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MASTER DEED
OF
THE SOUTHGATE CONDOMINIUMS

THIS MASTER DEED of The Southgate Condominiums is made and entered into by 3821 West End Developers, a Tennessee Limited Liability Corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

THAT WHEREAS, the Declarant is the record owner and holder of the legal title of a tract or parcel of real property located in Davidson County, Tennessee, and more particularly described on Exhibit "A" attached and made a part hereto (hereinafter referred hereto as the "Property"); and,

WHEREAS, the Declarant desires to submit the Property described on Exhibit "A" together with all buildings, structures, improvements, and other permanent fixtures of whatever kind thereon, and all rights and privileges belonging or in any way pertaining thereto, to the provisions of the Horizontal Property Act of the State of Tennessee as the same may be amended from time to time; and,

WHEREAS, the Declarant further desires to establish for its own benefit and for the mutual benefit of all future owners and/or occupants of the Property or any part thereof, certain mutually beneficial restrictions and obligations with respect to the proper use, conduct, and maintenance thereof, for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW THEREFORE, the Declarant declares as follows:

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

A. "Act" means the "Horizontal Property Act" of the State of Tennessee as the same maybe amended from time to time.

B. "Association" means The Southgate Homeowners' Association, a Tennessee not-for-profit corporation.

C. "Board" means the Board of Directors of the Southgate Homeowners' Association, a Tennessee not-for-profit corporation, whose decision as to the interpretation of the Master Deed, By-Laws and Rules and Regulations shall be binding herein.

D. "Building" means the building located on the parcel and forming a part of the property and containing the Units. The Building is delineated on the Plats.

E. "Bylaws" means the Bylaws of The Southgate Homeowners' Association, Inc. For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration and maintenance of the property shall be deemed to part of the Bylaws.

F. "Common Elements" as used herein shall mean and compromise all of the real property of the Condominium except Units including:

(1) Easements through Units for conduits, pipes, ducts, vents, plumbing, wiring and other facilities, equipment and/or fixtures for the furnishing of utility services, heating and cooling and/or ventilation to Units and Common Elements, except for pipes, HVAC ducts, electrical wiring, and conduits situated entirely within a Unit and serving only such Unit; and

(2) Easements of support in every portion of a Unit which contributes to the support of other Units and/or Common Elements; and

(3) Installations for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the Unit containing the installation; and

(4) The property and installations in connections therewith required for the furnishing of services to more than one Unit or to the Common Elements; and

(5) Fixtures owned or held for the common use, benefit and enjoyment of all owners of Units in the Condominium, including garbage dumpsters and all other devices or installations existing for the common use.

(6) All party walls, bearing walls and columns, roofs, halls, lobbies, stairways and entrances and exits or communication ways; and

(7) All yards and gardens except as otherwise noted on the plats and/or herein provided or stipulated; and

(8) All parking areas (except parking spaces designated as Limited Common Elements on the plats), roads, driveways and walkways.

(9) All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Master Deed.

G. "Declarant" shall refer to 3821 West End Developers, a Tennessee Limited Liability Corporation, its successors and/or assigns, provided such successors and/or assigns are designated in writing by Declarant as a successor and/or assign of the rights of the Declarant set forth herein.

H. "Limited Common Elements," as the term is used herein, shall mean and comprise those portions of the Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful occupants of such Unit or Units either in this Master Deed, on the Plat, or by the Board of the Association. Limited Common Elements shall include, but shall not be limited to, the separate furnace, air conditioner and water heater located within or adjacent to a Unit and serving only such Unit, pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units, any balconies, patios and such portions of the perimeter walls, floors, ceilings, doors vestibules, windows, screens and entryways, and all associated fixtures and structures therein as lie outside the Unit boundaries. The Limited Common Elements shall also include the parking spaces and/or storage areas, as described on the plats, for the benefit and use of which is reserved to the lawful occupants of such Unit or Units, designated thereupon. The Association has the right to reasonable access to and across all Limited Common Elements for the purpose of any inspection, maintenance and repairs which are the responsibility of the Association.

I. "Majority" or "majority of the Unit Owners" means the Owners of greater than fifty percent (50%) or more of all the Units shown on the Plat(s).

J. "Master Deed" means this instrument, by which the property is submitted to the provisions of the Act, as hereinafter provided, and such Master Deed as amended from time to time.

K. "Occupant" means a person or persons is possession of a Unit, regardless of whether said person is a Unit Owner.

L. "Parcel" means the Parcel(s) or Tract(s) of real estate described on Exhibit "A" attached to this Master Deed and submitted hereby to the provisions of the Act.

M. "Person" means a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

N. "Plat" means the Plat or Plats of survey of the Parcel or Parcels submitted to the provisions of the Act showing the number of each Unit, expressing its area, location and other data necessary for identification, said Plat or Plats either being of record in the Register's Office for Davidson County, Tennessee or recorded as exhibit(s) attached to this Master Deed.

O. "Property" means all the land, property and space comprising the Parcel as defined in Item "M" above, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of Unit Owners, submitted to the provisions of the Act.

P. "Record" or "Recording" refers to the record or recording in the Register's Office for Davidson County, Tennessee.

Q. "Rules and Regulations" refers to the rules and regulations concerning the use of the Units and the Common Elements, as set forth by the Declarant and adopted or modified from time to time by the Board in accordance with the Master Deed and Bylaws.

R. "Substantial Completion" of a Unit shall be deemed to occur at the time when the title to such Unit is conveyed by the Developer to a subsequent Unit Owner or when a Use and Occupancy permit for such Unit is issued by the Metropolitan Nashville Department of Codes Administration, whichever occurs first. "Substantial Completion" of Common Areas in the building shall be deemed to occur when said Common Areas are suitable for use for the purpose(s) for which they are intended, but in no event later than when the first Use and Occupancy Permit is issued.

S. "Unit" shall mean and comprise the six (6) separate dwelling units, consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is not owned in common with Unit Owners of other Units. Each Unit is numbered as shown on Plat(s) attached hereto as Exhibit "B." It is intended that the term Unit as used in this Master Deed shall have the same meaning as the term "Apartment" as used in the Act.

Each Unit, sometimes hereinafter referred to as an apartment, shall include that part of the building that lies within the following boundaries:

Unit Boundaries. Each Unit shall include that part of the Building containing the Unit that lies within the boundaries of the Unit, which boundaries are as follows:

(a) Upper and Lower Boundaries. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) Upper boundary – the horizontal plane of the undecorated finished ceiling.

(2) Lower boundary – the horizontal plane of the undecorated finished floor.

(b) Perimetrical Boundaries. The perimetrical boundaries of the Unit shall be the vertical planes of the undecorated finished interior of the walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.

Included in the Units are all glass and other transparent material in the walls of the Unit, insect screens and screening in windows and doors, and the materials covering other openings in the exterior of the Unit.

(c) Exclusions from Units. Not included in the Units are:

(1) All pipes, ducts, vents, wires, conduits, and other facilities, equipment or fixtures running through any interior wall, or horizontal or vertical portion of a Unit for the furnishing of utility services, heating, cooling or ventilation to Units, Common Elements, or Limited Common Elements.

(2) All spaces and improvements lying beneath the undecorated or unfinished inner surface of all interior columns, bearing walls and bearing partitions.

(3) All spaces and improvements lying beneath the undecorated or unfinished inner surface of the perimeter walls and floors, and above the lowest horizontal plane of the upper structural element of each Unit.

T. "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, and shall be deemed the same as "co-owner" under the Act, but Unit Owner shall not mean the Mortgagee or Beneficiary of a recorded mortgage or deed of trust who holds a lien for security purposes and does not have possession of the Unit. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

2. Submission of Property to the Act. The Declarant does hereby submit and subject the Parcels and the Property to the provisions of the Horizontal Property Act of the State of Tennessee as amended from time to time and does hereby establish a Horizontal Property Regime to be known as The Southgate Condominiums.

3. Plat. The Plat, as attached hereto as Exhibit "B," sets forth the number, location and size of each Unit and other data as required by the Act.

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

5. a. (1) Association of Unit Owners and Administration and Operation of the Property. There has been formed an Association having the name "The Southgate Homeowners' Association, Inc.," a Tennessee not-for-profit corporation, which Association shall be the governing body for all Unit Owners, and shall be operated to provide for the maintenance, repair, replacement, administration and operation of the property, as provided in the Act, this Master Deed and the Bylaws. The Bylaws for the Association shall be the Bylaws attached to this Master Deed as Exhibit "C" and made a part hereof. The Board of

Directors of the Association shall be elected and serve in accordance with the provisions of the Bylaws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of the Unit Owners, in accordance with the provisions of this Master Deed and Bylaws. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. Each Unit shall have one (1) vote.

a. (2) Membership and Voting Rights. The Association shall have two classes of voting membership:

CLASS "A". Class "A" members shall be all Unit Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit owned, provided they had paid all dues and assessments approved by the Board. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

CLASS "B". Class "B" members shall be the Developer and shall be entitled to three (3) votes for each Unit owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs earlier, unless the Developer voluntarily terminates this right:

i. 120 days after the date by which One Hundred percent (100%)of the Units have been sold and conveyed to unit purchasers, or

ii. On the last day of the month occurring Five (5) years following the first conveyance to a unit purchaser.

b. Management of Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of Subparagraph No. 2 below. The Board may require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined Paragraph No. 10 hereof.

c. Non-Liability of Directors and Officers. No Directors or Officers of The Southgate Homeowners' Association, Inc., shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a Director; provided that such provision shall not eliminate or limit the liability of a Director in (a) any matter as to which such person shall have been finally adjudged in any action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member.

To the extent permitted under the laws of the State of Tennessee, every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful malfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and nor exclusive of all other rights to which such Director or Officer may be entitled. Unit Owners shall indemnify and hold harmless each of the Directors or Officers and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of Article VIII of the Bylaws.

6. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the property, or any questions of interpretation or application of the provisions of this Master Deed or Bylaws, the determination thereof by the Board shall be final and binding on all Unit Owners.

7. Ownership of the Common Elements. Each Unit is hereby allocated an equal undivided interest in the Common Elements. The ownership of each Unit shall not be conveyed separate from the undivided ownership in the Common Elements appurtenant to such Unit. The undivided interest in the Common Elements appurtenant to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering such Unit may refer only to the fee title to that Unit.

8. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner except as limited by Item No. 9 below. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to his agent, servants, tenants, customers, invitees and licenses. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be provisions of the Act, Master Deed, Bylaws, and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Master Deed and Bylaws. All income derived by the Association from the leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions and regulations as the Board may adopt or prescribe.

9. Parking Spaces and Storage Areas. Designated Parking Spaces and Storage Areas, as may be applicable, shall be assigned to a specific Unit as shown on Exhibit "B" hereto. Designated Parking Spaces and Storage Areas, as may be applicable, shall be conveyed with and transferred upon conveyance of the corresponding Unit. Maintenance of Parking Spaces and Storage Areas, as may be applicable, shall be designated and maintained as Limited Common Elements, as herein defined.

10. a. Common Expenses. Each Unit Owner, other than the Developer, shall pay a pro-rata share of the expenses, (based upon the ratio of the square footage of said Unit Owner's Unit as divided by the total square footage of all the Units, as recited on Exhibit "B") of the administration and operation of the Common Elements and of any other expenses incurred in conformance with this Master Deed and Bylaws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair of the property and any and all replacements and additions thereto. Assessments for the payment of common expenses shall be in such amounts and shall be payable at such times as determined in the manner provided in the Bylaws.

If the Developer holds one or more unfinished Units for sale in the ordinary course of business, the Developer shall not be assessed for common expenses for such Units prior to such Units' completion. Completion of a Unit occurs when the title to such Unit is conveyed by the Developer to a subsequent Unit Owner and when a Use and Occupancy permit for such Unit is issued by the Metropolitan Nashville Department of Codes Administration, whichever occurs later. If the Developer holds one or more Units for sale in the ordinary course of business after their completion, the Developer shall not be assessed as a Unit Owner for capital improvements without written approval from the Developer, although the Developer may be assessed as a Unit Owner for the Unit(s) he holds for common expenses. Each Unit Owner acquiring title to his Unit from Declarant may be required to pay a deposit at the time of closing, which will be non-refundable. This section may not be amended or modified without unanimous written consent of unit owners.

Assessments for the payment of common expenses shall be in such amounts and shall be payable at such times as determined in the manner provided in the Bylaws. No Unit Owner shall be exempt from payment of his share in the common expenses by waiver of non-use of enjoyment of the Common or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail to make payment

of assessments for common expenses when due, the amount thereof together with any reasonable late charge established by the Board, and together with interest at the rate of Fifteen (15%) per annum, or as otherwise established by the Board, after said assessments become due and payable shall constitute a continuing lien on the Unit against which the assessment is made, as provided in the Act. Each Unit Owner shall be personally liable for his portion of each assessment made while he is owner of a Unit; however, said personal obligation shall not pass to successors in title unless assumed by them or as required by Tennessee Code Annotated Section 66-27-101 et seq.

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

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

12. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for his Unit and its appurtenant interest in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the property as a whole, then each Unit Owner shall pay an equal share thereof and, in said event, such taxes shall be a common expense.

13. Insurance. The Board shall obtain insurance for the property, exclusive of the additions within, improvements to and decorating of the Units or Limited Common Elements by Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units, or any parts thereof, to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board, as the Trustee for the Unit Owners equally and for the holders of mortgages on the Units, if any. The policy of insurance should also contain, if possible, a waiver or subrogation of rights by the insurer against the Unit Owners. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to Unit Owners.

In the event of damage to or destruction of any buildings or Common Elements as a result of fire or other casualty covered by insurance proceeds (unless more than two-thirds (2/3) of all buildings require reconstruction), the Board shall, in its sole and absolute discretion, determine and without intervention of any Unit Owner arrange for the prompt repair and restoration of the damaged portions of all Units buildings, and Common Elements substantially in accordance with the original plans and specifications therefore. Where the insurance indemnity is insufficient to cover the cost of such repair and restoration, the deficit shall be paid by all Unit Owners with each Unit Owner to bear an equal share thereof. If more than two-thirds (2/3) of all buildings require reconstruction, unless otherwise unanimously agreed upon by the Unit Owners, the insurance indemnity shall be delivered pro rata to the Unit Owners entitled to it in accordance with the applicable provisions of the Bylaws or in accordance with a decision of three-fourths (3/4) of the Unit Owners if no Bylaw provisions are applicable. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering, or any other part of a Unit for which the responsibility of maintenance and repair is that of a Unit Owner, or for furniture, furnishings, fixtures, appliances or equipment installed in the Unit by a Unit Owner or occupant unless insurance therefore is specifically provided for in the insurance policy obtained by the Board.

The Board shall also obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workman's compensation insurance and other liability insurance in such amounts as it deems desirable, insuring each Unit Owner, mortgagee of record, the Association, its Officers, Directors, and employees, Owner, and the Managing Agent, if any, from liability in connection with the property. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed equally to each of the Unit Owners.

The Board may also obtain fidelity coverage covering Officers, Directors, and employees who handle or are responsible for handling Association funds. Such bonds shall be in such amounts as the Board may determine, but in no event less than one hundred and fifty percent (150%) of the monthly operating expenses of the Association and shall contain waivers of any defense based upon the exclusion of persons serving without compensation.

The Board shall also obtain other such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the property and each member of the Board and Officer of the Association and each member of any committee appointed pursuant to the Bylaws of the Association from liability arising from the fact that said person is or was a Director or Officer of the Association or a member of such a committee. The Board shall require such fidelity bond coverage as it deems necessary for any person or Board member handling Association funds. The premiums for such insurance and bonds shall be a common expense.

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

14. Maintenance, Repairs and Replacements. Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his Unit. Except to the extent hereinafter set forth, maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and furnished by the Association, and the cost thereof shall be part of the common expenses, subject to the Bylaws and Rules and Regulations of the Association. The expenses for maintenance, repair or replacement of a Unit's water heater, furnace, air conditioner, heating and air conditioning ducts, plumbing and electrical wiring serving only such Unit shall be borne by the Owner of the Unit to which such Limited Common Elements are appurtenant; and, at the discretion of the Board, maintenance of, repairs to and replacements within other Limited Common Elements may be assessed in whole or in part to the Unit Owners benefited thereby. Further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacements within the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name of and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanic's or materialman's lien claims that maintain, repair or replace the electrical wiring, plumbing or other utilities of a Unit. In the event that it shall become necessary, in the course of maintenance, repairs or replacements within the Common Elements of one or more Units, to gain entry to another Unit, it shall be the responsibility of the Association to provide such maintenance, repair or replacement, but the cost of such maintenance, repair or replacement may be assessed to the Unit Owners benefited thereby, as hereinafter provided.

If, due to the act of neglect of a Unit Owner or of his agent, servant, tenant, customers, invitee or licensee, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Association's insurance.

The authorized representatives of the Association, Board or Managing Agent, with approval of the Board, shall be granted reasonable access to the individual Units and Limited Common Elements as may be

required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with the maintenance of, repairs to or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements or Limited Common Elements, or to make any alteration required by any governmental authority.

15. Alterations, Additions or Improvements. Except as provided in Paragraph No. 16 herein, no alteration of any Common Elements (or designated Parking Spaces and Storage Areas, as may be applicable and assigned to a specific Unit as shown on Exhibit "B"), or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided by the Bylaws. Any Unit Owner may make alterations, additions or improvements within his Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. Interior Improvements. Each Unit Owner, at his own expense, shall furnish and be responsible for all interior improvements within his Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Owner shall maintain said surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the Rules and Regulations of the Association, but each Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to the Units caused by maintenance, repairs or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows and screens forming part of a perimeter wall of a Unit shall be cleaned and washed, and any damage thereto repaired, at the expense of the Unit Owner of that Unit.

17. Encroachments. If any portions of the Common Elements or Limited Common Elements encroach upon any Unit, or if any Unit shall encroach upon any portions of the Common Elements of Limited Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements, Limited Common Elements and Units are shown on the Plat, there shall be deemed mutual easements in favor of the owners of the Common Elements, Limited Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist.

18. Use and Occupancy Restrictions. Subject to the provisions of the Bylaws, no part of the Property may be used for purposes other than residential purposes, for which the property was designed and as allowed by municipal zoning laws.

The Common Elements shall be used only by Unit Owners and their agents, servants, tenants, customers, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part of all of said Common Elements.

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

specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided hereinafter in this Paragraph No.19, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions of proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of fifteen percent (15%) per annum or such other uniform lawful rate as the Board shall determine, until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of common expenses, upon the Unit, and its appurtenant interest in the Common Elements of such defaulting Unit Owner and upon all his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the Unit, to the extent hereinabove set forth in Paragraph No. 10 (b) hereof. In the event of any such default by any Unit Owner, the Board and the Manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified, or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Units.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Master Deed: (a) to enter (either peaceably or forcibly without liability to such Unit Owner for such entry) upon the Unit, or any portion of the property upon which or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

If any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate the Act, or any of the covenants or restrictions or provisions of this Master Deed, the Bylaws, or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to said defaulting Unit Owner a notice in writing terminating the rights of said defaulting Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit, and thereupon an action in equity may be filed by the Board against said defaulting Unit Owner for a decree of mandatory injunction against such defaulting Owner or Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and ordering that all the right, title and interest of said defaulting Unit Owner in the Property shall be sold (subject to the lien of any existing deed of trust or mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting Unit Owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxes against said defaulting Unit Owner in said decree. Any balance of proceeds, after satisfaction of such charges and unpaid assessments hereunder, or any liens, shall be paid to said defaulting Unit Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Master Deed.

20. Amendments. The provisions of this Master Deed may be amended in the first year, commencing on the date of the recording of this document at the Office of the Register, Davidson County, Tennessee and on the same calendar day of the succeeding year, for any reason by a vote of two-thirds (2/3) of the Board of Directors, except for paragraph 10a herein. After the first anniversary date of the recording of this Master Deed, the provisions of this Master Deed may be amended by an instrument in writing, setting forth such amendment, signed by two-thirds (2/3) of the Unit Owners.

However, if this Master Deed or the Bylaws require the consent or agreement of all Unit Owners for any action specified in the Act or this Master Deed, then any instrument amending any provision of this Master Deed with respect to such action shall be signed by 2/3 of all Unit Owners as required by this Master Deed. Any amendment shall be effective upon the recording of such instrument in the Office of the Register of Davidson County, Tennessee; provided, however, that no provisions in the Master Deed may be amended so as to conflict with the provisions of the Act.

21. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Master Deed shall be unlawful, void, or voidable for violation of the rule against perpetuities, when such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendents of the Governor of Tennessee holding office as of the date of this Master Deed.

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

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

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

23. Condemnation. In the event of a taking of part of the Common Elements in condemnation or eminent domain, the award made for such taking shall be payable to the Association. If a majority of the Board, in their sole and absolute discretion, approve the repair and restoration of such Common Elements, the Board shall arrange for the repair and restoration of such Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event the Board does not approve the repair and commence restoration of such Common Elements within one hundred and twenty (120) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award equally to the Unit Owners.

24. Rights Reserved. A Unit Owner's rights of enjoyment in the Common Elements shall be subject to:

(a) The right of the Association, as provided in its Bylaws or Rules and Regulations, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published Rules and Regulations;

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

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

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

25. Miscellaneous Regulations. The following declarations shall be controlling over any terms of this Master Deed or Bylaws which are in conflict therewith. Any portions of this Master Deed or Bylaws which are in conflict with this paragraph are hereby deleted and the following rights of mortgagees are itemized as follows:

(a) A first mortgagee of a Unit at its request is entitled to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under this Master Deed, Bylaws or any of the condominium documents, which is not cured within thirty (30) days.

(b) Any first mortgagee of a Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage or deed of trust or by foreclosure of the mortgage or deed of trust shall take the property subject to any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (including claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

(c) If two-thirds ($2/3^{rd}$) of the owners (based upon one (1) vote for each unit owned) of Units approve, the Association shall not be entitled to:

(i) Change the pro rata interest or obligations of any Unit for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and for (b) determining the pro rata share of each Unit in appurtenant real estate and any improvements thereon which are owned by Unit Owners in undivided pro rata interests ("Common Elements");

(ii) Use hazard insurance proceeds for losses to the property (whether to Units or Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by T.C.A. Section 66-27-118, in case of substantial loss to the Units and/or Common Elements.

(d) First mortgagees shall have the right to examine the books and records of the Association.

(e) An adequate reserve fund for the replacement of Common Elements may be established and funded by regular monthly payments rather than by special assessments.

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

(g) No Unit Owner or any other party shall have priority over any rights of the first mortgagees of Units in case of a distribution to Unit Owners or insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

(h) Any agreement for professional management of the property, whether it be by Owner, its successors and assigns or any other person or entity, may be terminated on ninety (90) days' written notice, and the terms of any such contract shall so provide and shall not be a duration in excess of three (3) years.

(i) The interest of a first mortgagee in a mortgaged Unit shall not be superior to the interests of any person, group, partnership, corporation or entity of any kind, including any interest the Association or any Unit Owner may have in any portion of the property, regardless of the nature of the interest or the manner in which it is acquired.

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

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

27. Notices. Notices provided for in the Act, Master Deed or Bylaws shall be in writing and shall be addressed to the Association or the address of, as the case may be, any Unit Owner, or at such other address hereinafter provided. The Association may designate a different address or addresses for notices to it by giving written notice of each such change of address to all Unit Owners. Any Unit Owner may designate a different address for notice to him by giving written notice to the Association.

28. Severability. If any provision of this Master Deed or Bylaws, or any section, sentence, clause, phrase, word or the application thereof in any circumstance is held invalid, the validity of the remainder of this Master Deed and the Bylaws and of the application of any such provision, section, sentence, clause, phrase

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

29. Common Open Space. Any common open space established by an adopted final master development plan for condominiums shall be subject to the following:

(a) The Metropolitan Planning Commission and the Metropolitan County Council may require that the landowner provide for and establish an organization for the ownership and maintenance of any common open space, and such organization shall not be dissolved nor shall it dispose of any common open space by sale or otherwise (except to an organization conceived and established to own and maintain the common open space), without first offering to dedicate the same to the Metropolitan Government of Nashville and Davidson County, Tennessee, and the said dedication be approved by the Metropolitan Planning Commission. However, the conditions of any transfer shall conform to the adopted final master development plan.

(b) In the event that the organization established to own and maintain common open space, or any successor organization, shall at any time after the establishment of the condominium fail to maintain the common open space in reasonable order and condition in accordance with the adopted master development plan, the zoning administrator may serve written notice upon such organization and/or the owners or residents of the condominium and hold a public hearing. After thirty (30) days when deficiencies of maintenance are not corrected, the zoning administrator shall call upon any public or private agency to maintain the common open space, such agency shall continue maintenance for yearly periods.

(c) The cost of such maintenance by such agency shall be assessed proportionally against the properties within the condominium development that have a right of enjoyment of the common open space, and shall become a lien on said properties.

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

31. Gender. The use of the masculine gender in this Master Deed and in the Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

IN WITNESS WHEREOF, the Declarant has executed this document on the day and date hereinafter recited.

The Southgate,
a Tennessee Limited Liability Corporation

By: _____
John T. Rochford
Its: Chief Manager

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared John T. Rochford, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of The Southgate, Tennessee Limited Liability Corporation, that he as such Chief Manager, executed the foregoing instrument for the purposes therein contained, by signing the name of The Southgate, a Tennessee Limited Liability Corporation, by himself as such Chief Manager.

Witness my hand and official seal at Nashville, Tennessee, this 7th day of March, 2006.

Pamela J McGregor
Notary Public

My Commission Expires: 1-23-2010

PAMELA J. McGREGOR
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires JAN. 23, 2010

Fidelity National Title Insurance Company

EXH. A

Commitment Number: 2005-065

SCHEDULE C
PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

Being a tract of land lying in Nashville, Davidson County, Tennessee, also being Lot 1 of the Consolidation Plat of West End Rochford, plat pending, and being more particularly described as follows;

Beginning at an existing iron rod in the southerly right-of-way line of West End Avenue, at a corner common with the property of Home Makers, Inc., as of record in Deed Book 3503, Page 639, at the Register's Office for Davidson County, Tennessee;

Thence leaving the southerly right-of-way line of West End Avenue, with the westerly property line of Home Makers, Inc., South 23 deg 18 min 58 sec East, 190.50 feet to an existing iron rod in the northerly property line of Thomas V. White, Trustee, as of record in Deed Book 9820, Page 285, at the Register's Office for Davidson County, Tennessee;

Thence with the northerly property line of Thomas V. White, Trustee, South 66 deg 42 min 39 sec West, 124.92 feet to an existing iron rod in the northerly property line of Janice P. Ernst, Trustee, Et Al, as of record in Deed Book 10154, Page 253, at the Register's Office for Davidson County, Tennessee, at a corner common with the property of Commerce Union Bank, Trustee, as of record in Deed Book 6341, Page 508, at the Register's Office for Davidson County, Tennessee;

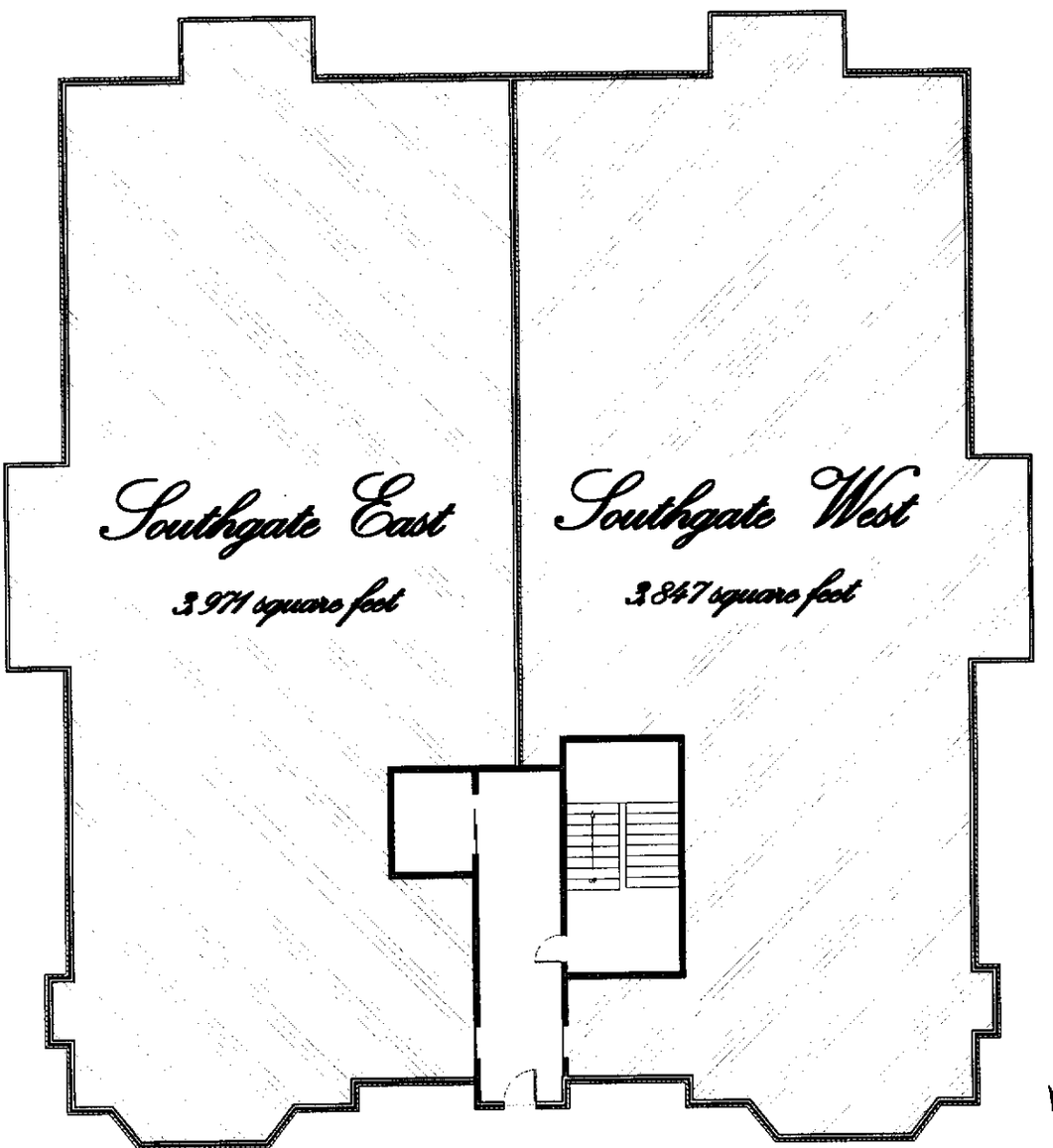
Thence with the easterly property line of Commerce Union Bank, Trustee, North 23 deg 18 min 58 sec West, 194.40 feet to an existing iron rod in the southerly right-of-way line of West End Avenue;

Thence with the southerly right-of-way line of West End Avenue, North 68 deg 29 min 57 sec East, 124.98 feet to the POINT OF BEGINNING. Containing 24,041 square feet or 0.552 acres more or less.

Being the same property conveyed to 3821 West End Developers, LLC, a Tennessee limited liability company, from 3821 West End Avenue General Partnership, a Tennessee general partnership, dated April 8, 2005, recorded April 11, 2005, of record as Instrument number 20050411-0039974, Register's Office for Davidson County, Tennessee.

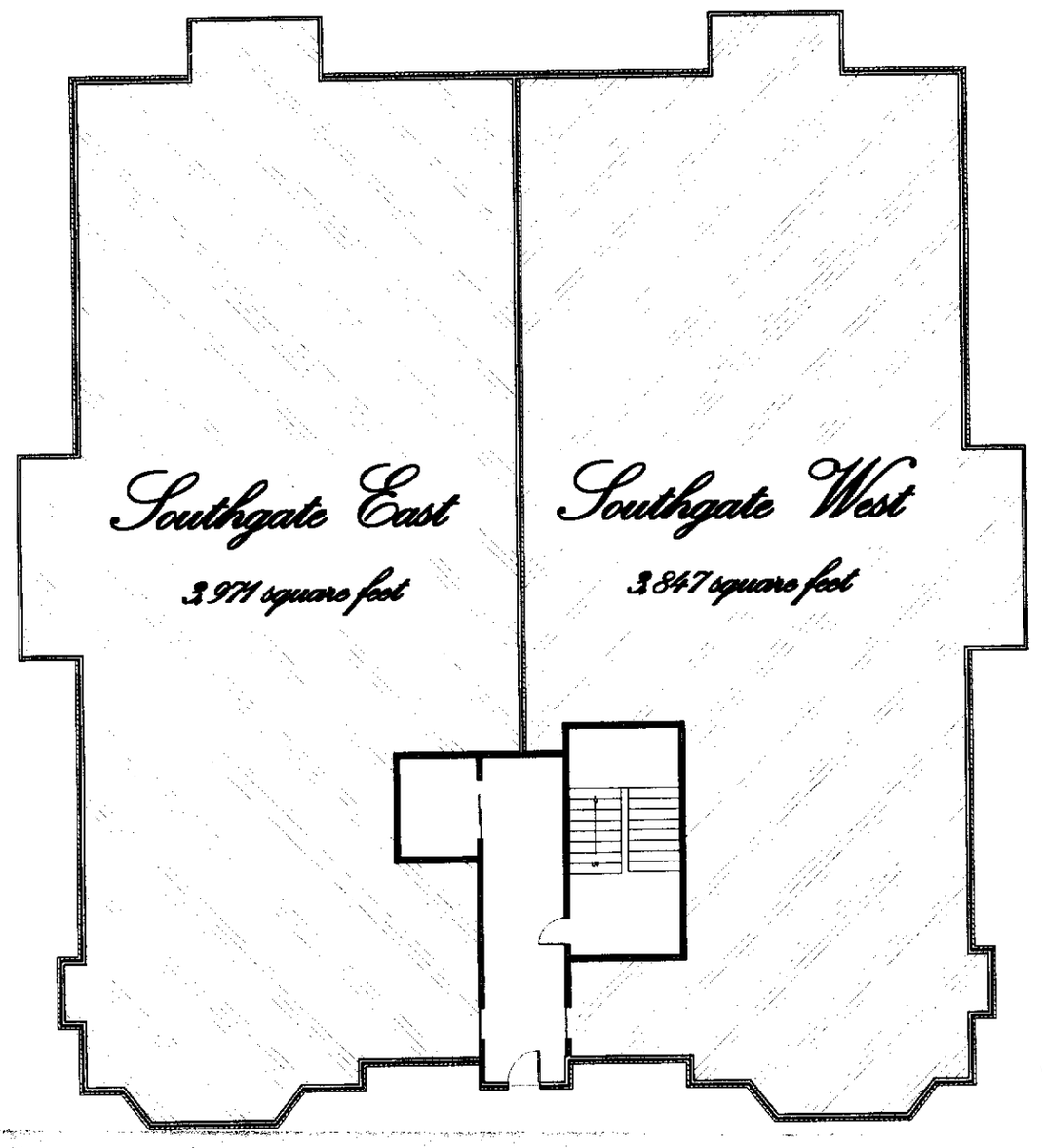
Exh. B

The Southgate



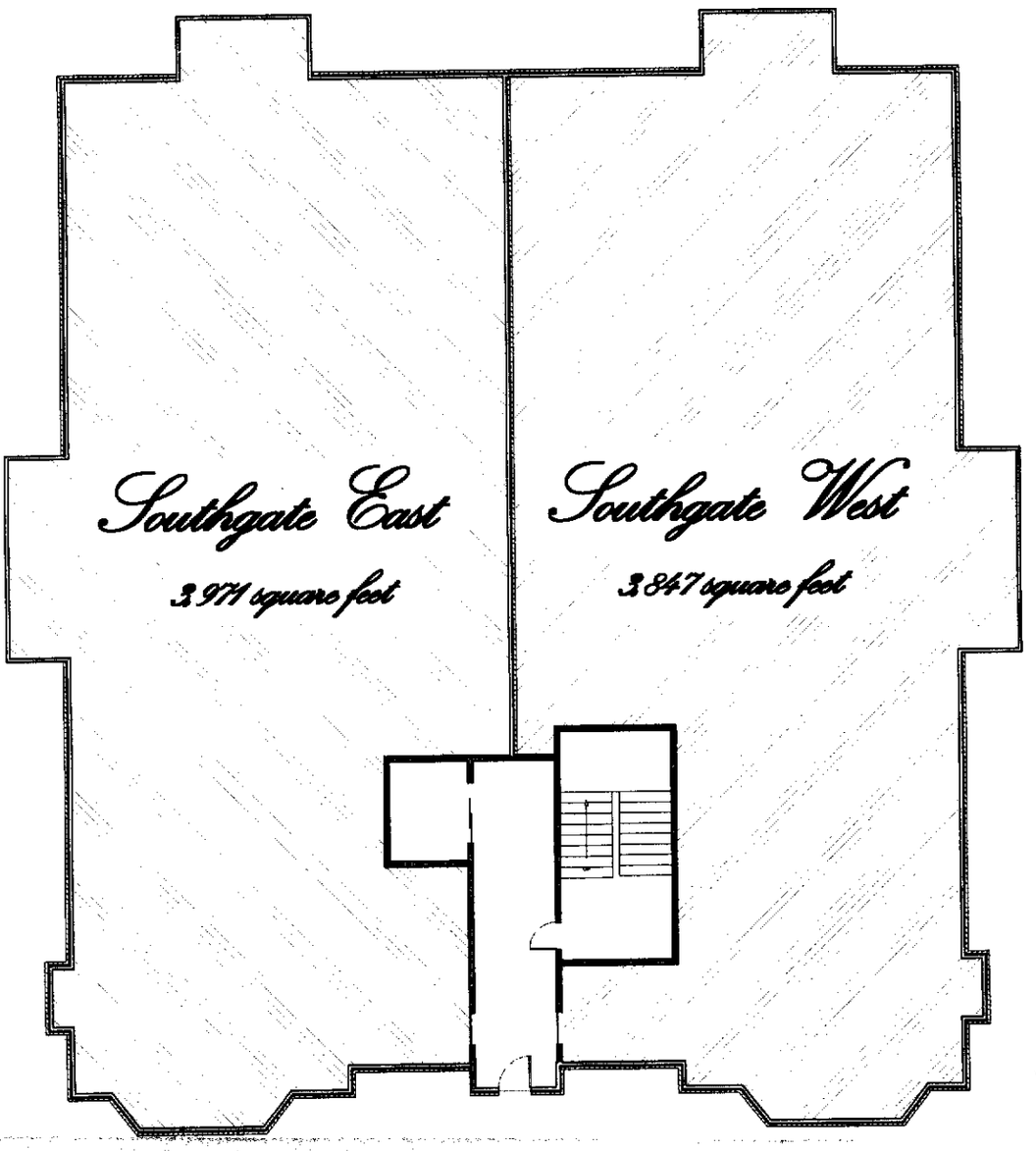
Ext. B

The Southgate

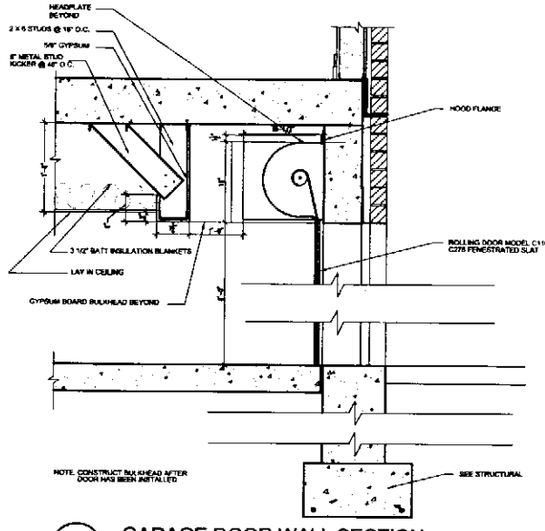


Ext. B

The Southgate

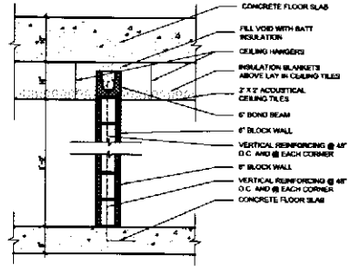


Exh. 8



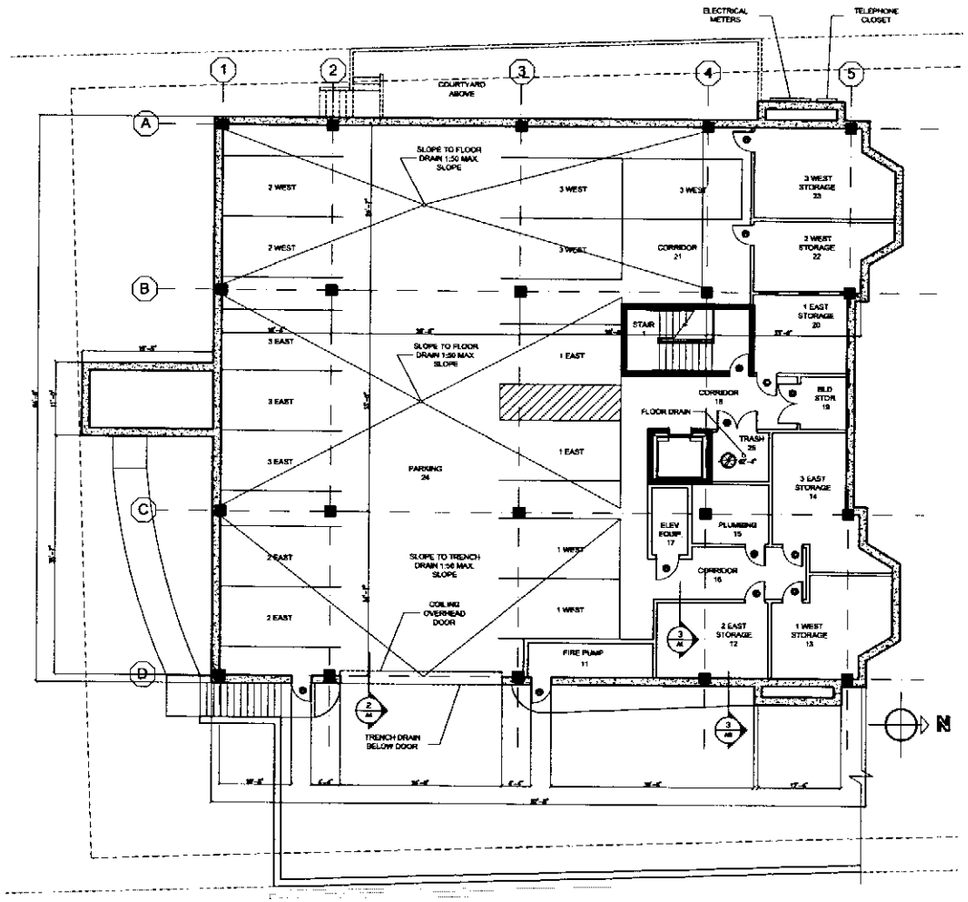
2 GARAGE DOOR WALL SECTION

SCALE: 1" = 1'-0"



3 STORAGE AREA WALL SECTION

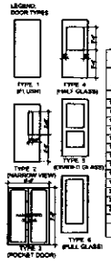
SCALE: 1" = 1'-0"



1 GARAGE PLAN

SCALE: 1/8"=1'-0"

LEGEND DOOR TYPES



GARAGE DOOR SCHEDULE

NO.	WIDTH	HEIGHT	THICK.	MAT.	TYPE	GLASS	FRAME	MAT.	HDWE.	LABEL	NO.	REMARKS
101	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
102	3'-0"	7'-0"	1 3/4"	METAL	1			METAL			66	
103	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
104	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
105	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
106	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
107	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
108	3'-0"	7'-0"	1 3/4"	METAL	1			METAL			45	PAIR OF 3'-0" X 7'-0" DOORS
109	3'-0"	7'-0"	1 3/4"	METAL	1			METAL			80	
110	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
111	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				PAIR OF 3'-0" X 7'-0" DOORS
112	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				
113	3'-0"	7'-0"	1 3/4"	METAL	1			METAL				

GARAGE FINISH SCHEDULE

#	ROOM	FLOOR	BASE	WALLS				CEILING		REMARKS
				NORTH	EAST	SOUTH	WEST	MAT.	HT.	
11	FIRE PUMP	CONCRETE						ACT	8'-0"	
12	2 EAST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
13	1 WEST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
14	3 EAST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
15	PLUMBING	CONCRETE						ACT	8'-0"	
16	CORRIDOR	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
17	ELEV. EQUIP.	CONCRETE						ACT	8'-0"	
18	CORRIDOR	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
19	BUILDING STORAGE	CONCRETE						ACT	8'-0"	
20	1 EAST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
21	CORRIDOR	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
22	3 WEST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
23	3 WEST STORAGE	CONCRETE		PAINT	PAINT	PAINT	PAINT	ACT	8'-0"	
24	PARKING	CONCRETE						ACT	8'-0"	
25	WASH	CONCRETE						ACT	8'-0"	

Larry Woods & Associates
Architects
1234 Seventeenth Avenue South Nashville, Tennessee 37212
Tel 615/383-1300 Fax 615/383-1882

PROJECT NO.: 0403

The Southgate
3821 West End Avenue
Nashville, Tennessee 37205

DATE: AUGUST 19, 2005

A1

© LARRY WOODS & ASSOCIATES, 2005

EXHIBIT "C"

BYLAWS OF
THE SOUTHGATE CONDOMINIUMS
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
Members (Unit Owners)

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

The Association shall have two classes of voting membership:

Class "A". Class "A" members shall be all Unit Owners, with the exception of the Developer (as defined in the Master Deed), and shall be entitled to one (1) vote for each Unit owned, provided that all dues and assessments are paid as set by the Board. When more than one (1) person holds an interest in any Unit, all such persons shall be members, The vote for such Unit shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

Class "B". The Class "B" member(s) shall be the Developer (as defined in the Master Deed) and shall be entitled to three (3) votes for each Unit owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events whichever occurs later unless termination of this right is volunteered by the Developer:

(a) 120 Days after the date by which One Hundred percent (100%) of the Units have been conveyed by Developer or assigns, or

(b) On the last day of the month occurring Five (5) years following the first conveyance to a Unit purchaser.

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

Section 3. **Regular Meetings.** The first regular meeting of the Unit Owners (the "First Meeting") may be held at a time designated by the First Board of Directors, provided said meeting shall be held no later than twelve (12) months after Seventy-Five percent (75%) of the units of the Units have been conveyed by Developer or assigns. Subsequent to the first meeting, there shall be a regular annual meeting of Unit Owners held at a date, time and place to be set by the Board of Directors and no more than thirteen (13) months after the preceding annual meeting. All such meetings of Unit Owners shall be held at such place in Davidson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. **Special Meetings.** Special meetings of Unit Owners may be called by the President or by a majority of the Directors of the Association or by two-thirds (2/3) of the Unit Owners. Special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of the meeting, stating the date, time and place of the special meeting and the matters to be considered.

Section 5. **Delivery of Notice of Meetings.** Notices of meetings shall be delivered at least ten (10) days prior to the date of such meeting, either personally or by mail to Unit Owners at the addresses given to the Board or Managing Agent by Unit Owners for such purpose, or to a Unit Owner's Unit if no separate address for such purpose has been given to the Board.

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

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

Section 7. **Quorum.** A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding greater than fifty percent (50%) of the votes entitled to be cast at such meeting.

Section 8. **Order of Business.** The order of business at the annual meeting and as far as practical at other meetings shall be:

(1) Collection of any ballots not yet cast.
(2) Call to order by President.
(3) Certifying of proxies and establishment of quorum.
(4) Reading and disposal of any unapproved minutes.
(5) Reports of Officers.
(6) Election of Directors.
(7) Unfinished business.
(8) New business.
(9) Adjournment.

ARTICLE II
Board of Directors

Section 1. **Number, Election and Term of Office.** The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administrators" and sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "Directors"). The term of the Directors shall be for three (3) years, except that until such time as the First Meeting of the members is held the Directors (hereinafter called "members of the First Board") shall be appointed by the Declarant. Those candidates for election as Director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every Director, except for members of the First Board, shall hold office for the term of three (3) years and until his successor shall be elected and qualified.

When Unit Owners other than the developer owns fifty-one percent (51%) or more of the units in the condominium, the Unit Owners other than the Declarant shall be entitled to elect not less that 1/3 of the Directors of the Association. Unit Owners other than the Declarant are entitled to elect not less than a majority of the members of the Board of Directors of an Association:

(a) Five (5) years after fifty percent (50%) of the Units have been completed as defined in Section 1; or

(b) When all the Units have been completed as defined in Section 1, some of them have been conveyed to purchasers, and none of them are being offered for sale by the Developer in the ordinary course of business; or

(c) Seven (7) years after the recording of the Master Deed,

whichever occurs last. The Developer is entitled to elect at least one (1) member of the Board of Directors of the Association as long as the Developer holds for sale in the ordinary course of business at least one in the condominium operated by the Association.

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors of the Association, the Association shall call, and give not less than sixty (60) days' notice of an election for the members of the Board of Directors.

If the Developer holds Units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing from the Developer:

(a) Assessment of the Developer as a Unit Owner for capital improvements.

(b) Any action by the Association that would be detrimental to the sales of Units by the Developer. However, an increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of Units.

At the time that Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association, the Developer shall relinquish control of the Association, and the Unit Owners shall accept control. Simultaneously, or not more than ninety (90) days thereafter, the Developer shall deliver to the Association, at Developer's expense, all property of the Unit Owners and of the Association held or controlled by the Developer.

Section 2. **Qualification.** Except for members of the First Board, two (2) Directors shall be Unit Owners (or, if a Unit Owner is a trustee of a trust, a Director may be the beneficiary of such trust; and if a Unit Owner or such beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Unit Owner or beneficiary).

Section 3. **Vacancies.** Any vacancy occurring in the Board shall be filled by majority vote of the remaining members thereof. Any Director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the Director whom he succeeds.

Section 4. **Nomination.** Nomination for election to the Board shall be made by a Nominating Committee which shall consist of three (3) members appointed by the Board to serve from the close of one (1) annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. The nominations shall be made at least thirty (30) days prior to the annual meeting and a brief statement about the qualifications of each individual so nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the members at the annual meeting.

Section 5. **Meetings.** A regular annual meeting of the Board shall be held within thirty (30) days following the annual meeting of the Unit Owners. Special meetings of the Board shall be held upon call by the President or by a majority of the Board on not less than forty-eight (48) hours' notice to each Director, delivered personally, by mail, by telephone, or by electronic mail. Any Director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action proposed to be taken by the Board without a meeting. A Director's attendance at a meeting shall constitute his waiver of notice of said meeting.

The Presiding Officer of Directors Meetings shall be the President of the Association; if the President of the Association is not present, the Vice-President shall preside. The order of business at all meetings of the Board of Directors shall be:

(1) Roll call.
(2) Reading of minutes of the last meeting.
(3) Consideration of communications.
(4) Resignations and elections.
(5) Reports of officers and employees.
(6) Reports of committees.
(7) Unfinished business.
(8) Original resolutions and new business.
(9) Adjournment.

The minutes of all meetings shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board Members at any reasonable time. The Association shall retain these minutes for a period of not less than four (4) years.

Section 6. **Removal.** Any Director may be removed from office with cause by the vote of all Unit Owners except Directors elected or appointed by the Developer.

When both the Developer and the other Unit Owners are entitled to representation on the Board of Directors, the following provisions apply to recall and replacement of Directors elected or appointed by the Developer: (a) only Units owned by the Developer shall be counted to establish a quorum for a meeting to recall and replace a Director who was elected or appointed by the Developer; (b) the percentage of voting interests required to recall a Director is a majority of the total Units owned by the Developer; and (c) only the Developer may vote, in person or by proxy, to fill a vacancy on the Board previously occupied by a board member elected or appointed by the Developer.

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

Section 8. **Quorum.** A majority of Directors shall constitute a quorum.

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

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

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

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

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

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

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

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and ot make purchases for the maintenance, repair, replacement, administration, management and operation of the

property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

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

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

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

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

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

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

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

(o) to be responsible for and maintain all streets, roads, utilities and any other services of a public nature that are classified as Common Elements in the Master Deed; and

(p) to exercise all powers and duties of Unit Owners as a group referred to in the Horizontal Property Act of the State of Tennessee or in the Master Deed or these Bylaws.

(r) to determine and make available funds for the operation of the association in the form of a loan at an interest rate not to exceed Ten percent (10%) if required.

Section 10. **Power to Take Any Action.** Whenever in these Bylaws the Association is given the power to take any action, it is the intention of these Bylaws that the Board shall act for the Association in all cases, except and to the extent that it is expressly provided that the action be taken upon vote of the Unit Owners.

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

ARTICLE III

Officers

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

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

(b) a Vice-President, who shall be a Director, who, when the President is not available, shall preside over meetings of the Board and of Unit Owners and shall serve, in the absence of the President, as the chief executive officer of the Association.

(c) a Secretary/Treasurer, who shall keep the minutes of all meetings of the Board and of Unit Owners, financial records, and who shall, in general, perform all the duties incident to the office of the Secretary/Treasurer;

(d) such additional officers as the Board shall see fit to elect.

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

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

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

Section 5. **Compensation.** The officers shall receive no compensation for their services as officers unless expressly provided for in a resolution adopted by Unit Owners.

Section 6. **Removal.** All officers and committees appointed or elected by the Board shall be subject to removal, with or without cause at any time by action of the Board of Directors.

ARTICLE IV

Assessments

Section 1. **Annual Budget.** The Board shall establish an annual budget to provide for the needs of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements,

landscaping, insurance, fuel, power and all other common expenses. To the extent that the assessments and other cash income collected from Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and replacements, in reasonable amounts as determined by the Board.

Section 2. **Assessments.** The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or otherwise as directed by the Board. No Unit Owner shall be relieved of his obligation to pay any assessment by abandoning or not using his Unit, the Common Elements or the Limited Common Elements.

Section 3. **Partial Year or Month.** Commencing with the date of taking title to his Unit, each Unit Owner shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Notwithstanding the above, the Developer shall not be subject to maintenance fees or assessments of Units owned by the Developer until said Units are occupied.

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

Section 5. **Supplemental Budget.** In the event that, during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplement budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplement assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. **Expenditures.** Except for the Management Agreement described in Article II, Section 9 (c) hereof and expenditures and contracts specifically authorized by the Master Deed and Bylaws, the Board shall not approve any expenditures in an amount in excess of ten percent (10%) of the annual

budget for the current year, unless required for emergency repair or protection or operation of the Common Elements or Limited Common Elements, nor shall the Board enter into any contract for more than three (3) years, without the prior approval of two-thirds (2/3) of the total ownership in the Common Elements.

The Developer's warranty on the Common Elements shall commence with the transfer of title of the first Unit sold in the development, and ending 365 days after such date. The Developer shall warrant the Common Elements against defects in materials and workmanship during the above specified period of time. At the expiration of the warranty period, repairs and maintenance become the responsibility of the Association, unless voluntarily undertaken by the Developer. The voluntary undertaking of a repair or maintenance item by the Developer after the warranty period has expired in no way extends or restarts the warranty period.

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

If any Unit Owner shall fail or refuse to make any such payment when due, such delinquent payment shall be subject to a late charge in an amount established by the Board, and such delinquent payment, at the discretion of the Board, may also bear interest at the highest permissible rate of interest allowed in the State of Tennessee. Such delinquent payment, together with penalty and interest, if any, shall constitute a lien, as provided in the Act and Master Deed, enforceable by the Board and/or Paying Unit Owner, on the interest of such Unit Owner in the property.

The Association, acting through the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with legal interest and reasonable attorney's fees, to be fixed by the court. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses, the Association, acting through its Board, shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Horizontal Property Act, the Master Deed or these Bylaws, or as otherwise available at law or in equity, for the collection of all unpaid assessments.

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

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

Section 10. **Holding of Funds.** All funds collected hereunder shall be held and expanded for the purposes designated herein, and (except for special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in proportionate amounts.

ARTICLE V

Use and Occupancy Restrictions

Section 1. **General.** No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall, in the judgment of the Board, cause unreasonable noise or disturbance to others; however, any uses of the premises as of date of this instrument shall be allowed.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall paint or decorate or adorn the outside of his Unit or install outside his Unit any canopy or awning, or outside radio or television antenna, or C.B. radio transmitters, or other equipment, fixtures or items of any kind, except with the prior written permission of the Board or of the Managing Agent acting in accordance with the Board's direction.

No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuildings shall be permitted on the Property at any time, temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof. Notwithstanding the preceding, the Developer may erect and maintain a construction or sales trailer on the property until such time as the completion, as defined in the Master Deed, of all Units in the building.

Section 2. **Trash.** Trash, garbage and other waste shall be kept only in sanitary containers and shall be disposed of in a clean and sanitary manner, as prescribed from time to time, by the Rules and Regulations of the Association.

Section 3. **Storage.** Articles of personal property belonging to any Unit Owner shall not be stored or kept in the Common Elements, but shall be confined to storage areas within each Unit or in areas as designated on the Plats.

Section 4. **Wiring.** No Unit Owner shall overload the electrical wiring in the Building or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or to connect any machines, appliances, accessories or equipment to the heating or plumbing system without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accordance with the Board's direction.

Section 5. **Rules and Regulations.** Unit Owners shall be subject to such further restrictions as may be contained in rules and regulations of the Association concerning the use of Units and the Common Elements which may be enacted from time to time by the Board. Such rules and regulations shall be binding rules and regulations of the Association, and copies of such rules and regulations and any amendments or additions thereto shall be furnished to all Unit Owners upon request.

ARTICLE VI

Contractual Powers

No contract or other transaction between the Association and one (1) or more of its Directors, or between the Association and any corporation, firm or association in which one (1) or more of the Directors of the Association are directors or are financially interested is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes and approves the contract or the transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

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

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

ARTICLE VII

Amendments

These Bylaws may be amended and modified from time to time by action or approval of a majority of Unit Owners, subject to any provision to the contract in the Master Deed which controls in any conflict herein. Such amendments shall be recorded in the Office of the Register of Davidson County, Tennessee. The Bylaws may also be amended by the Developer at any time and from time to time during the first year after the initial recording of these Bylaws, or within one year after the transfer of title of the first unit. Such amendments shall be recorded in the Office of the Register of Davidson County, Tennessee.

ARTICLE VIII

Indemnification

Section 1. **General.** To the extent permitted by the laws of the State of Tennessee, the Association shall indemnify and hold harmless each of its Directors and officers and each member of any committee appointed pursuant to these Bylaws against all contractual and other liabilities to others arising out of contracts made by the same and against other acts of such Directors, officers or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or otherwise, in which any such Director, officer or committee

member may be involved by virtue of such person's being or having been such Director, officer or committee member, provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in any action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person's being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer or committee member.

Section 2. **Success on Merits.** To the extent that a member of the Board, or an officer of the Association, or a member of any committee appointed pursuant to these Bylaws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Section 3. **Advance Payment.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the persons or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VII.

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

ARTICLE IX

Mortgages

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

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

Section 3. **Notice of Default.** The Board, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has therefor been furnished to the Board. Failure, however, to timely notify shall exempt a Mortgagee from the obligation to pay dues and assessment outlined in the Master Deed.

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

Section 5. **Interest of Valid First Mortgagee.** The interest of the valid first mortgagee shall not be superior to the interest of the Board in the event of a default, and nothing in this instrument shall be construed to the contrary. If the first mortgagee has or has not incorporated the terms of these Bylaws, the Master Deed and the contract in its deed of trust, said first mortgagee shall declare a default in its deed of trust by reason of any default hereunder, and shall proceed to enforce its rights according to the terms of the deed of trust subject to any enforcement and/or liens instituted by the Board.

ARTICLE X

Definition of Terms

The terms used in these Bylaws, to the extent they are defined therein, shall have the same meaning as set forth in the Master Deed for The Southgate Condominiums of record in the Office of the Register of Deeds for Davidson County, Tennessee.

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

ARTICLE XI

Conflicts

These Bylaws are set forth to comply with the requirements of Chapter 27 of Title 66, Tennessee Code Annotated, as it may be amended from time to time, and to allow the Bylaws to control in specific situations where such law allows. In the event that any of the Bylaws conflict with the provisions of said

statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.

IN WITNESS WHEREOF, the Declarant has executed this document on the day and date hereinafter recited.

3821 West End Developers,
a Tennessee Limited Liability Corporation

By:_____
John T. Rochford
Its: Chief Manager

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared John T. Rochford, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of The Southgate, Tennessee Limited Liability Corporation, that he as such Chief Manager, executed the foregoing instrument for the purposes therein contained, by signing the name of The Southgate, a Tennessee Limited Liability Corporation, by himself as such Chief Manager.

Witness my hand and official seal at Nashville, Tennessee, this 7th day of March, 2006.

Pamela J McGregor
Notary Public

My Commission Expires: 1-23-2010

PAMELA J. McGREGOR
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires JAN. 23, 2010