Davidson County DEEDMAST
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MASTER DEED
FOR
THE PHOENIX LOFT

THIS MASTER DEED, made this 29th day of June, 2004, by The Phoenix Loft Condominium Association, Inc., a Tennessee non-profit corporation, having its principal office at 315 Union Street, #1430, Nashville, Tennessee 37201 (hereinafter referred to as "Association").

WHEREAS, the Developer is the owner of the fee simple title to certain real property in the City of Nashville, County of Davidson, State of Tennessee, which presently consists of eleven (11) parcels containing an aggregate of .12 acres of land together with certain improvements thereon and which is more particularly described and depicted in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Entire Tract"); and

WHEREAS the Developer proposes to develop a residential/commercial community upon the Entire Tract, or portions thereof, and to establish the form of ownership of same as a condominium pursuant to the provisions of Tennessee Code Annotated Sections 66-27-101 et seq., under the name of "The Phoenix Loft", (hereinafter referred to as the Condominium"); and

WHEREAS, the Condominium is projected, but not required, to ultimately contain four (4) residential dwellings and two (2) commercial units, hereinafter collectively referred to as "Units", located in one (1) structure (hereinafter "Building"), together with certain driveways, walkways and other improvements, all as are more particularly shown on that certain Plat entitled "Plat" dated February 27, 2003, and prepared by Barge, Waggoner, Sumner and Cannon, Inc., Consulting Engineers, attached hereto and made a part hereof as Exhibit "B" (hereinafter the "Plat").

WHEREAS, the Developer has established or is about to establish The Phoenix Loft, Condominium Association Inc., a Tennessee non-profit corporation, for the administration, operation and management of the Condominium and other improvements intended for the common use and enjoyment of the Unit Owners of the Condominium.

THEREFORE, WITNESSETH:

1. ESTABLISHMEMT OF CONDOMINIUM.

The Developer does now hereby submit, declare and establish in accordance with the Horizontal Property Act of Tennessee, Tenn. Code Ann. § 64-27-101 et seq., a plan of condominium unit ownership for that parcel of land designated as the Entire Tract on the Plat attached hereto and made a part hereof as Exhibit "A" and more particularly described on Exhibit "B" attached hereto and made a part hereof.

2. DEFINITIONS.

For the purpose hereof, the following terms shall have the following meanings unless the context in which same is utilized clearly indicates otherwise:

(a) "Association" shall mean The Phoenix Loft Condominium Association, Inc., a Tennessee non-profit corporation, formed to administer, manage and operate the common affairs of the Unit Owners of the Condominium and to maintain, repair and replace the General and Limited Common Elements of the Condominium as provided in this Master Deed and the By-Laws.

(b) "Board" shall mean the Board of Directors of the Association and any reference herein or in the Certificate of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the Membership of the Association, unless the context expressly indicates to the contrary.

(c) "Building" shall mean all the enclosed structures containing Units and structural improvements appurtenant thereto which are located on the lands described in Exhibit "A" that are subjected to this Master Deed and as shown on Exhibits "B".

(d) "By-Laws" shall mean the By-Laws of the Association a copy of which document is attached hereto and made a part hereof as Exhibit "D", together with all future amendments or supplements thereto.

(e) "Certificate of Incorporation" shall mean the Certificate of Incorporation of the Association, a copy of which document is attached hereto and made a part hereof as Exhibit "C", together with all future amendments or supplements thereto.

(f) "Common Elements" shall mean "General Common Elements" or "Limited Common Elements".

(g) "Common Expenses" shall mean subject to the provisions of paragraph 6 hereof, all expenses, including reserves, incurred or assessed by the Association, or its respective directors, officers, agents or Employees, in the lawful performance of their respective duties or powers.

(h) "Condominium" shall mean (i) all the lands and premises described in Exhibit "A"; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands and premises, whether or not shown on any Exhibit hereto; (iii) all rights, roads, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of this Master Deed and any Amendments hereto.

(i) "Condominium Act" shall mean the provisions of T.C.A. § 66-27-101 et seq., and all applicable amendments and supplements thereto.

(j) "Developer" shall mean and refer to The Phoenix Loft, L.L.C., a Tennessee limited liability company, its successors and assigns, and includes any successor to the Developer.

(k) "General Common Elements" shall have the same meaning as "common elements" pursuant to T.C.A. § 66-27-102(a)(7), except as same may be modified by the provisions of paragraph 5 hereof.

(l) "Institutional Lender" shall mean any bank, mortgage banker, savings and loan association or other financial institution or pension fund, which is the record owner of a first mortgage loan which encumbers any Unit, or any holder, insurer or guarantor of such a first mortgage loan.

(m) "Lease" shall mean any agreement for the leasing or rental of any Unit of the Condominium.

(n) "Limited Common Elements" shall have the same meaning as "limited common elements" pursuant to T.C.A. § 66-27-102(a)(8), except as same may be modified by the provisions of Paragraph 5 hereof.

(o) "Master Deed" shall mean this instrument together with all future amendments or supplements hereto.

(p) "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record fee simple title to any Unit is vested as shown in the records of the Davidson County Clerk, including the Developer unless the context expressly indicates otherwise, but notwithstanding any applicable theory of mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure, nor shall the term "Unit Owner" refer to any lessee or tenant of a "Unit Owner".

(q) "Permitted First Mortgage" shall mean and refer to any first mortgage lien encumbering a Unit held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency, or other institutional Lender or which is a purchase money mortgage held by the Developer or by the Seller of a Unit.

(r) "Property" shall mean the Buildings, the land and premises described in Exhibit "A" and that are now or hereafter become subjected to this Master Deed and all improvements now or hereafter constructed in, upon, over or through such land and premises.

(s) "Rules and Regulations" shall mean those rules and regulations of the Association that may be promulgated by same together with all future amendments or supplements thereto.

(t) "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as a residential dwelling or commercial establishment regardless of type and all as more specifically described in paragraph 4 hereof and shall not be deemed to include any part of the General Common Elements or Limited Common Elements situated within or appurtenant to a Unit.

Unless the context clearly indicates otherwise, all definitions set forth in T.C.A. § 66-27-102 are incorporated herein by reference and the definitions set forth above shall be used in conjunction therewith.

3. GENERAL DESCRIPTION OF CONDOMINIUM.

Initially, upon the recordation of this Master Deed, the Condominium will include the lands described in Exhibit "A" attached hereto and made a part hereof consisting of .12 acres.

4. DESCRIPTION OF UNITS.

The dimensions, area and location of the aforesaid Units within the Condominium are as indicated on Exhibit "B". Each Unit is intended to contain all space within the area bounded by the interior surface of the perimeter walls of each Unit and the lowermost floor and the uppermost ceiling of each Unit as follows:

BOTTOM:	The bottom is an imaginary horizontal plane through the lowest point of the exterior surface of each portion of the lowermost sub floor, if any, within the Unit, and extending in every direction to the point where it closes with a side of such Unit.
TOP:	The top of each type of Unit is an imaginary plane along and coincident with the unfinished and unexposed surface of the gypsum board or other material which forms the uppermost ceiling of the Unit and extending in every direction to the point where it closes with every side of such Unit.
SIDES:	The sides of each Unit are imaginary vertical planes along and coincident with the innermost surface of the studding of the perimeter walls. Where no wall exists, the side is an imaginary vertical plane along and coincident with the exterior surface of the windows or doors located on the perimeter of such Unit. The sides of each such Unit are bounded by the bottom and top of the Unit.

Each Unit, regardless of type, also includes all built in appliances, fixtures, doors, windows, interior walls and partitions, gypsum board and/or other facing material on the walls and ceilings thereof, the decorated and/or finished surface of the floors (including all flooring tile, ceramic tile, finished flooring, carpeting and padding) and all other improvements located within such Unit described, which are exclusively appurtenant to such Units, although all or part

thereof may not be located within the Unit, and shall include, but not be limited to the following individual appurtenances to the extent that same serve each individual Unit only and not any other Unit or any portion of the Common Elements:

(a) So much of any common heating, plumbing and ventilating system as extends from the interior surface of the walls, floors or ceilings into the Unit;

(b) Hot water heater;

(c) Furnace;

(d) All electrical wires which extend from the interior surface of walls, floors or ceilings into the Units and fixtures, switches, outlets and circuit breakers;

(e) All master antenna wiring which extends from the interior surface of the walls, floors, or ceilings into the Unit;

(f) All utility meters not owned by the public utility agency supplying the service; and

(g) All equipment, appliances, machinery, mechanical or other systems which serve the Unit exclusively whether same are located within or without the Unit.

Interior partitions or nonbearing walls within the confines of each Unit may, from time to time, be removed or replaced subject to the prior written approval of the Board. In the event a Unit Owner does remove or replace any or all such interior partitions or walls, no amendment of the Master Deed will be necessary or required. No Unit may be partitioned or subdivided without the prior written approval of any Institutional Lender for such Unit and the Board. None of the foregoing approvals shall apply to Developer prior to the conveyance of any Unit(s) affected to another Unit Owner.

Developer shall, upon the recording of this Master Deed and any Amendment hereto, be the Owner of every Unit within the Condominium, including its appurtenant percentage interest in the Common Elements, regardless of type, and shall have the right to sell and convey, lease, or otherwise dispose of each such Unit as it may deem appropriate in its sole discretion.

5. DESCRIPTION OF GENERAL AND LIMITED COMMON ELEMENTS.

(a) General Common Elements

All appurtenances and facilities and other items which are not part of the Units hereinbefore described in paragraph 4 or part of the Limited Common Elements hereinafter described in subparagraph 5 (b) shall comprise the General Common Elements as graphically shown on Exhibit "B" aforesaid. The General Common Elements shall also include by way of description but not by way of limitation:

(i) All land shown on Exhibit "A" aforesaid whether improved or unimproved that is now on hereafter subjected to this Master Deed;

(ii) The foundation, main walls, roof, halls, lobbies, stairways, and entrances or exits or communication ways located on floors 1 through 6;

(iii) The roofs, yards, and gardens, except as otherwise provided or stipulated;

(iv) The premises for the lodging of janitors or person in charge of the building, except as other wise provided or stipulated;

(v) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps and the like;

(vi) The elevators, garbage incinerators and, in general, all devices or installations existing for the common use of Unit Owner(s); and

(vii) All other elements of floors 1 through 6 rationally of common use or necessary to its existence, upkeep and safety; but where private elements are created, private elements shall not be considered to be general common elements (notwithstanding anything herein to the contrary);

(viii) Utility lines, underground sprinkler system, if any, and waterways, subject to the easements and provisions set forth in paragraph 9 hereof;

(ix) Public connections and meters for gas, electricity, telephone and water not owned by the public utility or other agencies providing such services;

(x) The roof, attic spaces, the foundations, footings, columns, girders, beams, supports, exterior or interior bearing or main walls;

(xi) Exterior lighting and other facilities necessary to the upkeep and safety of the Buildings and grounds;

(xii) Any easement or other right which may now or hereafter be granted for the benefit of the Unit Owner(s) or others for access to or use of the General or Limited Common Elements not included within the Condominium or for any other purpose;

(xiii) All tangible personal property required for the operation, maintenance and administration of the Condominium which may be owned by the Association; and

(iv) All other facilities or elements of any improvement within any Building or upon the Property necessary or convenient to the existence, management, operation, maintenance on safety of the Condominium or normally in common use.

(b) Limited Common Elements

The Limited Common Elements shall be as graphically shown on Exhibit "B" aforesaid and shall include by way of description and not by way of limitation, any balcony, terrace, patio, stoop or fenced-in yard to which there is direct access from the interior of an appurtenant Unit(s) and shall be for the exclusive use of such Unit(s). Each Unit Owner's right to use the balcony, terrace, patio, stoop or fenced-in yard appurtenant to his Unit my not be transferred apart from the conveyance of title to the Unit. Such right to use shall not be deemed to include the right to enclose any such balcony, terrace, patio, stoop or fenced-in yard. The Owners of a Unit(s) to which a balcony, terrace, patio, stoop or fenced-in yard is attached or connected shall make repairs thereto caused by their own negligence, misuse or neglect and shall be responsible for all snow clearing and cleaning with regard to same. Any repairs or maintenance with respect to the Limited Common Elements shall be the responsibility of the Association.

6. ESTATE ACQUIRED; INTEREST IN COMMON EXPENSES; INTEREST IN COMMON SURPLUS; VOTING; COMMON EXPENSES.

The Owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple; and shall acquire as an

appurtenance thereto an undivided percentage interest in the Common Elements of the Condominium, which shall not be divisible from the Unit to which it appertains, as set forth in Exhibit "B" attached hereto and made a part hereof. Said percentage has been adjusted to permit same to be expressed as a finite number and to avoid an interminable series of digits.

The aforesaid percentage interest, as established by the Developer and based upon the approximate relative square footage of the Units, shall be used to allocate the division of proceeds, if any, resulting from casualty loss, any eminent domain proceedings, any common surplus of the Association, or from any other disposition of the Property; however, it shall not be utilized to apportion the assessments for the Common Expenses of each Unit within the Condominium, which shall be allocated on an equal basis with the proportionate annual share for each Unit being determined by dividing the revenues required by the Association for its operations (including reserves) by the total number of Units subjected to this Master Deed at the time in question. Additionally, the percentages shall not be used to determine the voting rights of Unit Owners in the Association, which shall be based upon one vote for each Unit, subjected to this Master Deed.

7. COVENANT FOR MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS.

It shall be an affirmative and perpetual obligation of the Board to fix Common Expense assessments in an amount at least sufficient to maintain the exterior of the Building and to maintain and operate the Common Elements as contemplated by the Master Deed or By-Laws and as required by the Horizontal Property Act. The amount of monies for Common Expenses of the Association deemed necessary by the Board and the manner of expenditure thereof shall be a matter for the sole discretion of the Board.

Annual Common Expense assessments shall be made for an annual period to be determined by the Board, and shall be payable in monthly installments due on the first day of each month. The Board shall cause to be prepared annually at least thirty (30) days in advance of the due date of the first Common Expense installment, a list of the Units and the annual Common Expense assessment applicable thereto, according to the names of the Unit Owners, which list shall be kept in the office of the Association and shall be open to inspection, upon request, by any Unit Owner. Written notice of the annual Common Expense assessments shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article VI, Section 8 of the By-Laws.

If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, increased by ten percent (10%), and any installments of such annual assessments shall be due upon each installment payment date until a new annual Common Expense assessment is made.

In the event the annual Common Expense assessment proves to be insufficient, the budget and assessment may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency.

In addition to the annual Common Expense assessments herein-before authorized, the Board may levy, in any assessment year, a special Common Expense assessment, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement or a described capital improvement upon or to the Common Elements, including the necessary furniture, fixtures, equipment, and other personal property related thereto, or for any other lawful purpose, provided that any such special Common Expense assessment shall be authorized by the vote in person or by two-thirds (2/3) of all the aggregate votes held by all of the Members in good standing effected at a meeting duly called for such purpose. Written notice of such meeting shall be sent to all Unit Owners at least thirty (30) days in advance, and which notice shall set forth the purpose of the meeting. The due date(s) of any special assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing such special assessment.

Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such sums, by way of annual or special Common Expense

assessments, contemplated herein or in the By-Laws. Upon the conveyance of title to a Unit, the portion of the then current annual assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual assessment as the remaining number of months in the then current annual assessment period bears to twelve. Such first annual assessment or portion thereof for which a new Unit Owner is liable shall be immediately due upon the closing of title to the purchaser.

The Association shall, upon the request of any Unit Owner liable for a Common Expense assessment, or of the Institutional Lender for any Unit, furnish to such Unit Owner or Institutional Lender, a certificate in writing, signed by an officer of the Association, setting forth whether or not such Common Expense assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any Common Expense assessments therein stated to have been paid.

No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Elements. Each such assessment shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the Common Expense assessment fell due, and of each subsequent record Owner of such Unit together with such interest thereon and cost of collection thereof (including reasonable attorneys' fees). Liens for unpaid Common Expense assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common Expense assessments may be maintained without waiving the lien securing the same.

8. COMMON EXPENSES; RESPONSIBILITIES OF OWNERS; DAMAGE DUE NEGLIGENCE, OMISSION, OR MISUSE.

The annual Common Expense assessments levied by the Board shall be used exclusively for promoting the health, safety, pleasure and welfare of the members of the Association, including, but without limitation: parking fees; the maintenance and repair of the exterior and roofs of the Buildings, including but not limited to cleaning and painting of the exterior surfaces and finishes; roof repair; any and all expenses with regard to bills for water usage for the Units; maintenance, repair and replacement of the Common Elements or any other improvements on the Property; payment of taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and, such other items as may from time to time be deemed appropriate by the Board. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense.

Each Unit Owner shall promptly furnish, perform, and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit; provided, however: (i) such maintenance, repairs and replacements as may be required for the functioning of any common plumbing, heating, air-conditioning, mechanical, electrical and water supply systems within the Building shall be furnished by the Association; and (ii) the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform; but any and all expenses incurred pursuant to the foregoing provisions shall be the responsibility of the Unit Owners affected thereby. Except as herein provided, maintenance, repairs and replacements of the plumbing fixtures and system, windows, doors, balconies, electrical wiring and receptacles, kitchen appliances and equipment, and lighting fixtures within any Unit which are not common shall be the Unit Owner's responsibility at its sole cost and expense, and if the Unit Owner fails to perform such work the Association may do so on the Unit Owner's behalf and charge the reasonable expenses thereof to the Unit Owner. Maintenance, repair, replacement, cleaning and washing of all wallpaper, paint, paneling, floor covering, draperies and window shades or curtains within any Unit shall also be the Unit Owner's responsibility at its sole cost and expense. Whenever, as aforesaid, a Unit Owner is responsible, at his own expense, for maintenance, repair or replacement, such obligation shall include, where applicable, an obligation to maintain, repair or replace in such a fashion as to maintain visual harmony among the Units.

If, due to the negligent act or omission of or misuse by Unit Owner, or a member of his family or household pet, or a guest, occupant or visitor (whether authorized or unauthorized by the Unit Owner), damage shall be caused to the Common Elements, or to a Unit(s) owned by

others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then the Unit Owner so responsible shall pay for such damage and be liable for any damages, liability, costs and expense, including attorney's fees, caused by or arising out of such circumstances; and such maintenance, repairs and replacements to the General or Limited Common Elements or the Unit(s) shall be subject to the By-Laws and the Rules and Regulations.

9. EASEMENTS.

Every Unit Owner, his successors and assigns, shall have the following perpetual easements with respect to the Property:

(a) A non-exclusive easement in, upon, over, under, across and through the Common Elements to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements;

(b) An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements, now existing or which my come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands;

(c) A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the General Common Elements;

(d) An exclusive easement to use and enjoy the surfaces of the main walls, (including any windows, doors, chimneys, balcony, stoops, or patio therein), ceilings and floors contained within his unit;

(e) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television, master antenna and other General Common Elements located in any of the other Units and serving his Unit; and

(f) A perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the driveways, walks and other common facilities within the Condominium subject to the right of the Board to:

(i) promulgate rules and regulations for the use and enjoyment thereof; and

(ii) suspend the enjoyment and voting rights of any Unit Owner for any period during which any assessment for Common Expenses remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment.

Developer, its successors and assigns, shall have the following easements with respect to the Property:

(a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Elements, for ingress and egress for the use of all driveways, parking areas, and for the utilization of existing and future model Units for sales

promotion and exhibition, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business. In addition, Developer hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Developer or its agents to service Building provided that such Unit or any part of the requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not; and

(b) A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium.

The Property shall also be subject to the following easements:

(a) The Association shall have a perpetual exclusive easement for the maintenance of any Common Elements, which presently or may hereafter encroach upon a Unit;

(b) The Association, through the Board or any manager, or managing agent, or their respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same (ii) to remedy any violations of the provisions of this Master Deed, the By-Laws or any Rules and Regulations of the Association, and (iii) to perform any operations required in connection with the maintenance, repairs or replacements of or to the Common Elements, or any equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements; provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an Emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not;

(c) Any Institutional Lender, its officers, agents and employees, shall have a blanket, perpetual and nonexclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of the Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to and with the permission of the Board and the Unit Owner;

(d) A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, poles or transformers, master television antennas, cable television systems and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Property, which easement shall be for the benefit of any governmental agency, utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services; and

(e) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the City of Nashville, the Association, their respective officers, agents and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties, (including but not limited to emergency or other necessary repairs to a Unit which the Unit Owner has failed to perform), and for repair and

maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Unit Owner(s) directly affected thereby.

10. BY-LAWS AND ADMINISIRATION; CHANGES IN DOCUMENTS; POWER OF ATTORNEY.

The administration of the Common Elements of the Condominium and other common facilities shall be by the Association in accordance with the provisions of the Tennessee Code Annotated Horizontal Property Act, this Master Deed, the Certificate of Incorporation, the By-laws, the Rules and Regulations and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any Institutional Lender designated by the Developer or by any governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by Developer to insure title to any Unit(s). Developer hereby reserves for itself, its successors and assigns, for a period of five (5) years from the date the first Unit is conveyed to an individual purchaser, or until Developer conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lien holders or parties claiming a legal or equitable interest in the Condominium, any such agreement, document, amendment or supplement to the above described documents which nay be so required by any such Institutional Lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or substantially alters the floor plan of any Unit, or changes the percentage of the undivided interest in the Common Elements or substantially increases the financial obligations of the Unit Owner or reserves any additional or special privileges shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering same; or if such agreement, document, amendment or supplement adversely affects the priority or validity of any mortgage which encumbers any Unit, without the prior written consent of the owners of all such mortgages.

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, mortgagee, or other lien holder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm: (i) Developer, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing, subject to the limitations set forth above in the preceding paragraph; and (ii) the Association as attorney-in-fact to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the Association.

The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers. The power of attorney set forth in (i) shall be vested in the Developer, its successors and assigns until the initial conveyance of all Units or the expiration of same. Thereafter, said power of attorney shall automatically vest in the Association to be exercised through its Board of Directors.

Notwithstanding the foregoing, the Developer shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Master Deed, the By-Laws of The Phoenix Loft Condominium Association, Inc., or any other document for the purpose of changing the permitted use of a Unit or the purpose of reducing the Common Elements or facilities.

11. RESTRICTIONS.

The Condominium is subject to all covenants, restrictions and easements of record and to the following restrictions:

(a) No Unit, except those Units owned by the Developer and used as sales offices, administrative offices or models, shall be used for any purpose other than as a private residence, except as provided by subparagraph 11(x) hereof.

(b) There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior consent of the Board. The use by a Unit Owner of any designated storage area which is part of the General Common Elements shall be prescribed by Rules and Regulations.

(c) No reptile, or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else upon the Property except as may be permitted by the Rules and Regulations of the Association promulgated by the Board.

(d) No vehicles of a size larger than a panel truck and no mobile home, recreation vehicle, boat, boat trailer or the like shall be parked on any part of the Property, except that those vehicles temporarily on the Property for the purpose of servicing the Property itself or one of the Units, shall be permitted without written consent of the Board.

(e) No portion of the Common Elements or other portion of the Property shall be used or maintained for the dumping of rubbish or debris. Trash, garbage or other waste shall be placed in containers on the Property for weekly or more frequent collections.

(f) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted for the Units, exclusive of those two Units to be used commercially as permitted hereunder, nor shall unshielded floodlights be installed in any exterior area of any Unit or any balcony, patio or terrace appurtenant thereto without the permission of the Board.

(g) The Owner of each Unit, regardless of type, shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls or balconies of any Building or in any parking areas. Further, the Owner of any residential Unit shall not cause or permit any signs, awnings, grills, balcony enclosure, fence, canopies, shutters, or radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior consent of the Board. Unit Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking areas. Each Unit Owner is responsible to promptly report to the Board any defect or need for repairs, the responsibility for which is that of the Association.

(h) In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current, up-to-date roster of Unit Owners, each Unit Owner shall give the Secretary of the Association, timely notice of his intent to list his Unit for sale, and, upon closing of title shall forthwith notify such Secretary of the names and home addresses of the purchasers.

(i) No residential Unit may be leased for more than two (2) consecutive years after which time such residential Unit must remain either Unit Owner occupied or vacant for the following two (2) years, regardless of any change in ownership.

(j) No Unit Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the General or Limited Common Elements without the prior written consent of the Board unless permitted by the Rules and Regulations, exclusive of those two Units to be used commercially as permitted hereunder.

(k) Each Unit Owner shall be responsible for the maintenance, repair and replacement of all windows of his Unit and also the front door and any doors leading onto the balcony, terrace, patio, stoop or fenced-in yard adjacent to his Unit.

(l) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements.

(m) To the extent that equipment, facilities and fixtures, within any Unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to this Master Deed, the By-Laws and the Rules and Regulations of the Association.

(n) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of any Building or the contents thereof beyond the rates applicable for Units, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements which will result in the cancellation of insurance on any Building or the contents thereof, or which will be in violation of any law.

(o) No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in the Condominium.

(p) No offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.

(q) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of the Building or which will structurally change the Building. No Unit Owner (other than the Developer) may make any structural additions, alterations or improvements in or to his Unit or in or to the Common Elements, without the prior written approval of the Board; or impair any easement without prior written consent of the Board. Notwithstanding the foregoing, while the Developer maintains a majority on the Board of Directors, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly common expense assessment unless required by a governmental agency, title insurance company, Institutional Lender or in the event of an emergency. The Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his Unit within forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute a denial of the proposal. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be reviewed by the Board and, if approved, shall be executed by the Board and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owners shall furnish the Board with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Developer until such Units have been initially sold and conveyed by the Developer.

(r) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

(s) No Unit shall be leased by the Owners thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by

any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as (i) rental for any period less than one (1) year; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service; provided, however, that any Unit Owner, including Developer, may rent a Unit for a period of less than six (6) months to a contract purchaser thereof. No Unit Owner may lease less than an entire Unit.

Other than the foregoing obligations, the Unit Owners shall have the right to lease same provided that said lease is in writing and made subject to all provisions of this Master Deed, the By-Laws of the Association and other documents referred to herein, including the right of amendment reserved to Developer herein, and provided further that any failure of the lessee to fully comply with the term and conditions of such documents shall constitute a default under the lease.

In the event a tenant of a Unit fails to comply with the provisions of this Master Deed, the By-Laws or Rules and Regulations then, in addition to all other remedies which it may have, the Association shall notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said cost and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board as his attorney-in-fact for the purposes described in this subparagraph(s).

(t) No Unit Owner shall have the right to mortgage or encumber his Unit, unless such mortgage or encumbrance is a Permitted First Mortgage. No other mortgages or encumbrances shall be permitted without the prior written approval of the Association.

(u) All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided by the Tennessee Code Annotated Horizontal Property Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided percentage interest in the General Common Elements.

(v) Each Unit Owner shall pay for his own telephone and other utilities, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed or which serve the Common Elements shall be treated as part of the Common Expenses.

(w) No clothes poles, lines or collapsible clothes tree shall be installed or maintained.

(x) A business, trade, profession or occupation may be conducted in a residential Unit only if the Unit is also occupied by a Unit Owner as a residence and only if permitted by the applicable City ordinances. This clause shall not apply to the two Units located on the first two structural floors of the Building to be used commercially as permitted hereunder.

(y) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

The Board shall have the power to make such rules and regulations as may be necessary to carry out the intent of these use restrictions, and shall have the right to bring law suits to enforce the rules and regulations so promulgated. The Board shall further have the right to levy fines for violations of these regulations, provided that the fine for a single violation may not, under any circumstances, exceed $10.00. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall be considered as a Common Charge to be levied against the particular Unit Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Charges.

12. NO PARTITION.

Subject to the provisions of this Master Deed and Certificate of Incorporation and By-Laws and the Tennessee Code Annotated Horizontal Property Act, the Common Elements shall remain undivided and no Unit Owner(s) shall bring any action for partition or division thereof. In addition, the undivided percentage interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

13. MEMBERSHIP IN THE ASSOCIATION.

Upon acceptance of a Deed to a Unit each Unit Owner shall automatically become a member of the Association and shall be a member for so long as he shall hold legal title to his Unit Subject to all provisions of this Master Deed, the Tennessee Code Annotated Horizontal Property Act, the Certificate of Incorporation, and the By-Laws and Rules and Regulations which may now or hereafter be established for or by the Association. The Developer shall be a member of the Association with respect to all Units owned by it. In order to consummate Membership and be deemed in good standing, every purchaser, whether from Developer or other title holder, shall be obligated to pay to the Association a one-time, nonrefundable and nontransferable Membership Fee of $500.00 at the time of acquiring title to a Unit.

14. COMPLIANCE BY OWNERS.

Each owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Certificate of Incorporation, By-Laws, Rules and Regulations or any other document, amendment or supplement to the foregoing as described in paragraph 10 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Developer, the Association, or any Unit Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner to enforce any Lien created by this Master Deed or any covenant contained herein. Failure by the Developer, the Association, or any Unit Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

15. DAMAGE OR DESTRUCTION TO THE PROPERTY.

If any Building, any improvement or Common Element or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the following:

(a) If the insurance proceeds derived from such loss amount to $5,000 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damage or destroyed portions of the Property in

conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

(b) If the insurance proceeds derived from such loss exceed $5,000.00, all such insurance proceeds shall be paid directly to an insurance Trustee as may be designated by the Board, as trustee for all Institutional Lenders holding first mortgages on the Property, and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board.

(1) Upon notification of the receipt of insurance proceeds by the insurance trustee, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed portions of the property, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.

(2) The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the trustee. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board.

(3) The Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is contemplated in a workmanlike manner and according to plans and specifications.

(c) If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair is that of the Owner, then that Owner shall be responsible for reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Association shall be made available for such purpose. Subject to the provisions of this Master Deed, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

(d) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all Owners whose Units were damaged or destroyed, in sufficient amounts to provide funds for the payment of such costs. Anything to the contrary in this Master Deed or By-Laws notwithstanding, such assessments shall be in proportion to the Unit Owner's percentage interest in the Common Elements. The foregoing provisions of this subparagraph are applicable to the repairs and reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner for which the costs and expenses must be borne by each Owner; provided, however, any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

(e) If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Association and applied by it to reduce the Common Expenses.

(f) In the event the Association determines not to repair or restore the damaged property, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or interest in the Common Elements are hereby assigned and shall be paid to any appropriate Institutional Lender(s), as their interests may appear, for application to the appropriate mortgage indebtedness and the excess, if any, shall be paid to the appropriate Unit Owners.

16. EMINENT DOMAIN.

If any Building, improvement or Common Element or any part thereof shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceeding incident thereto. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

(a) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Master Deed, the award must compensate the Unit Owner for his Unit and its percentage interest in the Common Elements, based upon the qualified appraisal acceptable to the Board of the relative value of the Unit(s) taken ("Qualified Appraisal") whether or not any portion of the Common Elements is acquired. Upon acquisition by the condemning authority, unless the decree provides otherwise, each affected Unit's entire percentage interest and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations. Any remnant of a Unit retaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element.

(b) If part of a Unit is acquired by eminent domain, other than under the circumstances contemplated by subsection (a), the award must compensate the Unit Owner(s) for the reduction in value of the Unit and its percentage interest in the Common Elements. Upon acquisition by the condemning authority, (1) each affected percentage interest, and its Common Expense liability shall be reduced in proportion to the reduction in value of each such Unit, based upon a Qualified Appraisal, and (2) the portion of its percentage interest, and Common Expense liability divested from the partially acquired Unit shall be automatically reallocated to each such Unit and the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities.

(c) If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the affected Unit Owners in proportion to their respective percentage interest in the Common Elements before the taking, but the portion of the award attributable to the acquisition of any Limited Common Element must be equally divided among the owners of the Units to which that Limited Common Element was allocated at the time of acquisition based upon a "Qualified Appraisal."

(d) In no event shall the aggregate amount distributed to the affected Units Owner(s) exceed the total amount of any award paid with respect to any taking by eminent domain.

This provision shall be deemed to be supplemental to and not in derogation of the provisions of T.C.A. § 29-16-101 et. seq.

17. INSURANCE.

The Board shall obtain and continue in effect blanket property insurance on the Common Elements in an amount equaling current replacement value (exclusive of land, foundations or slabs, excavations and such other items as are usually excluded from insurance coverage) and in form satisfactory to any Institutional Lender holding first mortgages on a majority of the Units, but without prejudice to the right of the owner of any Unit to obtain individual Unit insurance at his own cost. In addition, the Board shall obtain and continue such other amounts of insurance as may be required by the provisions of the By-Laws. Premiums for all such insurance coverage except for individual Unit coverage shall be a Common Expense to be included in the monthly assessment for Common Expenses.

18. AMENDMENT OF MASTER DEED.

This Master Deed may be amended at-any time after the date hereof by a vote of at least sixty-seven percent (67%) of all Unit Owners at any meeting of the Association duly held in accordance with the provisions of the By-Laws; provided, however, that any amendment so requiring it shall also have the prior written approval of each Institutional Lender. No amendment shall be effective until recorded in the Office of the Clerk of Davidson County, Tennessee. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved to Developer pursuant to Paragraphs 10 and 23 hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Unit Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Clerk of Davidson County, Tennessee.

19. ENFORCEMENT.

Enforcement of this Master Deed shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction against any person or persons, firm or corporation violating or attempting to violate any covenant herein contained; either to restrain or enjoin such violation or threatened violation, or to recover damages; and against any Owner to enforce any lien created by this Master Deed in any covenant herein contained. Failure by the Association or any Member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

In the event the Condominium is not maintained in reasonable order and condition, the City of Nashville shall have the right to enter upon and maintain the Condominium. The cost of such maintenance by the municipality shall be assessed pro rata against the Owners of each Unit affected thereby and shall become a lien and tax on each such Unit, and shall be enforceable by the City of Nashville in the manner provided by law with respect to real estate taxes assessed directly against each such Unit.

20. WAIVER.

No provision contained in this Master Deed shall be deemed to have abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

21. GENDER.

The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

22. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS.

The fact that some or all of the officers, Directors, Members or employees of the Association and the Developer may be identical, and the fact that the Developer or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of the Deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the Tennessee Code Annotated Horizontal Property Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

23. RIGHTS RESERVED TO DEVELOPER.

Anything to the contrary herein or in the Certificate of Incorporation or By-Laws of the Association notwithstanding, Developer hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium, the right to sell, lease, mortgage or sublease any unsold Units within the Condominium.

Notwithstanding anything to the contrary contained in this Master Deed, the Developer, on behalf of itself, its successors and assigns hereby reserves the right (but shall be under no obligation) in its sole discretion, at any time within seven (7) years of the date of recording of this Master Deed, to supplement this Master Deed by amending same without the consent of the Board, the Association, any Unit Owner, any Permitted Mortgagee, any Institutional Lender or any contract purchaser and thereby subject same to the Tennessee Code Annotated Horizontal Property Act and the terms and provisions of this Master Deed. Any such amendment shall not be operative until duly recorded with the Davidson County Clerk's Office and shall describe therein the total number of Units which shall be added to the Condominium and the new total of Units which constitute the Condominium, as so supplemented, and shall reallocate the percentage interest in the Common Elements of each Unit in the Condominium. The reallocation of each Unit's appurtenant percentage interest shall not be deemed to constitute a prohibited reduction of that Unit's percentage interest for the purpose of this Master Deed and shall be effective upon recordation of the amendment(s) as aforesaid. Such amendment(s), and any change(s) in the percentage interest in the Common Elements affected thereby, shall be fully binding upon all contract purchasers, Unit Owners and all holders of mortgages encumbering same. Nothing contained herein shall be construed to authorize or permit annexation of any other or further lands to the Condominium except by an amendment duly adopted pursuant to Paragraph 18 of this Master Deed.

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, mortgagee, or other lien holder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Developer, its successors and assigns, as attorney-in-fact for the purpose of executing such amendment(s) to this Master Deed and any other instrument(s) necessary to effect the foregoing rights reserved to the Developer.

The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all rights, title and interest of the principal in and to said power.

The reserved rights of the Developer to expand the Condominium as aforesaid include: all improvements intended to be incorporated within the Condominium being substantially completed prior to the recordation of the amendment to the Master Deed that effectuates such incorporation; all improvements to be incorporated within the Condominium being consistent with the initial improvements in terms of quality of construction and incorporated within the Condominium in the order set forth herein.

24. PROTECTIVE PROVISIONS FOR THE BENEFIT OF INSTITUTIONAL LENDERS.

Anything to the contrary in this Master Deed or the By-Laws or Certificate of Incorporation notwithstanding, the following shall apply with respect to each Institutional Lender:

(a) The prior written approval of at least fifty-one percent (51%) of the Institutional Lenders who requested notice is required for any material amendment to the Master Deed or to the By-Laws or Certificate of Incorporation, including, but not limited to, any amendment which would change:

(i) voting rights;
(ii) reserves for maintenance, repair and replacement of Common Elements;
(iii) responsibility for maintenance and repairs;
(iv) reallocation of interests in the General or Limited Common Elements (except as expressly provided for in Paragraph 23 hereof), or rights to their use;
(v) boundaries of any Unit;
(vi) convertibility of Units into Common Elements or vice versa;
(vii) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of land to or from the Condominium except for the expansion expressly contemplated by Paragraph 23 hereof;
(viii) insurance or fidelity bonds;
(ix) leasing of Units;
(x) imposition of any restrictions upon a Unit Owner's right to sell or transfer his or her Unit;
(xi) a decision by the Association to establish self-management rather than professional management;
(xii) restoration or repair of the Condominium (after damage, destruction or condemnation) in a manner other than that specified in this Master Deed;
(xiii) any action to terminate the legal status of the Condominium as a Condominium after substantial damage or condemnation occurs; or
(xiv) any provisions that expressly benefit Institutional Lenders.

(b) The prior written approval of at least sixty-seven percent (67%) of the Institutional Lenders who requested notice is required before the effectuation of any decision by the Unit Owners to terminate the legal status of the Condominium as a Condominium for reasons other than substantial destruction or condemnation of the Property.

(c) Any Institutional Lender who requests same shall be entitled to receive thirty (30) days advance notice from the Association of any proposed non-material amendment to the Master Deed, the By-Laws or the Certificate of Incorporation permitted by same, which notice shall include a copy of the proposed change; and any Institutional Lender requesting and receiving such notice shall be deemed to have implicitly approved such change as proposed unless it states in a written response to the Association its objections or comments relative to such proposed change.

(d) Any Institutional Lender giving the Association written request for same shall be entitled to timely written notice of:

(i) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the Institutional Lender's mortgage; and no Unit Owner or other party shall have priority over such Institutional Lender with respect to the distribution to such Unit(s) of the proceeds of any condemnation award of settlement in the event of condemnation or with respect to the distribution to such Unit(s) of any insurance proceeds in the event of casualty loss;

(ii) any sixty (60) day delinquency in the payment of Common Expense assessment installments or other assessments or charges owed to the Association by a Unit Owner of any Unit or which the Institutional Lender holds a mortgage;

(iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(iv) any proposed action that requires the consent of a specified percentage of Institutional Lenders.

(e) No Unit in the Condominium may be partitioned or subdivided without the prior written approval of any Institutional Lender for such Unit.

(f) Any lien the Association may have on any Unit in the Condominium for the payment of Common Expense assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

(g) Any Institutional Lender shall upon written request, (i) be permitted to inspect the books and records of the Association during normal business hours; (ii) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; and (iii) receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(h) Any management agreement for the Condominium will be terminable by the Association with or without cause upon sixty (60) days prior written notice thereof, and the term of any such agreement shall not exceed one year.

(i) Notwithstanding the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense assessment with respect to any Unit, either regular or special, any Institutional Lender holding a mortgage which encumbers such Unit shall be entitled to declare such mortgage in default in the same manner that is permitted by such mortgage with respect to any default in the payment of real estate taxes.

25. DURATION.

The provisions of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Condominium and shall inure to the benefit of and be enforceable by the Association and the Unit Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in Paragraph 11 shall have an initial term of forty (40) years from the date this Master Deed is recorded in the office of the Davidson County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Unit Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument, or instruments (which may be in counterparts), in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Unit Owner at least ninety (90) days in advance of the action taken in authorizing said agreement; and, in any event, any changes concerning any such agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement, and provided further, that in no event may the Common Elements be conveyed to any third person, firm or corporation, without the express consent, by ordinance, of the governing body of the City of Nashville (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Property).

26. INVALIDITY.

The invalidity of any provision of this Master Deed, the Certificate of Incorporation, or By-Laws of the Association shall not be deemed to impair or affect in any manner the validity and enforceability of these documents or affect the remainder of this Master Deed or said By-Laws, and in such event all of the other provisions of' this Master Deed and said By-Laws shall continue in full force as if such invalid provisions had never been included.

27. EXHIBITS.

Attached hereto and made a part hereof is the following Exhibits:

EXHIBIT "A" - Legal Description of the Entire Tract

EXHIBIT "B" - Plat

EXHIBIT "C" - Certificate of Incorporation of The Phoenix Loft Condominium Association, Inc.

EXHIBIT "D" - By-Laws of The Phoenix Loft Condominium Association, Inc.

IN WITNESS WHEREOF, The Developer has caused this instrument to be executed the day and year first above written.

THE PHOENIX LOFT, LLC

By: _____
Its: Sole Member

WITNESS:

_____

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Gary Bowie, with whom I am personally acquainted (or proved to me on the basis of satisfactory eveidence) and who, upon oath, acknowledged himself to be the Sole Member of The Phoenix Loft, LLC the within named bargainor, a corporation and that he executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as the Sole Member.

Witness my hand, this 30th day of June, 2004.

_____
Notary Public

My commission expires:

SUSAN N. JOYNT NOTARY PUBLIC AT LARGE DAVIDSON COUNTY, TENN.
My Commission Expires SEPT. 22, 2007

Property Description

Being a five-story brick storehouse and lot and being No. 207 Third Avenue North, in the said City of Nashville.

Said lot fronts twenty-nine (29) feet , more or less, on the west side of Third Avenue North and extends back between parallel lines one hundred and seventy-four (174) feet, more or less, to an alley, and is part of Lot No. 41 on the Original Plan of Nashville, not of record.

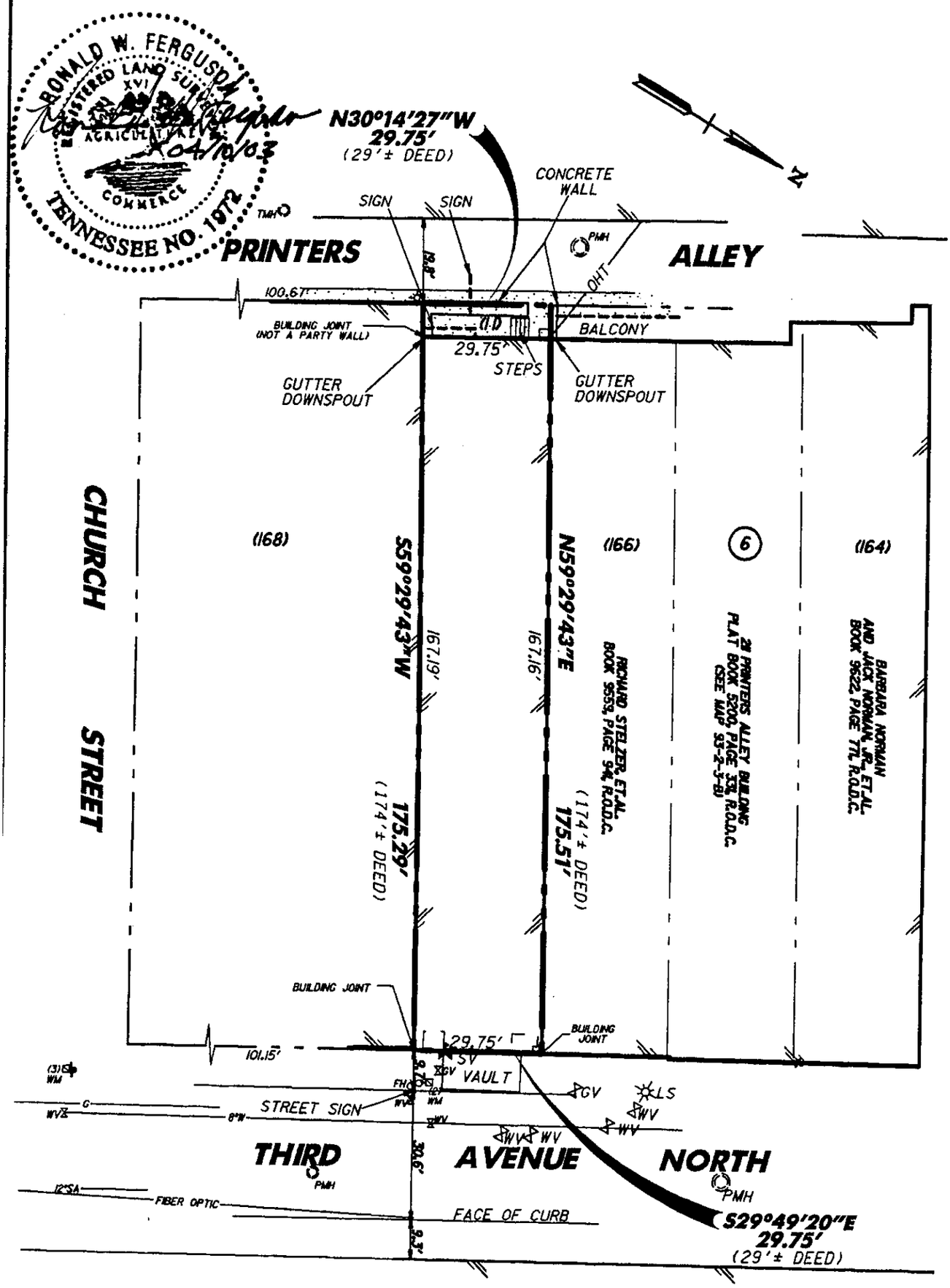
Being the same property conveyed to Grantor herein by Warranty Deed dated November 1, 2002, from B.H.L., LLC, a Tennessee limited liability company, of record as Instrument No. 20021105-0135528 in the offices of the Register of Deeds for Davidson County, Tennessee.

This conveyance is subject to Party Wall Exception of record in Book 9999, Page 483, Register's Office for Davidson County, Tennessee.

This conveyance is also made subject to all zoning regulations, building restrictions, easements, rights of public utilities or other governmental regulations applicable to the foregoing property. The taxes for the current year have been prorated and are assumed by Grantee.

This is improved property more commonly known as 207 Third Avenue North, Nashville, Tennessee 37201.

LOT AREA = 5,219 SQUARE FEET±

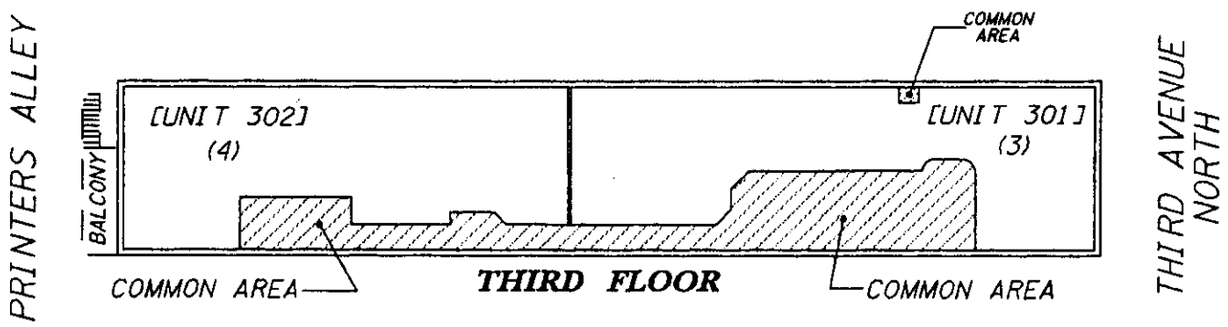


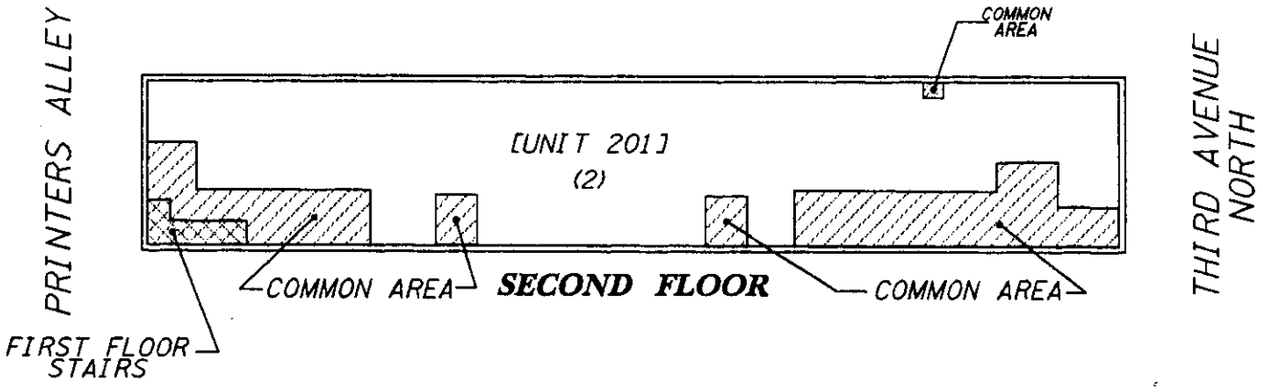
KEY MAP
A HORIZONTAL PROPERTY REGIME
207 THIRD AVENUE NORTH
CONDOMINIUM
FIRST CIVIL DISTRICT
NINETEENTH COUNCILMANIC DISTRICT
NASHVILLE, DAVIDSON COUNTY, TENNESSEE

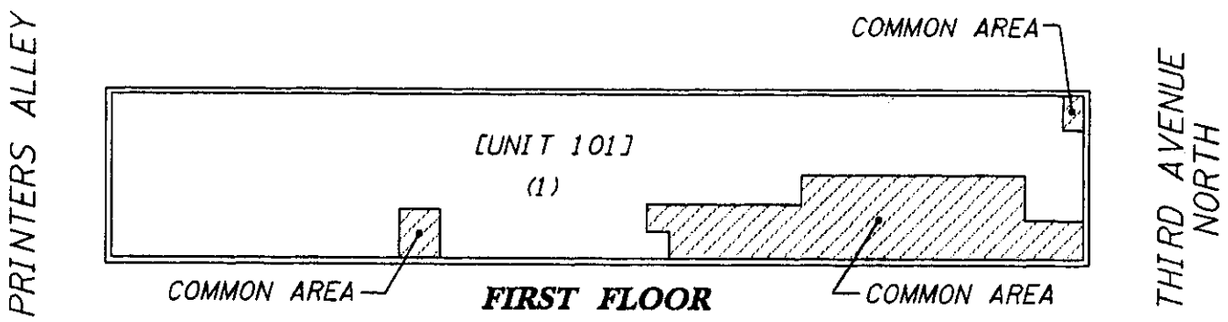
BWSC
BARGE WAGGONER SUMNER & CANNON, INC.
211 Commerce Street, Suite 600 Nashville, Tennessee 37201
PHONE (615) 254-1500 FAX (615) 255-6572
ENGINEERS ARCHITECTS PLANNERS LANDSCAPE ARCHITECTS SURVEYORS

PROJECT NO. 29301-00	METRO PROPERTY MAP. 93-2-3-D		PARCEL NO. 11
SCALE: 1"=30'	DATE: 03-24-03	CHK. BY WHT	BY: BARGE, WAGGONER, SUMNER AND CANNON, INC.

EXHIBIT B







AREA TABLE

UNIT No.	FLOOR	COMMON	1ST FL. STAIRS	TOTAL
101	3595 SQ.FT.±	915 SQ.FT.±	———	4510 SQ.FT.±
201	3487 SQ.FT.±	940 SQ.FT.±	83 SQ.FT.±	4510 SQ.FT.±

LEGEND

[UNIT XX] = UNIT NUMBER & ADDRESS

(XX) = PARCEL NUMBER

= COMMON AREA

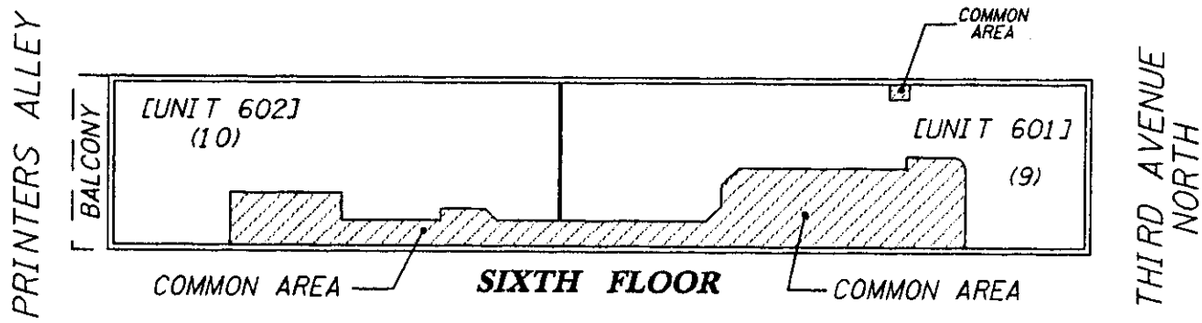
RONALD W. FERGUSON
REGISTERED LAND SURVEYOR
No. XXX
STATE OF TENNESSEE
COMMERCE
TENNESSEE NO. 1972
3/10/03

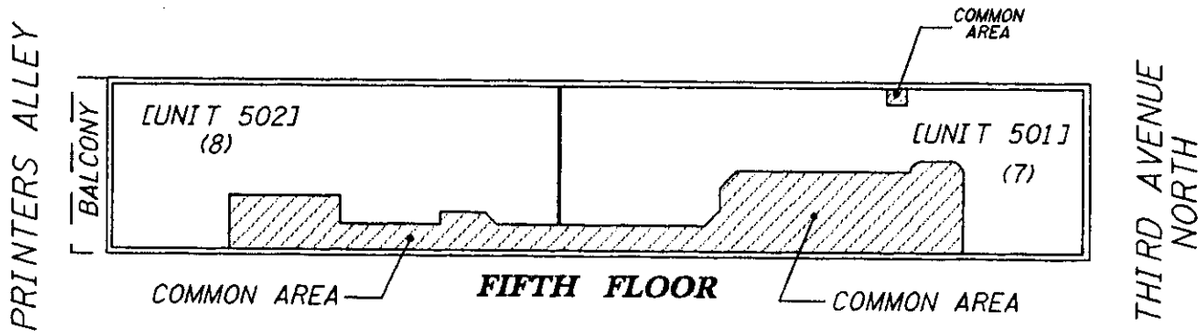
KEY MAP
A HORIZONTAL PROPERTY REGIME
207 THIRD AVENUE NORTH
CONDOMINIUM

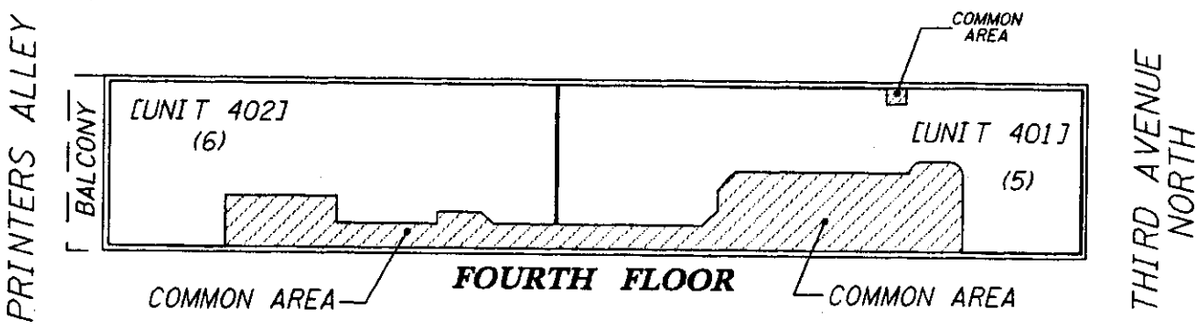
FIRST CIVIL DISTRICT
NINETEENTH COUNCILMANIC DISTRICT
NASHVILLE, DAVIDSON COUNTY, TENNESSEE

BWSC
BARGE WAGGONER SUMNER & CANNON, INC.
211 Commerce Street, Suite 600 Nashville, Tennessee 37201
PHONE (615) 254-1500 FAX (615) 255-6572
ENGINEERS ARCHITECTS PLANNERS LANDSCAPE ARCHITECTS SURVEYORS

PROJECT NO. 29301-00	METRO PROPERTY MAP. 93-2-3-D	PARCEL NO. 1,2,3,4	
SCALE: 1"=30'	DATE: 03-24-03	CHK. BY WHT	BY: BARGE, WAGGONER, SUMNER AND CANNON, INC.







LEGEND

[UNIT XX] = UNIT NUMBER & ADDRESS

(XX) = PARCEL NUMBER

= COMMON AREA

RONALD W. FERGUSON
REGISTERED LAND SURVEYOR
No. 1972
STATE OF TENNESSEE
04/25/03

KEY MAP
A HORIZONTAL PROPERTY REGIME
207 THIRD AVENUE NORTH
CONDOMINIUM

FIRST CIVIL DISTRICT
NINETEENTH COUNCILMANIC DISTRICT
NASHVILLE, DAVIDSON COUNTY, TENNESSEE

BWSC
BARGE WAGGONER SUMNER & CANNON, INC.
211 Commerce Street, Suite 600 Nashville, Tennessee 37201
PHONE (615) 254-1500 FAX (615) 255-6572
ENGINEERS ARCHITECTS PLANNERS LANDSCAPE ARCHITECTS SURVEYORS

PROJECT NO. 29301-00	METRO PROPERTY MAP. 93-2-3-D		PARCEL NO. 5,6,7,8,9,10
SCALE: 1"=30'	DATE: 03-24-03	CHK. BY WHT	BY: BARGE, WAGGONER, SUMNER AND CANNON, INC.

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 04/04/03
REQUEST NUMBER: 4783-0036
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 04/03/03 1545
EFFECTIVE DATE/TIME: 04/03/03 1545
CONTROL NUMBER: 0444633

TO:
MANIER & HEROD
150 4TH AVE NORTH
STE 2200
NASHVILLE, TN 37219-2494

Davidson County CHARTER
Recvd: 04/07/03 16:10 4pgs
Fees:7.00 Taxes:0.00
[redacted]
20030407-0046048

RE:
THE PHOENIX LOFT CONDOMINIUM ASSOCIATION, INC.
CHARTER - NONPROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CHARTER - NONPROFIT ON DATE: 04/04/03

	FEES	
RECEIVED:	$1,000.00	$0.00
TOTAL PAYMENT RECEIVED:		$1,000.00

FROM:
MANIER & HEROD (ONE NASHVILLE PL/S-2200)
1 NASHVILLE PL/S2200
150 FOURTH AVE NORTH
NASHVILLE, TN 37219-2494

RECEIPT NUMBER: 000003254500
ACCOUNT NUMBER: 00001319

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SS-4458

EXHIBIT C

RECEIVED
STATE OF TENNESSEE
2003 APR -3 PM 2:45
FILED
RILEY C. DARNELL
SECRETARY OF STATE

CHARTER

OF

THE PHOENIX LOFT CONDOMINIUM ASSOCIATION, INC.

The undersigned person adopts the following Charter for the above non-profit corporation pursuant to the Tennessee Non-profit Corporation Act:

1. The name of the Corporation is:

The Phoenix Loft Condominium Association, Inc.

2. The Corporation is a public benefit corporation.

3. The Corporation is not a religious corporation.

4. (a) The complete address of the Corporation's initial registered office in Tennessee is:

315 Union Street
Apartment #1430
Nashville, TN 37201
County of Davidson

(b) The name of the initial registered agent, to be located at the address listed in 4(a), is:

Gary Bowie
315 Union Street
Apartment #1430
Nashville, TN 37201

5. The name and address of the incorporator is:

Gary Bowie
315 Union Street
Apartment #1430
Nashville, TN 37201

#257476

6. The complete address of the Corporation's principal office is:

Gary Bowie
315 Union Street
Apartment #1430
Nashville, TN 37201

7. The Corporation is a nonprofit corporation.

8. The Corporation will not have members.

9. Pursuant to Section 48-52-102(b)(3) of the Tennessee Nonprofit Corporation Act, as amended or modified from time to time, a trustee of the Corporation will not be personally liable to the Corporation or its members, if any, for monetary damages or breach of fiduciary duty as a trustee; provided, that this provision will not eliminate or limit the liability of a trustee (a) for any breach of the trustee's duty of loyalty to the Corporation or its members; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (c) for unlawful distributions pursuant to Section 48-58-304 of the Tennessee Nonprofit Corporation Act.

Pursuant to Sections 48-58-301 and 48-58-403 of the Tennessee Nonprofit Corporation Act, no trustee or officer of the Corporation will be liable for any action taken as a trustee or an officer or any failure to take any action, if he performed the duties of his office in good faith, with the care an ordinarily prudent person in a like position would exercise, under similar circumstances, in a manner he reasonably believes to be in the best interests of the Corporation, and in compliance with the standards of conduct set forth in Sections 48-58-301 and 48-58-403 of the Tennessee Nonprofit Corporation Act, as amended or modified from time to time.

To the fullest extent permitted by the provisions of Section 48-58-501 et seq. of the Tennessee Nonprofit Corporation Act, as amended or modified from time to time, the Corporation will indemnify an individual made a party to a proceeding because he is or was a trustee against liability incurred in the proceeding if (a) he conducted himself in good faith and (b) he reasonably believed: (i) in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interests, and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and (c) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. The termination of proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, be determinative that the trustee did not meet the standard of conduct

previously set forth in this Section. The Corporation will not indemnify a trustee in connection with a proceeding by or in the right of the Corporation in which the trustee was adjudged liable to the Corporation, or in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him. The Corporation will pay for or reimburse the reasonable expenses, including reasonable attorney fees, incurred by a trustee who is a party to a proceeding in advance of final disposition of the proceeding if (a) the trustee furnishes the Corporation a written affirmation of his good faith belief that he has met the standard of conduct previously set forth herein and in Section 48-58-502 of the Tennessee Nonprofit Corporation Act, (b) the trustee furnishes the Corporation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he is not entitled to indemnification, and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under the law of the State of Tennessee then in effect. The indemnification and advancement of expenses will be undertaken in accordance with Section 48-58-501 et seq. of the Tennessee Nonprofit Corporation Act.

To the fullest extent permitted by the provisions of Section 48-58-507 of the Tennessee Nonprofit Corporation Act, as amended or modified from time to time, the Corporation shall indemnify and advance expenses to an officer to the same extent as to a trustee.

10. The purpose of the Corporation is to provide association services for condominiums more commonly known as The Phoenix Loft, and to manage and maintain its common areas.

11. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 10 hereof. The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for the public office.

Date: 27 Mar, 2003

Gary Bowie, Incorporator

BY-LAWS

OF

THE PHOENIX LOFT CONDOMINIUM ASSOCIATION, INC.

ARITCLE I

NATURE OF BY-LAWS

SECTION 1. Purpose. By-Laws are intended to govern the administration of The Phoenix Loft Condominium Association, Inc., a Tennessee non-profit corporation, and provide for the management, administration, utilization and maintenance of the Common Elements described in the Master Deed for The Phoenix Loft.

SECTION 2. Definitions. Unless the context clearly indicates otherwise, all definitions set forth in the aforesaid Master Deed are incorporated herein by reference.

SECTION 3. Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Directors ("Board").

SECTION 4. Principal Office. The principal office of the corporation is located at 315 Union Street, #1430, Nashville, Tennessee 37201.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Members. Every person, firm, association, corporation or other legal entity who is a record Owner or Co-Owner of the fee simple title to any Unit shall be a Member of the Association; provided, however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Association.

SECTION 2. Associate Members. Every person who is entitled to possession and occupancy of a Unit as a tenant or lessee of a Unit Owner may be an Associate Member of the Association, but shall not be entitled to any vote with respect to Association matters.

SECTION 3. Change of Membership. Change of membership shall be accomplished by recording in the Davidson County Clerk's Office a deed or other instrument establishing a record title to a Unit, and delivery to the Secretary of the Association of a certified copy of such instrument. The membership of the prior Unit Owner shall be thereby terminated.

SECTION 4. Rights of Membership. Every person who is entitled to membership in the Association, pursuant to these By-Laws, shall be privileged to use and enjoy the General Common Elements, subject however to the right of the Association to:

(a) Promulgate rules and regulations governing such use and enjoyment;
(b) Suspend the use and enjoyment of the General Common Elements as provided in Section 5 of this Article II; and
(c) Dedicate or transfer all or part of the General Common Elements, other than any Building in which any Units are contained.

SECTION 5. Suspension of Rights. The membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Unit to which his membership is appurtenant remains unpaid; but upon payment of such assessments, and any interest accrued thereon, whether by cashier's check or cash, his rights and privileges shall be immediately and automatically restored. Further, if rules and regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-Laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken-by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principle of due process of law.

SECTION 6. Membership Fees. The Board may impose upon each Unit Owner, upon acquisition of title to his Unit, a one-time, nonrefundable fee for membership in the Association in an amount to be determined by the Board, but not to exceed $500.00, which fee may be used for working capital or any other lawful purpose. If imposed, payment of such fee shall be a condition precedent to membership in the Association. Any unpaid membership fee shall be deemed a lien on the Unit in the same manner as any unpaid Common Expenses attributable to such Unit.

SECTION 7. Votes. Each Unit Owner shall be entitled to such vote(s) for each Unit to which he holds title as is provided in Paragraph 6 of the Master Deed. When more than one person holds title the vote(s) for each Unit shall be exercised as the Co-Owners among themselves determine. When one or more Co-Owners signs a proxy or purports to vote for his or her Co-Owners, such vote(s) shall be counted unless one or more of the other Co-Owners is present and objects to such vote(s); or, if not present, submits a proxy or objects in a writing delivered to the Secretary of the Association before the vote(s) is counted. If Co-Owners disagree as to the vote(s), the vote(s) shall be split equally among the Co-Owners.

SECTION 8. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Master Deed or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by all individual Unit Owners (or in the case of joint owners by any one of them), or by his or their duly authorized representative(s) and delivered to the Secretary of the

Association, or such other person as the President may designate, at least 24 hours prior to the commencement of the meeting at which ballots are to be cast. Proxies may be revoked at any time prior to the opening of the polls, and no proxy shall be voted on after eleven (11) months from its date unless said proxy provides for a longer period, not to exceed three (3) years from the date of execution. All proxies shall be substantially in the form prescribed by the Board, and if not in such form, shall be deemed invalid which determination shall be made in the sole and absolute discretion of the Board.

ARTICLE III

MEETINGS OF UNIT OWNERS

SECTION 1. Place of Meetings. All meetings of the Unit Owners of the Association shall be held at the Condominium or at such other place convenient to the members as may be designated by the Board.

SECTION 2. First Annual/Regular Annual Meetings. All annual meetings of the Unit Owners of the Association shall be held on the day and month of the year to be established by the Board. At the first annual meeting and each subsequent annual meeting the election of Directors shall take place. If the election of Directors shall not be held at the annual meeting or any adjournment of such meeting, the Board shall cause the election to be held at a special meeting as soon thereafter as may be convenient. At such special meeting the Unit Owners may elect the Directors and transact other business with the same force and effect as at an annual meeting duly called and held. All proxies validly received for the originally scheduled meeting shall remain in full force and effect for any such adjourned meeting or special meeting and new proxies may be received for any such subsequent meeting.

SECTION 3. Special Meetings. After the first annual or special meeting, special meetings of Unit Owners may be called by the President whenever he deems such a meeting advisable, or shall be called by the Secretary when so ordered by the Board, or upon the written request of Members representing not less than thirty-five (35%) percent of all the votes entitled to be cast at such meeting. Such request shall state the purpose(s) of such meeting and the matter(s) proposed to be acted upon. Unless Unit Owners representing at least fifty (50%) percent of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Unit Owners held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board.

SECTION 4. Notice of Meeting. Except as otherwise provided by law, notice of each meeting of Unit Owners, whether annual or special, shall be given not less than ten (10) days, nor more than ninety (90) days before the day on which the meeting is to be held, to each Unit Owner at his last known address, by delivering a written or printed notice thereof to said Unit Owner, or by mailing such notice, postage prepaid. Every such notice shall state the time and place of the meeting and shall state briefly the purpose(s) thereof. Notice of any meeting of Unit Owners shall not be required to have been sent to any Unit Owners who shall attend such meeting in person or by proxy. Notice of any adjourned meeting of the Unit Owners shall not be

required to be given except when expressly required by law. Except where otherwise expressly required by law, no publication of any notice of a meeting of Unit Owners shall be required.

SECTION 5. Quorum and Adjourned Meetings. At such meetings of the Unit Owners, persons holding thirty-five (35%) percent of the authorized votes present in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the persons holding votes present in person or by proxy and entitled to vote, may, by majority vote, adjourn the meeting from time to time, until a quorum shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting originally called.

SECTION 6. Organization. At each meeting of the Association, the President, or, in his absence, the Vice President, or in the absence of both of them, a person chosen by a majority vote of the Unit Owners present in person or represented by proxy and entitled to vote, shall act as a chairperson, and the Secretary, or in his absence, a person whom the chairperson shall appoint, shall act as Secretary of the Meeting.

SECTION 7. Voting. Except as otherwise required by the Master Deed or any law, a quorum being present, a majority of votes present, in person or by proxy, shall be sufficient on those matters which are to be voted on by the Unit Owners. The election of Directors shall be by ballot. Unless determined by a majority of the votes of the Unit Owners present at such meeting, in person or by proxy, or determined by the chairperson of the meeting to be advisable, the vote on any other question need not be by ballot.

SECTION 8. Member in Good Standing. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all installments due for assessments made or levied against him and his Unit by the Directors hereinafter provided, together with all interests, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and to his Unit, including any Membership Fee imposed pursuant to Article II, Section 6 hereof, at least three (3) days prior to the date fixed for such meeting.

SECTION 9. Judges. If at any meeting of the Unit Owners a vote by ballot shall be taken on any question, the chairperson of such meeting shall appoint two Judges to act thereat with respect to such vote. Each Judge so appointed shall first subscribe an oath faithfully to execute the duties of a Judge at such meeting with strict impartiality and according to the best of his ability. Such Judges shall decide upon the qualifications of voters and shall report the number of votes represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and when the voting is completed, shall ascertain and report the number of votes respectively for and against the questions; but as to the election of Directors, the number of votes received by each candidate need not be reported. Reports of Judges shall be in writing and subscribed and delivered by them to the Secretary of the meeting. The Judges need not be members of the Association, and any officer or Director of the Association may be a Judge on any question, other than a vote for or against his election to any position with the Association or any other question in which he may be directly interested.

SECTION 10. Order of Business. The order of business at the annual meeting of the Unit Owners or at any special meetings insofar as practicable shall be:

(a) Calling of the roll and certifying the proxies;
(b) Proof of notice of meeting and waiver of notice;
(c) Reading and disposal of any unapproved minutes;
(d) Appointment of Judges of Election, if appropriate;
(e) Election of Directors, if appropriate;
(f) Receiving reports of officers;
(g) Receiving reports of committees;
(h) Old business;
(i) New business; and
(j) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. Express and Implied Powers and Duties. The property, affairs and business of the Association shall be managed by the Board of Directors, which shall have all those powers granted to it by the Master Deed, these By-Laws, and by governing law.

SECTION 2. Number and Qualifications.

(a) The Board shall consist of four (4) Directors (hereinafter referred to as Directors A, B, C, and D).

(b) In the case of partnership owners, Directors shall be members, agents or Employees of such partnership or of the partners thereof; or, in the case of corporate owners, Directors shall be officers, stockholders, employees or agents of such corporation; or, in the case of fiduciary owners, Directors shall be fiduciaries or officers or Employees of such fiduciaries; provided, however, that at least one of the Directors of the Board shall be a resident of the State of Tennessee.

SECTION 3. Election and Term of Office. Directors A, B, C, and D shall be elected for two (2) year terms; provided, however, that the purpose and intent hereof is that Directors A and B shall be elected in alternate years to Directors C and D. The Directors shall hold office until their respective successors have been duly elected and qualified, or until removed in the manner elsewhere provided. If at any meeting for election of membership to the Board more than twice the number of candidates to be elected at such meeting are nominated, then, and in such event, there shall be two ballots for membership. At the end of the first ballot, the field of nominees shall be reduced so that there are twice as many candidates as there are positions to be filled, with the persons receiving the fewest votes being eliminated from the ensuing ballot. A

second ballot shall be held, and on the second ballot, the persons receiving the most votes will be deemed to be elected in order to fill the vacant positions. If there are not more than twice the number of nominees for the number of positions to be filled, then there shall be one ballot, with the persons receiving the most votes being elected in order to fill the vacancies on the Board. If ever applicable, candidates polling the highest votes will be considered elected for the longest period of years. Election of Directors at successive annual meetings shall be in accordance with this Section 3.

SECTION 4. Removal of Members of the Board. At any duly held regular or special meeting of the Unit Owners, any one or more Directors may be removed with or without cause by a majority of the Unit Owner votes present, and a successor may then and there be appointed by a majority of the remaining Directors to fill the vacancy thus created. Each person so appointed shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor is duly elected and qualified. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. In the event that all of the Unit Owner-elected directors are removed, successors shall be elected by the Unit Owners in the manner set forth in Article IV, Section 3 herein to fill the vacancies thus created.

SECTION 5. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Unit Owners of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a Director for the remainder of the term of the Director whose term he is filling and until his successor shall have been duly elected and qualified.

SECTION 6. Meeting of the Board; Notices; Waiver of Notice. The first annual meeting of the Board shall be held within ten (10) days after the first annual meeting of the Unit Owners and at such time and place as shall be fixed by a majority of the Board and no notice shall be necessary. Thereafter, regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board, but at least two meetings shall be held each year. Notice of regular meetings of the Board shall be given to each Director by telephone, mail, or telegram at least three (3) days prior to the day of the meeting. Special meetings of the Board may be called by the President on three (3) days notice to each Director given by telephone, certified mail or regular mail which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or the Secretary in like manner and on like notice on the written request of at least three (3) Directors. Any Director may, at any time, waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. In the discretion of the Board, meetings of the Board or portions thereof, may be open to members of the Association for observation or participation in such manner and to the extent the Board may deem appropriate.

SECTION 7. Quorum and Adjourned Meetings. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and the votes

of a majority of the Directors present and voting at a meeting at which a quorum is present shall constitute a valid decision. If at any meeting of the Board there shall be less than a quorum present, the majority of those present shall adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which may have been transacted at the original meeting may be transacted without further notice. The vote of a majority of those present at a Board meeting at which a quorum is present shall be necessary for valid action by the Board on any matter.

SECTION 8. Joinder in Meetings by Approval of Minutes. The transaction of any business at any meeting of the Board however called and noticed or wherever held, shall be valid as though a meeting duly held after regular call and notice, if a quorum is present; and if either before or after the meeting, each Director signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approval, shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent thereto.

SECTION 9. Non-Waiver. All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

SECTION 10. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws or the Master Deed notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote if the entire Board, or all the Directors empowered to act, whichever the case may be, shall consent in writing to such action.

ARTICLE V

POWERS AND DUTIES OF BOARD OF DIRECTORS

SECTION 1. General Powers and Privileges. The Board shall have these powers, which include but which are not necessarily limited to the following, together with such other powers as may be provided herein or in the Master Deed, or By-Laws, or which may be necessarily implied.

(a) Employ, by contract or otherwise, a manager, managing agent or an independent contractor, to oversee, supervise and carry out the responsibilities of the Board. Said manager or said independent contractor shall be compensated upon such terms as the Board deems necessary and proper;

(b) Employ any person, firm or corporation to repair, maintain or renovate the Common Elements of the Condominium; lay pipes or culverts; to bury utilities; to put up lights or poles; to erect signs and traffic and safety controls of various sorts on said Property;

(c) Employ professional counsel and to obtain advice from persons, firms or corporations such as, but not limited to, landscape architects, architects, engineers, lawyers and accountants;

(d) Employ or contract for water and sewer, electricity and gas or other forms of utilities, cable or master antenna television;

(e) Employ all managerial personnel necessary, or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder;

(f) Adopt, amend, and publish rules and regulations covering the details of the operation and use of the Common Elements including but not limited to pet controls;

(g) Secure full performance by Unit Owners or occupants of all items of maintenance for which they are responsible;

(h) Arrange for security protection as necessary;

(i) Enforce obligations of the Unit Owners and do anything and everything else necessary and proper for the sound management of the Condominium, including the right to bring or defend lawsuits to enforce the terms, conditions and restrictions contained in the Master Deed, these By-laws, or the Rules and Regulations;

(j) Borrow and repay monies giving notes, mortgages or other security upon such term or terms as it deems necessary;

(k) Invest and reinvest monies, sue and be sued; collect interest, dividends, and capital gains; exercise rights; pay taxes; make and enter into contracts; enter into leases or concessions; make and execute any and all proper affidavits for various purposes; compromise any action without leave of court; and all other powers contained herein, and those necessary and incidental thereto;

(l) Purchase or lease or otherwise acquire in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners within the Condominium, Units offered for sale or lease or surrendered by their Owners to the Board;

(m) Purchase Units within the Condominium at foreclosure or other judicial sales in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners;

(n) Sell, lease, mortgage (but not vote the votes appurtenant thereto) or

otherwise deal with Units acquired by the Association, and sublease any such Units leased by the Association or its designees, on behalf of all Unit Owners;

(o) Bring and defend actions by or against more than one Unit Owner which are pertinent to the operation of the Condominium the health, safety or general welfare of the Unit Owners, or any other legal action to which the Unit Owners may consent in accordance with these By-Laws;

(p) Appoint an Insurance Trustee, who shall not be a member of the Association, an employee of the Developer, or the manager, who shall discharge his duties in accordance with these By-Laws. In the absence of such an appointment, the Board shall be responsible for the disposition of all insurance proceeds;

(q) Create, appoint members to and disband such committees as shall from time to time be deemed appropriate or necessary to aid the Board in the discharge of its duties, functions and powers; and

(r) Review and/or reject any architectural drawings or other Unit layout plans proposed by any Unit Owner regarding the construction of interior structures in a Unit.

SECTION 2. Duties and Responsibilities. It shall be the affirmative and perpetual obligation and duty of the Board to perform the following:

(a) Cause the General and Limited Common Elements to be maintained according to accepted standards and as set forth in the Master Deed, including, but not limited to such maintenance, painting, replacement and repair work as may be necessary, lawn maintenance and clearing of snow from road ways and walkways as the Board may deem appropriate. All repairs and replacements shall be substantially similar to the original application and installation and shall be of first class quality;

(b) To investigate, hire, pay, supervise and discharge the personnel necessary to be employed, and provide the equipment and materials necessary, in order to properly maintain and operate the Common Elements. Compensation for the services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Association;

(c) Cause to be kept a complete record of all its acts and corporate affairs and to present a summary report thereof to the members at the annual meeting or at any special meeting when requested in writing at least twenty-one (21) days in advance by members entitled to cast at least twenty-five (25%) percent of the total votes of the Association;

(d) Allocate common surplus or make repairs, additions, improvements to, or restoration of the Common Elements in accordance with the provisions of these By-Laws and the Master Deed after damage or destruction by fire or other casualty, or as a result of condemnation or Eminent Domain proceedings;

(e) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises maintained by the Association placed thereon by any federal, state, county or municipal authority having jurisdiction there over, and by order of the Board of Fire Underwriters or other similar bodies; and

(f) Place and keep in force all insurance coverage required to be maintained by the Association, applicable to its property and members including, but not limited to:

(i) Physical Damage Insurance. Broad form insurance against loss by fire and against loss by lightning, windstorm and other risks normally included within all risk extended coverage, including vandalism and malicious mischief, insuring all improvements existing on the Property, together with all service machinery appur tenant thereto, and covering the interest of the Association, the Board, all Unit Owners and Institutional Lenders as their respective interests may appear, in an amount equal to the current full replacement value of such improvements (exclusive of foundations, footings, land, excavations or other item usually excluded from insurance coverage), without deduction for depreciation. Each policy shall contain a standard mortgagee clause in favor of each Institutional Lender, which shall provide that the loss, if any, thereunder, shall be payable to each Institutional Lender as its interest may appear, subject to the loss payment provisions set forth in Paragraph 15 of the Master Deed. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of the Units and Common Elements and the improvements located thereon, without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this subparagraph. The amount of any deductible shall be determined by the Board, in its sole discretion.

(ii) Public Liability Insurance. To the extent obtainable, public liability insurance for personal injury and death from accidents occurring within the Common Elements, (and any other areas which the Board may deem advisable) and the defense of any actions brought by injury or death of a person or damage to property, occurring

within such Common Elements, and not arising by reason of any act or negligence of any individual Unit Owner. Said insurance shall be in such limits as the Board may, from time to time, determine, covering each Member of the Board, the managing agent, the manager, and each Member, and shall also cover cross liability claims of one insured against another. Until the first meeting of the Board following the first annual meeting, such public liability insurance shall be in a single limit of at least $1,000,000 covering all claims for personal injury or property damage arising cut of any one occurrence. The Board shall review such limits once a year.

(iii) Directors and Officers Liability Insurance. Liability insurance indemnifying the Directors and Officers of the Association against the liability for errors and omissions occurring in connection with the performance of their duties, in an amount of at least $1,000,000, with any deductible amount to be in the sole discretion of the Board.

(iv) Workers Compensation Insurance. Workers compensation and disability benefits insurance as required by law.

(v) Water Damage. Water damage legal liability insurance.

(vi) Other Insurance. Such other insurance as the Board may determine.

All policies shall: (i) provide that adjustment of loss shall be made by the Board of Directors with the approval of the Insurance Trustee, if any, and that the net proceeds thereof, if $5,000.00 or less shall be payable to the Board, and if more than $5,000.00 shall be payable to the Insurance Trustee, if any; (ii) require that the proceeds of physical damage insurance be applied to the restoration of such Common Elements and structural portions and service machinery as is required by the Master Deed and these By-laws; (iii) to the extent obtainable contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured; and (iv) provide that such policies may not be canceled without at least thirty (30) days prior written notice to all of the named insureds, including all Unit Owners and Institutional Lenders.

Any insurance maintained by the Board may provide for such deductible amount as the Board may determine.

Unit Owners shall not be prohibited from carrying insurance for their own benefit provided that all such policies shall contain waivers of subrogation; and, further provided that the liability of the carriers issuing

insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

The premium for all insurance and fidelity bonds carried by the Association shall be a Common Expense and shall be borne by the Unit Owners in direct proportion to their respective obligations for Common Expense assessments;

(g) To manage the fiscal affairs of the Association as hereinafter provided in Article VI; and

(h) To establish a Coverage Committee as hereinafter provided in Article IX.

ARTICLE VI

FISCAL MANAGEMENT

SECTION 1. Common Receipts. The Board shall have the duty to collect from each Unit Owner, his, her, or their heirs, administrators, successors and assigns, as "Common Receipts", the proportionate part of the Common Expenses assessed against such Unit Owner as provided in the Master Deed, these By-Laws, and in accordance with applicable law.

SECTION 2. Determination of Common Expenses. The amount of monies for Common Expenses deemed necessary by the Board and the manner of expenditure thereof, including but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

SECTION 3. Disbursements. The Board shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by the Master Deed and applicable law.

SECTION 4. Depositories. The depositor of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

SECTION 5. Accounts. The receipts and expenditures of the Association shall be common charges and Common Expenses respectively, and shall be credited and charged to accounts under the following classifications as the Board shall deem appropriate, all of which expenditures shall be Common Expenses:

(a) Current expenses, which shall include expenditures within the year for

which the budget is made, including reasonable allowances for contingencies and working funds. Current expenses shall not include expenditures chargeable to reserves. At the end of each year, the unexpended amount remaining in this account shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the membership as the Board shall determine.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement of the Common Property and those portions of the improvements located on the Property which the Association is obligated to maintain or repair which is required because of damage, depreciation or obsolescence. The amounts in this account shall be allocated among each of the separate categories of replacement items.

(d) Reserves for capital improvements, which shall include the funds to be used for capital expenditures or for acquisition of additional personal property that will be part of the Common Property.

(e) Operations, which shall include all funds from the use of the Common Elements or from any other sources. Only the additional direct expense required by any revenue producing operation will be charged to this account, and any surplus from any operation or otherwise shall be used to reduce the assessments for current expenses for the year during the one in which the surplus is realized, or at the discretion of the Board, in the year following the one in which the surplus is realized. Losses from operations or otherwise shall be met by special assessments against Unit Owners, which assessments may be made in advance in order to provide a working fund.

The Board shall not be required to physically segregate the funds held in the above accounts but may, in its sole discretion, maintain the funds in one or more consolidated accounts. As to each consolidated account, the division into the various accounts set forth above need be made only on the Association's records.

SECTION 6. Reserves. The Board shall not be obligated to expend all of the revenues collected in any accounting period, and must maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts. Notwithstanding anything herein to the contrary, the Board in its determination of the Common Expenses and the preparation of a budget shall specifically designate and identify that portion of the Common Expenses which is to be assessed against the Unit Owners as a capital contribution and is allocable to reserves for each separate item of capital improvement of and to said Property. The amounts assessed and collected for the reserves shall be kept in one or more interest-bearing savings accounts, or certificates of deposit and shall not be utilized for any

purpose other than that which was contemplated at the time of the assessment. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand, in a checking or petty cash account, for the necessary discharge of its functions.

SECTION 7. Exemption from Assessments for Capital Improvements. Anything to the contrary herein notwithstanding, no Institutional Lender for any Unit shall be required to pay any assessment for capital improvements, whether by way of regular or special assessments or otherwise. Further, this provision may not be amended without the written consent of all Institutional Lenders. Notwithstanding the foregoing, Institutional Lenders shall be responsible for the installments of regular Common Expense assessments, or portions thereof, attributable to Units for which they hold title during the time title is held after the initial Certificate of Occupancy for such Unit has been issued. This includes that portion of same attributable to normal reserves for repair and replacement.

SECTION 8. Notice. The Board shall give notice to each Unit Owner, in writing, and to any Institutional Lender who requests same, of the amount estimated by the Board for Common Expenses for the management and operation of the Association for the next ensuing budget period, directed to the Unit Owner at his last known address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails. If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior year's assessment, increased by ten (10%) percent; and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual Common Expense assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board, provided that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency which cannot be net by reserve funds earmarked for such contingency.

SECTION 9. Acceleration of Assessment Installment Upon Default. If a Unit Owner shall be in default in the payment of an installment upon a Common Expense assessment, the Board may accelerate the remaining installments of the assessment and file a lien for such accelerated amount upon notice to the Unit Owner, and if the delinquent installment has not been theretofore paid, the then unpaid balance of the Common Expense assessment shall become due upon the date stated in the notice, which date shall not be less than five (5) days after delivery of the notice to the Unit Owner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur. If no such notice is given and default shall continue for a period of thirty (30) days then the Board shall be required to accelerate the remaining installments of the assessment upon similar notice to the Unit Owner, and to file a lien for such accelerated assessment as permitted by law if the delinquent assessment has not been heretofore paid. In such latter event, the Board may also notify any Institutional Lender holding a mortgage which encumbers the Unit affected by such default or publish appropriate notice of such delinquency to the membership of the Association. If said default continues for a period of ninety (90) days then the Board shall foreclose the foregoing lien pursuant to law and/or commence a suit against the appropriate parties to collect said assessment.

SECTION 10. Interest and Counsel Fees. The Board at its option shall have the right in connection with the collection of any Common Expense assessment, or other charge, to impose a late charge of any reasonable amount and/or interest at the legal maximum rate permitted by law for the payment of delinquent real estate taxes, if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said assessments or charges by resort to counsel, and/or the filing of a lien, the Board may add to the aforesaid assessments or charges a sum or sums of twenty (20%) percent of the gross amount due as counsel fees, plus the reasonable costs for preparation, filing and discharge of the lien, in addition to such other costs as may be allowable by law.

(a) In the case of any action or proceeding brought or defended by the Association or the Board pursuant to the provisions of these By-Laws, the reasonable costs and expenses of preparation and litigation, including attorneys fees, shall be a Common Expense allocated to all Unit Owners.

(b) Money Judgments recovered by the Association in any action or proceeding brought hereunder, including costs, penalties or damages shall be deemed a special fund to be applied to (1) the payment of unpaid litigation expenses; (2) refunding to the Unit Owners the cost and expenses of litigation advanced by them; (3) Common Charges, if the recovery thereof was the purpose of the litigation; (4) repair or reconstruction of the Common Elements if recovery of damages to same was the motivation for the litigation; and (5) any amount not applied to (1), (2), (3) and (4) above shall be at the discretion of the Board be treated either as (i) a common surplus which shall be allocated and distributed in accordance with the provisions of Paragraph 6 of the Master Deed or (ii) a set off against the common charges generally. Notwithstanding the foregoing, if a Unit Owner(s), the Board or any other person or legal entity affected by any such distribution, shall assert that the damages sustained or the diminution in value suffered by a Unit Owner(s) was disproportionate to his or their percentage of common interest, in that event the matter shall be submitted to binding arbitration to be decided in accordance with the procedures set forth in Article XV hereof.

(c) All Common Charges received and to be received by the Board, for the purpose of paying any judgment obtained against the Association or the Board and the right to receive such funds, shall constitute trust funds and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

(d) In the event that a Unit Owner(s) succeeds in obtaining a judgment or order against the Association or the Board, then in addition to any other sum to which said Owner(s) would otherwise be entitled by such judgment or order, he or they shall also be entitled to the restitution or recovery of any sums paid to the Board as common charges for litigation expenses in

relation to said action or proceeding.

SECTION 11. Annual Audit. The Board shall submit the books, records, and memoranda of the Association to an annual audit by an independent certified public accountant who shall audit the same and render a report thereon in writing to the Board and in summary form to the Unit Owners and such Institutional Lenders or other persons, firms or corporations as may be entitled to same.

SECTION 12. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Board by appointment at a reasonable time on business days; provided, however, that the Treasurer has been given at least 10 days prior written notice of the Unit Owner's desire to make such an examination.

SECTION 13. Fidelity Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board but shall cover the maximum funds that will be in the custody of the Association at any time while the bond is in force and shall in no event cover less than an amount equivalent to the sum of three (3) months' assessments (including that portion of same for reserves) on all Units subject to the Master Deed at any time while the bond is in force. The premium on such bonds shall be paid by the Association.

ARTICLE VII

OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be a President, a Vice President, both of whom shall be members of the Board, a Secretary and a Treasurer. The Board may also, appoint such other Assistant Treasurers and Assistant Secretaries as in its judgment may be necessary. Any two (2) offices, except that of President and Secretary, may be held by one person. For purposes of the initial organization of the Association, Gary Bowie shall be named President and Treasurer and shall hold such offices until such time as the Association is able to establish its Board and another President and Secretary are elected. Further, for purposes of the initial organization of the Association, Tonya Lea Williams shall be named Secretary and shall hold such office until such time as the Association is able to establish its Board and another Secretary is elected.

SECTION 2. Election of Officers. The officers of the Association shall be elected normally by the Board at the first Board of Directors meeting following each annual meeting and such officers shall hold office at the pleasure of the Board.

SECTION 3. Renewal of Officers. Upon an affirmative vote of a majority of the full number of Directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4. Duties and Responsibilities of Officers.

(a) The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association.

(b) The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other Director to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

(c) The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the members of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

(d) The Treasurer shall have the responsibility for the custody of Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be authorized by the Board.

SECTION 5. Other Duties and Powers. The Officers shall have such other duties, powers and responsibilities as shall, from time to time, may be authorized by the Board.

SECTION 6. Eligibility of Directors. Nothing herein contained shall prohibit a Director from being an Officer.

ARTICLE VIII

COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS

SECTION 1. Compensation. No compensation shall be paid to the President or the Vice President or any Director, or Committee Member for acting as such Officer or Director. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer or Director, or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association; provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

SECTION 2. Indemnification. Each Director, Officer or Committee Member of the Association, shall be indemnified by the Association against the actual amount of net loss including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director, Officer, or Committee Member of the Association, or delegee, except as to matters as to which he shall be ultimately bound in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

SECTION 3. Exculpability. Unless acting in bad faith, neither the Board as a body nor any Director, Officer, nor any Committee Member of the Association, shall be personally liable to any Unit Owner in any respect for any action or lack of action arising out of the execution of his office. Each Unit Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Association, in the execution of the duties of said Directors, Officers and Committee Members. Nothing contained herein shall be construed so as to exculpate members of the Board of Directors from discharging their fiduciary responsibilities.

ARTICLE IX

COVENANTS COMMITTEE

SECTION 1. Purpose. The Board may establish a Covenants Committee, consisting of three members appointed by the Board, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:

(1) providing for visual harmony and soundness of repair;

(2) avoiding activities deleterious to the esthetic or property values of the Condominium;

(3) furthering the comfort of the Unit Owners, their guests, invitees and lessees; and

(4) promoting the general welfare and safety of the Condominium Community.

SECTION 2. Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines contained in the Master Deed or By-Laws or otherwise adopted by the Board. The Covenants Committee shall have the power to issue a cease and desist request to a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Master Deed, the By-Laws, the Rules and Regulations or resolutions of the Board (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Master Deed, By-Laws, Rules

and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board. Any action, ruling or decision of the Covenants Committee may be appealed to the Board by any party deemed by the Board to have standing as an aggrieved party and a vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

SECTION 3. Authority. The Covenants Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines pursuant to Article XI, Section 2 hereof. The Board may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis by vote of a majority of its full authorized membership thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board. Notwithstanding the foregoing, no action may be taken by the Covenants Committee without giving the Unit Owner(s) involved at least ten (10) days prior written notice and affording him the opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

ARTICLE X

ADDITIONS, ALTERATIONS OR
IMPROVEMENTS BY THE ASSOCIATION

Whenever, in the judgment of the Board, the Common Elements require improvements costing in excess of $5,000, said improvements shall not be made unless they have been approved by a majority of votes present in person or by proxy at a meeting of the Unit Owners at which a quorum is present. When said approval has been obtained, all Unit Owners benefiting from same shall be assessed for the cost thereof as a Common Expense. In the event of any emergency which could cause damage to any Building or part(s) thereof, the Board may expend sums in excess of $5,000 to protect said Building or part(s) and the judgment of the Board shall be final.

ARTICLE XI

ENFORCEMENT

SECTION 1. Enforcement. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof by complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

SECTION 2. Fines. The Board shall also have the power to levy fines against any

Unit Owner(s) for violation(s) of any rule or regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-Laws, except that no fine may be levied for more than $10.00 for any one violation; provided, however, that for each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were a Common Expense owed by the particular Unit Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

SECTION 3. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII

AMENDMENTS

Subject to the restrictions in Article VI, Section 7 hereof, and the restrictions in favor of Institutional Lenders contained in Paragraph 18 of the Master Deed, these By-Laws, or any of them, may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, and previous to which written notice to Unit Owners of the exact language of the amendment or of the repeal shall have been sent, a quorum being present, by an affirmative vote of fifty-one (51%) per-cent in number and in interest of the votes entitled to be cast in person or by proxy, except that (i) the first annual meeting may not be advanced; (ii) the first Board (including replacements in case of vacancies) may not be enlarged or removed; or (iii) the obligation or the proportionate responsibility for the payment of Common Expenses with respect to Units or the Common Elements may not be changed by reason of any such new By-Law, amendment or repeal.

Notwithstanding the foregoing, no amendment, repeal or new By-Law shall effect a change of material nature, unless Unit Owners representing at least sixty-seven percent (67%) of the then current number of allocated votes in the Association shall affirmatively vote for such amendment, repeal or new By-Law and subject further to the required approval of Institutional Lenders as set forth in Paragraph 24 of the Master Deed.

ARTICLE XIII

CONFLICT; INVALIDITY

SECTION 1. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Master Deed or with the

requirements of any law, then the requirements of said Master Deed or law shall be deemed controlling.

SECTION 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

ARTICLE XIV

NOTICE

Any notice required to be sent to any Unit Owner under the provisions of the Master Deed or these By-Laws shall be deemed to have been properly sent and notice thereby given, when mailed, by regular post with postage prepaid, addressed to the Unit Owner at the last known post office address of the person who appears as a member on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Unit shall constitute notice to all co-owners. It shall be the obligation of every Unit Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Unit owners by (i) personal delivery to any occupant of said Unit over 14 years of age; or (ii) by affixing said notice to or sliding same under the front door of any Unit.

ARTICLE XV

ARBITRATION

Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in Davidson County, Tennessee, by the American Arbitration Association, in accordance with its rules then obtaining and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. All expenses of arbitration hereunder including the fees and expenses of counsel and experts shall be Common Expenses.

ATTORNEY OPINION

June 29, 2004

I, Tonya L. Williams, an attorney licensed to practice law in Tennessee, do hereby certify that pursuant to the Tennessee Horizontal Property Act, 66-27-101 et seq., all legal documents required for the creation of a planned unit development are attached, including the Bylaws, Master Deed, a plat, and corporate charter. Therefore, a planned unit development has been created pursuant to the Tennessee Horizontal Property Act.

I further certify that, in reliance upon the certificate of Derek A. Leigh, a licensed Tennessee architect (attached hereto as Exhibit A), construction of the planned unit development is in substantial compliance with all local building codes.

Tonya L. Williams
BPR #019655

Construction document drawings for proposed condominium units to be built-out on the Third, fourth, fifth, and sixth floors of an existing building at 207 Third Avenue North have been designed by Derek Leigh, Architect. These drawings are, to the best of my knowledge, in substantial compliance with the 2001 International Building Code.

Derek A. Leigh, AIA
Tennessee license number 20202

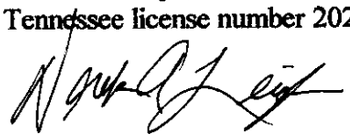


EXHIBIT A