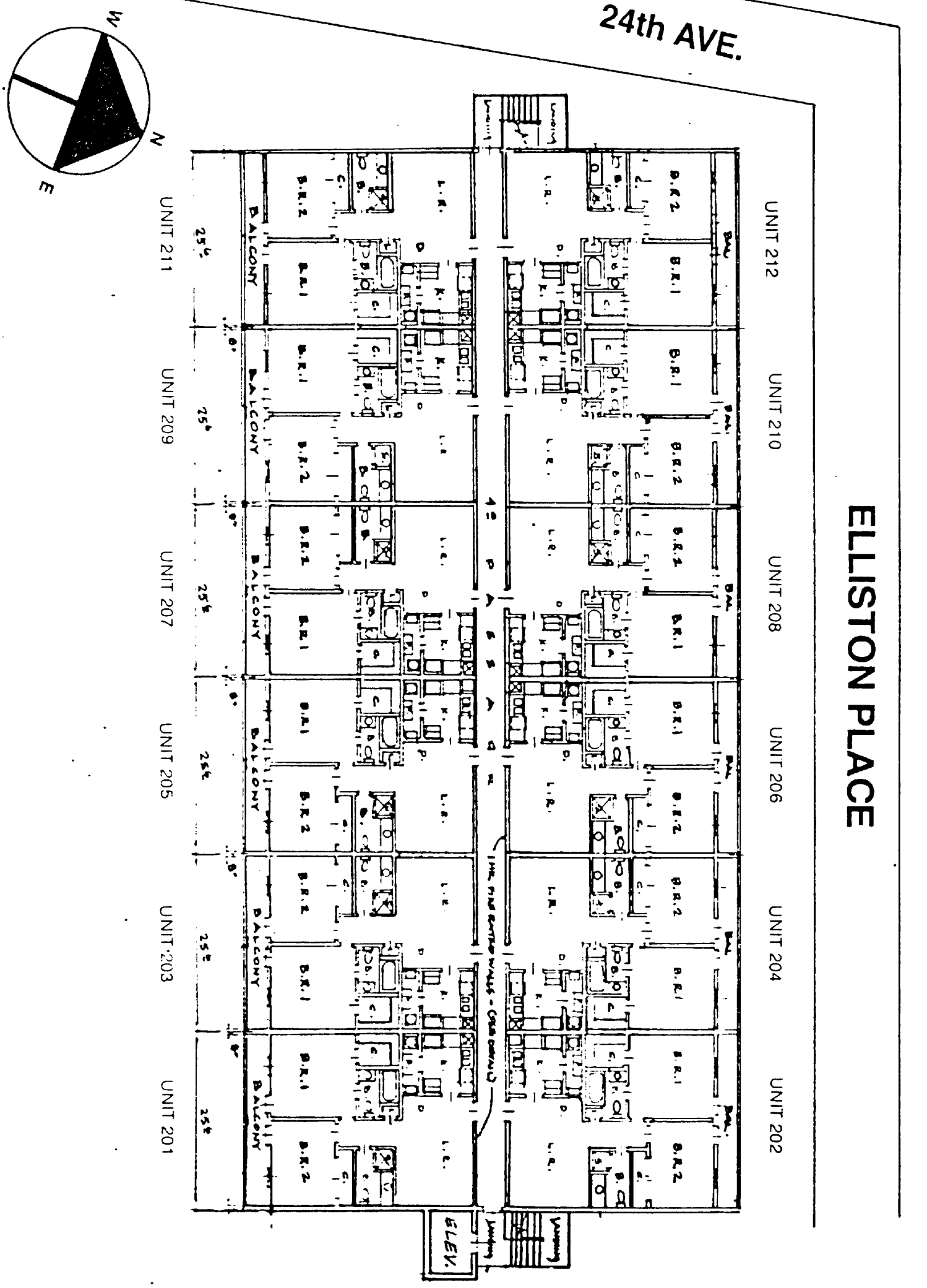


EXHIBIT B

ELLISTON PLACE QUARTERS

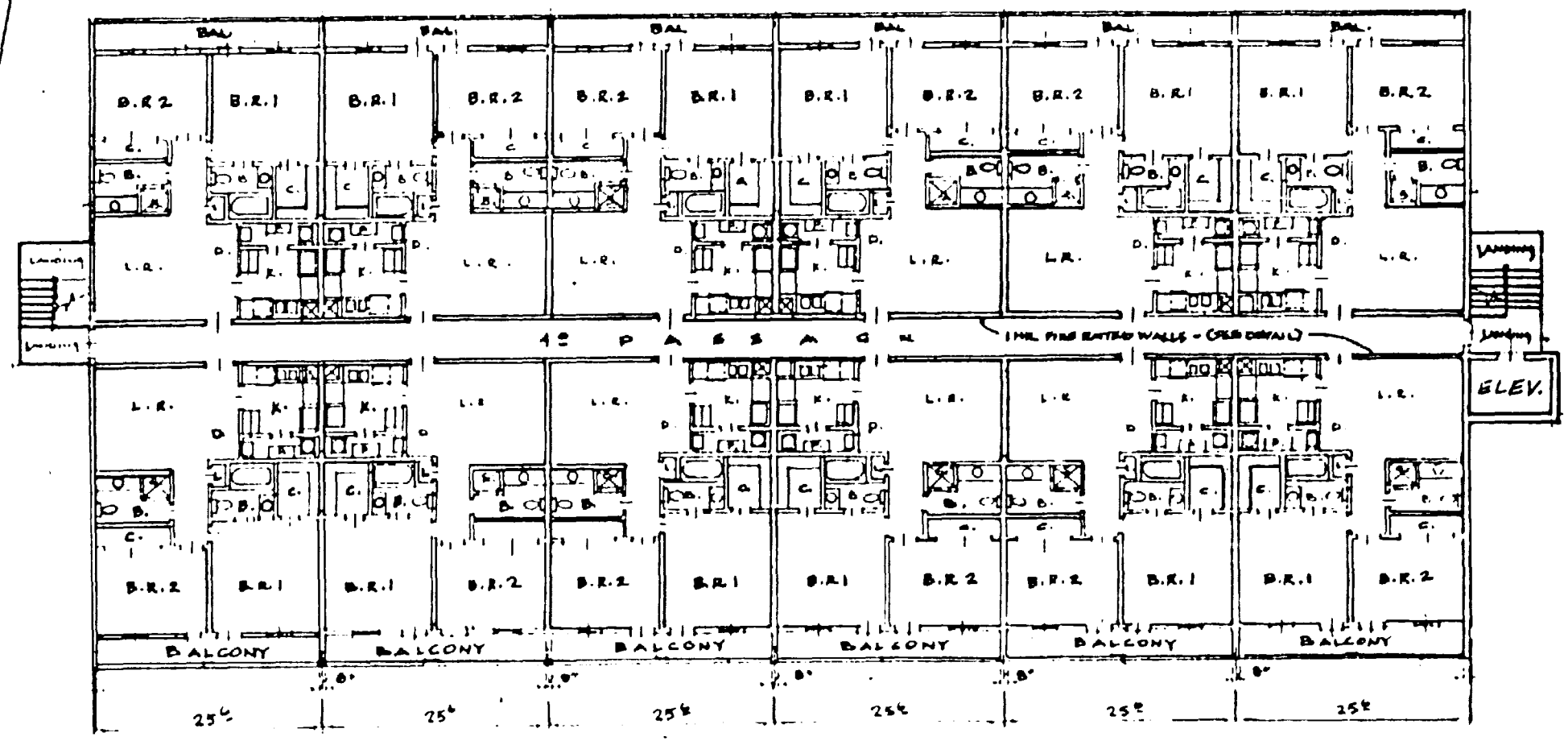
THIRD FLOOR

BOOK 6657 PAGE 103

ELLISTON PLACE

24th AVE.

UNIT 312 UNIT 310 UNIT 308 UNIT 306 UNIT 304 UNIT 302



UNIT 311 UNIT 309 UNIT 307 UNIT 305 UNIT 303 UNIT 301

N W E

EXHIBIT B

ELLISTON PLACE QUARTERS

BOOK 6657 PAGE 104

FOURTH FLOOR

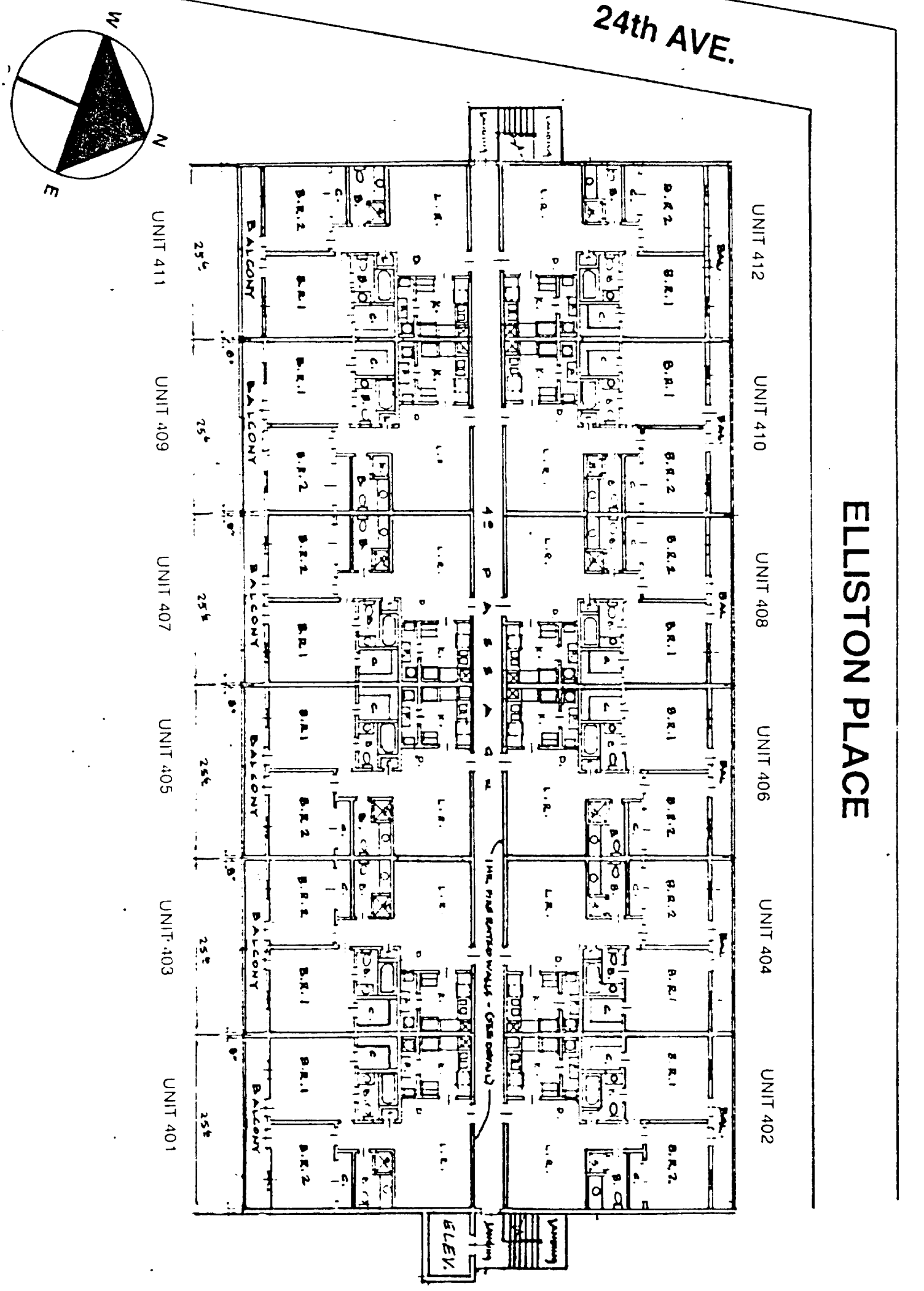


EXHIBIT B

ELLISTON PLACE QUARTERS

GRADING, DRAINAGE & EROSION PLAN

BOOK 6657 PAGE 105

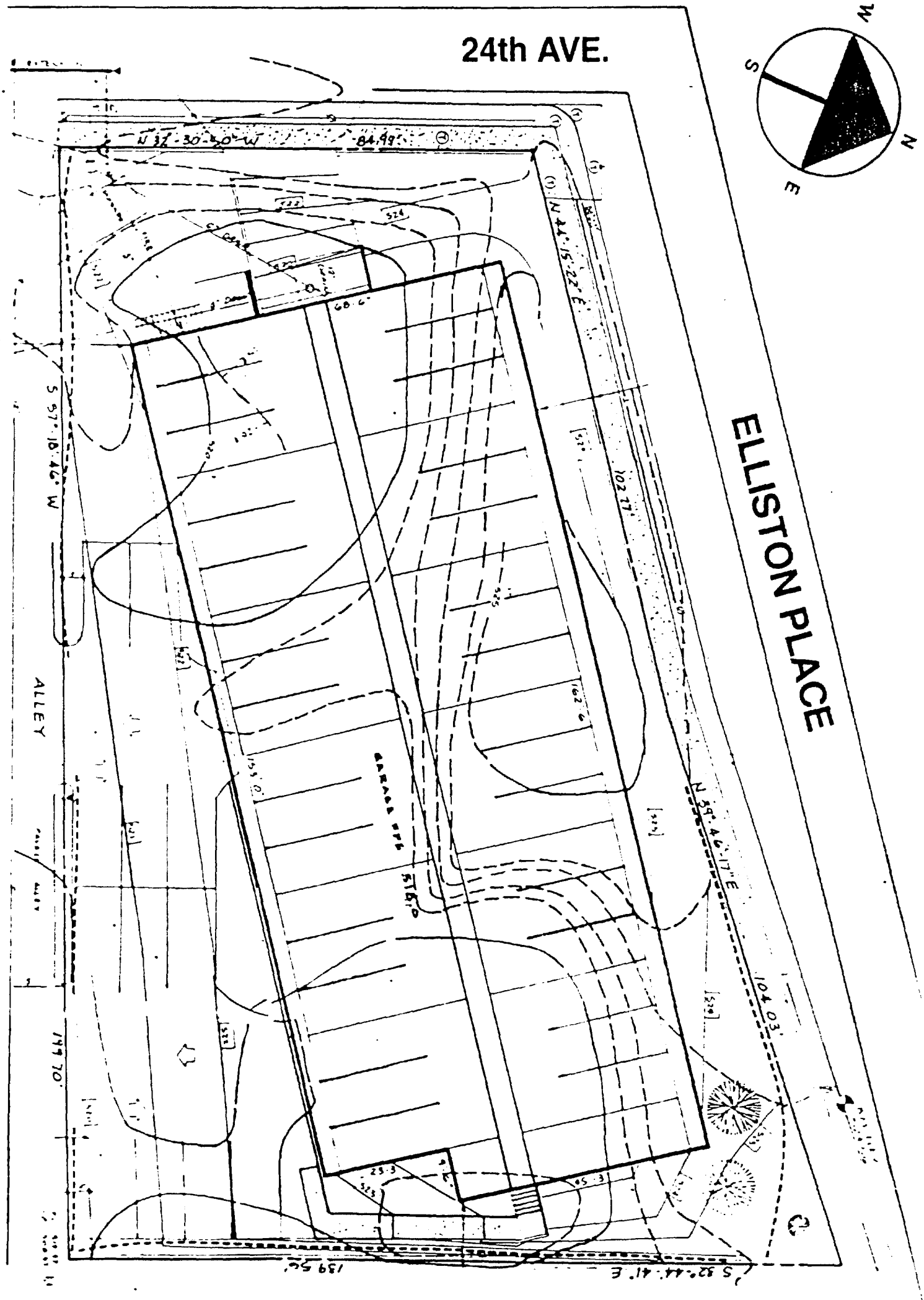


EXHIBIT C

BY-LAWS

OF

ELLISTON PLACE QUARTERS HOMEOWNERS ASSOCIATION

ARTICLE I

Members

(Unit Owners)

Section 1. Eligibility. The members of Elliston Place Quarters Homeowners Association, a Tennessee not-for-profit corporation (the "Association"), shall consist of the Unit Owners of the Property known as Elliston Place Quarters, located at Elliston Place, Nashville, Davidson County, Tennessee (the "Property"). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer,partner or employee of such Unit Owner or beneficiary.

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

Section 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board; provided, however, that the First Meeting shall be held not less than thirty (30) days, nor more than one hundred twenty (120) days after Developer has sold and delivered deeds for at least twenty-five (25) of the Units. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year on a date to be selected by the Board of Directors

of the Association. All such meetings of Unit Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meeting. Special meetings of Unit Owners may be called by the President or by a majority of the Directors of the Association, or by not less than three (3) Unit Owners. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the special meeting and the matters to be considered.

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

Section 6. Voting. Each Unit shall have one (1) vote. If any Unit Owner consists of more than one person, the voting rights of such Unit Owners shall not be divided, but shall be exercised as if Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. In the event of disagreement among such persons and an attempt by two or more of them to cast such vote, such persons shall not be recognized, and such vote shall not be counted. Developer may exercise the voting rights with respect to Units owned by it.

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

but it still must be paid during the pendency of his protest to the Board.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy or holding a majority of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administration" and sometimes referred to herein as the "Board"), shall consist of three (3) members (hereinafter referred to as "Directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that until such time as the First Meeting of members is held, the Directors (hereinafter called "members of the First Board") shall be appointed by 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 members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified. One (1) member of the First Board shall hold office until the first regular annual meeting of Association members, one (1)other member of the First Board shall hold office until the second regular annual meeting of Association members, and one (1) member of the First Board shall hold office until the third regular annual meeting of Association members.

Section 2. Qualification. 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, a

Director may be a beneficiary if an occupant of the Unit of such trust; and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Unit Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a Director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board shall be filled by a person appointed by Developer. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall consist of two (2) members appointed by the Board to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting, and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the annual meeting.

Section 5. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Other meetings shall be held at such regular intervals as determined by the Board. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice in writing to each Director, delivered

personally or by mail or telegram. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 6. Removal. Any Director may be removed from office with or without cause by the vote of two-thirds (2/3)of the Unit Owners.

Section 7. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by Unit Owners.

Section 8. Quorum. Two (2) Directors shall constitute a quorum.

Section 9. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association;

(b) to administer the affairs of the Association and the Property;

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;

(d) to formulate policies for the administration, management and operation of the Property and the Common Elements;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time-to-time;

(f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the

officers or the manager or Managing AGent and to designate that Unit Owners shall have responsibility for maintenance and repair of Limited Common Elements;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common elements, and to delegate any such powers to a Managing Agent (and any such employees or other personnel who may be the employees of a Managing AGent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year from time-to-time as the Board deems advisable;

(j) to fix the estimated annual budget, and to provide the manner of assessing and collecting from Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to enter into any lease agreement for lease of premises suitable for use as guest or custodian apartments, upon such terms as the Board may approve.

(l) to borrow money for the purpose of repair or restoration of Common Elements without the approval of the members of the Association;

(m) to secure insurance policies as required by the Master Deed, and in this regard, annually to review the amounts of coverage afforded by such policies;

(n) unless otherwise provided herein or in the Master Deed, to comply with the instructions of the Unit Owners as expressed in resolutions duly adopted at any annual or special meeting of Unit Owners;

(o) to exercise all other powers and duties of Unit Owners as a group referred to in the Horizontal Property Act of the State of Tennessee, or in the Master Deed or these By-Laws.

Section 10. Authority of Board to Act for Association. Whenever in these By-Laws the Association is given the power to take any action, it is the intention of these By-Laws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that action be taken upon vote of the Unit Owners.

Nothing in this article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association, any powers or duties which, by law, have been delegated to the unit owners. Except as expressly authorized by the Act or the Master Deed or these By-Laws, the directors and officers may not enter into any contractual agreement, or bind the Association or any unit owner, or sue or be sued in any other than in its operating or management capacity.

Section 11. Non-Delegation. Nothing in these By-Laws shall be considered to grant to the Board, the Association, or to the officers of the Association, any powers or duties which, by law, have been delegated to Unit Owners.

ARTICLE III

Officers

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

(a) a President, who shall be a Director, who shall preside over meetings of the Board and of Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a person who is not a member of the Association;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect. One Person may be elected to hold more than one office, except that the offices of President and Secretary shall be held by different persons.

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

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

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

Section 9. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by Unit Owners.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, included, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital funds, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. The the extent that the assessments and other cash income collected from Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements and depreciation, in reasonable amounts as determined by the Board.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. The proportionate share for each Unit Owner shall be based upon his respective ownership interest in the Common Elements. In the event that the Board shall not approve an

estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or otherwise as directed by the Board. No Unit Owner shall be relieved of his obligation to pay any assessment by abandoning, selling, or not using his Unit, the Common Elements, or the Limited Common Elements.

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

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year, showing the receipts and expenditures and such other information as the Board may deem desirable.

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

remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Expenditures. Except for the Management Agreement described in Article II, Section 9(c) hereof and expenditures and contracts specifically authorized by the Master Deed and By-Laws, the Board shall not approve any expenditure in an amount in excess of ten per cent (10%) of the annual budget for the then current year, unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter into any contract for more than three (3) years, without the prior approval of not fewer than four (4) of the Unit Owners.

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

If any Unit Owner shall fail or refuse to make any such payment of assessment when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment shall also bear interest at the rate of ten per cent (10%) per annum, or such greater percentage as may then be permitted under the laws of the State of Tennessee. Such delinquent payment, together with penalty and interest, and reasonable attorney's fees incurred by the Association, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property.

The Association, or its successors and assigns, acting through the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees to be fixed by the court. The Association, acting through

the Board, shall have the authority to exercise and enforce any and all rights and remedies as provided for in the 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.

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

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

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

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

ARTICLE V

Use and Occupancy Restrictions

Section 1. General. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall paint, alter, decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or C.B. radio transmitters, or other equipment, fixtures or items of any kind, without the prior written permission of the Board. The foregoing restrictions 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 terrace or patio which is a Limited Common Element appurtenant to his Unit. No Unit Owner shall display, hang, store or use any signs outside his Unit, or elsewhere, which may be visible from the outside of his Unit, without the prior written permission of the Board.

Section 2. Use by Developer. During the period of sale by Developer of any Units, Developer, and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of Units. In addition, Developer reserves the right to enter into, upon, over and under any Unit

after the date of sale of the Unit for such purposes as may be reasonably necessary for Developer or its agents to service any Unit. While Developer owns any of the Units and until each Unit sold by it is occupied by Purchasers, Developer and its agents and employees may use and show one or more or such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

Section 3. Rules and Regulations. Unit Owners shall be subject to such further restrictions as may be contained in Rules and Regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time-to-time by the Board. All such Rules and Regulations shall be binding Rules and Regulations of the Association unless rejected in writing by a majority of the Unit Owners, and copies of such Rules and Regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

ARTICLE VI

Contractual Powers

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

(a) the fact of the common directorship or financial interest is disclosed or known to

the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

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

ARTICLE VII

Amendments

These By-Laws may be amended or modified from time-to-time by action or approval of two-thirds (2/3) of the Unit Owners. Such amendments shall be recorded in the Office of the Register of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its Directors and officers and each member of any committee appointed pursuant to these By-Laws against all contractual and other liabilities to others arising out of contracts made by, or other acts of such Directors, officers or committee members, on behalf of Unit Owners, or arising out of their status as Directors, officers or committee members, unless any such contract or act shall have been made

fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such director, officer or committee member may be involved by virtue of such persons being or having been such Director, officer or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board. There is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member.

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

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

advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the Directors, officers, or members of such committee, or out of the aforesaid indemnity in favor of the Directors, officers or members of such committees, shall be limited to such proportion of the total liability hereunder as said Unit Owners percentage of interest of all Unit Owners in the Common Elements. Every agreement made by the Directors, officers, members of such committees, or by the Managing Agent on behalf of Unit Owners shall provide that the Directors, officers, members of such committees or the Managing Agent, as the case may be, are acting only as agents for Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that such Unit Owner's liability thereunder shall e limited to such proportion of the total liability thereunder as his percentage of interest in the Common Elements bears to the total percentage interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board, officer of the Association, or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX

Mortgages

Section 1. Notice to Board. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of his mortgagee and shall file a conformed copy of the note and deed of trust or mortgage with the Board; and the Board shall maintain such information in a book entitled Mortgages of Units.

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

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

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times, on business days, but not more often than once a month.

Section 5. Interest of Valid First Mortgagee. The interest of a valid first mortgagee shall be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has incorporated the terms of these By-Laws, the Master Deed and the contract in its deed of trust, then said first mortgagee may at its option declare a default in its deed of trust by reason of any default hereunder, and may proceed to enforce its rights according to the terms of the deed of trust notwithstanding any enforcement instituted by the Board.

ARTICLE X

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same meaning as set forth in the Master Deed for Elliston Place Quarters, of record in the Office of the Register of Davidson County, Tennessee.

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

ARTICLE XI

Conflicts

These By-Laws are set forth to comply with the requirements of Chapter 66 of Title 27, Tennessee Code Annotated, as it may be amended from time-to-time, to allow the By-Laws to control in specific situations where such law allows. In the event any of the By-Laws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.

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IDENTIFICATION REFERENCE
SEP 16 10 21 AM '85
FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY, TN