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MASTER DEED

ESTABLISHING

EAST END LOFTS CONDOMINIUM

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Date: August 2, 2006

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Exhibit "F"	Easements and Restrictions of Record
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MASTER DEED

ESTABLISHING

EAST END LOFTS CONDOMINIUM

THIS MASTER DEED is made this 2nd day of August, 2006, by EAST END LOFTS, LLC, a Tennessee limited liability company (the "Developer"), pursuant to the provisions of the Tennessee Horizontal Property Act, Tenn. Code Ann. §§ 66-27-101 et seq. (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land:

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain real property located in the City of Nashville, Davidson County, Tennessee, more particularly described on Exhibit A attached hereto on which will be constructed one (1) building containing four (4) levels, consisting of no more that forty two (42) Units and certain other improvements in accordance with the plat of East End Lofts Condominium, a copy of which is included in Exhibit D attached to this Master Deed (the "Property" or "Condominium Property");

WHEREAS, it is the desire and intent of the Developer, by recording this Master Deed, to establish a Condominium (as defined in the Act) to be known as EAST END LOFTS CONDOMINIUM under the provisions of the Act and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the Condominium Units contained therein and the owners thereof;

NOW, THEREFORE, Developer, upon recording hereof, does submit the Land, together with the improvements thereon, and owned by the Developer in fee simple absolute to the provisions of the Tennessee Horizontal Property Act to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of said Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division thereof into condominium ownership and all of which shall run with the land and shall be binding on all parties (including Owners as hereinafter defined) having or acquiring any right, title or interest in the Property or any part thereof, and shall be for the benefit of each Owner of any portion of the Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Certain terms as used in this Master Deed shall be defined as follows, unless the context clearly indicates a different meaning therefore:

(a) "Act" shall mean the Tennessee Horizontal Property Act, Tenn. Code Ann. §§ 66-27-101 et seq., as the same may be amended from time to time.

(b) "Charter" shall mean the Charter of East End Lofts Condominium Association, Inc., a copy of which is attached hereto as Exhibit C.

(c) "Association" shall mean East End Lofts Condominium Association, Inc., a nonprofit corporation organized pursuant to the Tennessee Nonprofit Corporation Act, Tenn. Code Ann. §§ 48-51-101 et seq. as the same may be amended from time to time, of which all Owners shall be members and which corporation shall administer the operation, management, maintenance, control and administration of the Condominium Property. The Association will be formed pursuant to the Charter of Incorporation to be filed with the Secretary of State of Tennessee.

(c) "Board of Directors" or "Board" shall mean the Board of Directors of the Association, elected pursuant to the By-Laws of the Association.

(d) "By-Laws" shall mean the set of By-Laws, a copy of which is attached hereto as Exhibit B, recorded simultaneously with this Master Deed, providing for the self-government of the Condominium Property by the Association, and such amendments thereto as may be recorded from time to time.

(e) "Common Elements" shall mean and include the following:

(i) The Land;

(ii) The foundations and footings, bearing walls, perimeter walls, structural slabs, columns, beams and supports;

(iii) The roofs, lobbies, hallways, elevators, mechanical equipment, garbage, and storage areas designated as common, stairways and entrances, patios, balconies, terraces and exits or communication ways, some of which may be designated as Limited Common Elements;

(iv) The compartments or installations of central services such as ventilation, heating, power, light, electricity, fire protection, security, cold and hot water, plumbing, reservoirs, water tanks and pumps, sewer lines, flues, trash compactors, incinerators, and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use in the Units;

(v) The premises and facilities, if any, used for the maintenance or repair of the Property;

(vi) Lawns, roadways, parking areas, landscaping, and central mail boxes;

(vii) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property;

(viii) All other elements (other than the Units) desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property;

(f) "Common Expenses" shall mean the expenses arising out of the ownership of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(g) "Common Surplus" shall mean the excess of all the receipts of the Association including, but not limited to, assessments, rents, profits and revenues over the amount of the Common Expenses.

(h) "Condominium Documents" shall mean the Master Deed and all Exhibits hereto, the By-Laws, the Charter of the Association, as the same shall be amended from time to time and the Rules and Regulations of the Association.

(i) "Master Deed" or "Master Deed" shall mean this instrument and all Exhibits hereto as it, from time to time, may be amended.

(j) "Developer" or "Declarant" shall mean East End Lofts, LLC, a Tennessee limited liability company, its successors and assigns, other than

an Owner, who shall receive by assignment from the said Developer all, or a portion of its rights hereunder as such Developer, by an instrument expressly assigning such rights as Developer to such assignee and recorded in the Register's Office for Davidson County, Tennessee.

(k) "Land" shall mean the parcel or tract of real estate described in Exhibit A to this Master Deed, submitted to the provisions of the Act.

(l) "Limited Common Elements" shall mean and include any area designated as Limited Common Elements on the Plat and any amendment to the Plat or by the terms of this Master Deed. The Limited Common Elements shall include among any other property so designated, any balconies, patios or terraces immediately accessible from the Unit, and the heating and air conditioning equipment, chutes, flues, wires, conduit, bearing walls, bearing columns or any other fixture serving only that Unit.

(m) "Limited Common Expenses" shall mean the expenses arising from the maintenance or repair of the Limited Common Elements for which the Unit Owners of the Units to which the Limited Common Elements are appurtenant shall be liable to the Association. The expenses related to the maintenance of the balconies or terraces may be assessed as a Limited Common Expense against the Unit Owner whose Unit the balcony or terrace serves, except all structural repair or replacement of balconies or terraces shall be the responsibility and expense of the Association. Limited Common Expenses shall include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(n) "Mortgage" shall mean a first lien Mortgage on one or more Units.

(o) "Mortgagee" shall mean a holder of a Mortgage who has given notice to the Association that it is the holder of a Mortgage affecting all or any part of the Condominium Property as hereinafter provided.

(p) "Owner" or "Unit Owner" shall mean and refer to every person or entity who is a record owner of a Unit.

(q) "Plan" or "Plat" shall mean the as-built Plan showing the Unit, the Common Elements and the Limited Common Elements of the Condominium Property attached hereto as Exhibit D, and made a part hereof for all purposes, as such Plat may from time to time be amended.

(r) "Property" or "Condominium Property" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all 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 the Owners, submitted to the provisions of the Act under this Master Deed, as amended from time to time.

(s) "Rules and Regulations" shall mean those Rules and Regulations adopted from time to time by the Board of Directors of the Association that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the Condominium Documents. The initial Rules and Regulations are attached hereto as Exhibit G.

(t) "Unit" or "Condominium Unit" shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Elements and the Limited Common Elements, if any, assigned to each Unit as herein provided. The Units are identified on the Plat and shall consist of the volumes or cubicles of space which lie between the lower, upper and lateral or perimetrical boundaries described as follows:

(i) *Upper and Lower Boundaries*: The upper and lower boundaries extended to their planer intersections with the perimetrical boundaries as follows:

(1) The upper boundary shall be the plane of the upper surface of the material which constitutes the ceiling;

(2) The lower boundary shall be the plane of the upper surface of the subflooring material which serves as the Unit's floor. Any floor covering such as carpeting, vinyl, hardwood or ceramic tile is part of the Unit.

(ii) *Perimetrical Boundaries*: The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows and exterior doors, and the interior surfaces of the studs or raw walls of the perimeter wall of the Unit. All sheetrock, wall boards, including paint, wallpaper and light coverings, extended to their planer intersections with each other and with the upper and lower boundaries are part of the Unit.

Each Unit shall include all non-structural interior partition walls located within the boundaries of the Unit except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings

and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, cabinets, and water and sewer pipes located within the boundaries of the Unit and serving only the Unit; and the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Unit, including the individual compressor even though such equipment may be located outside the boundaries of the Unit, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of such Unit; and provided further that no bearing wall providing structural support and located within the boundaries of the Unit shall be deemed part of the Unit. If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

ARTICLE II
PROPERTY SUBJECT TO THIS MASTER DEED

Section 2.01 **Description of Improvements and Identification of Units**. The Condominium Property shall consist of one (1) building containing four (4) levels of residential Units. The Condominium Property shall contain no more than forty-two (42) Units. A plat of the Land and improvements thereon and a graphic description of the improvements in which the Units are located, identifying each Unit by a number and/or letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, are set forth in the Plat attached hereto as Exhibit D.

Section 2.02 **Amendment of Condominium Plan**. Developer reserves the right to change the interior design and arrangement of any Unit, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Developer owns the Units so altered. Changes in the boundaries between the Units, as hereinbefore provided, shall be reflected by an amendment to the Plat, and if necessary, an amendment to this Master Deed. An amendment to the Plat or the Master Deed reflecting an alteration of the boundaries of the Units owned by Developer need be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change which shall result in a change in the undivided interest in Common Elements or Limited Common Elements or a change in the share of Common Expenses or Limited Common Expenses with respect to Owners of Units other than Developer at the

time of such change or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Developer) may not be made without an amendment of this Master Deed approved by the Owners and Mortgagees in the manner elsewhere required herein.

Section 2.03 **Intentionally omitted**.

Section 2.04 **Balconies, Patios or Terraces**. Each Unit Owner shall be entitled to the exclusive use of any exterior balcony, patio or terrace directly accessible from his Unit, but such right shall not entitle an Owner to construct anything thereon or to change any structural part thereof. The balcony, patio or terrace shall be deemed to be a Limited Common Element appurtenant to the Unit(s) from which it is directly accessible, and costs and expenses related to the balconies, patios or terraces shall be assessed against the Unit Owner to whose Unit the balcony, patio or terrace attaches as a Limited Common Element except as provided in Section 1.01 (m) hereof.

Section 2.05 **Easements and Restrictions**. The Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of said Units, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. Units, Common Elements and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the Condominium Property, which easements and restrictions are described on Exhibit F attached hereto. Additional easements established hereunder include the following:

(a) Utility Easements. Utility easements are reserved throughout the whole of the Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone and cable television) in order to adequately serve the Condominium Property.

(b) Utility Equipment. There may be utility equipment which is appurtenant to the Units, but which is located on the Common Elements. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the Unit; provided that no utility equipment shall be placed on any part of the Common Elements or Limited Common Elements other than the present location unless the written approval of the Developer or the Association shall have been first obtained.

(c) Easements for Ingress and Egress. The Common Elements shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement of way over all roads, parking areas, walkways, halls, stairways, elevators, and other common areas in favor of all Owners for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners, subject to all restrictions in the Condominium Documents.

(d) Easement for Use of Leased or Acquired Property. Each Unit Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents and the Rules and Regulations.

(e) Easements for Encroachments. To the extent that any Unit, Common Element or Limited Common Element encroaches on any other Unit, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Unit, Common Element or Limited Common Element stands. This easement, however, shall not relieve an Owner of liability for his or his agent's negligence, intentional acts or willful and intentional misconduct in causing the encroachment. In the event any Unit, any adjoining Unit, or any adjoining Common Elements or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit, or encroachment of any Unit upon any other Units, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

(f) Easement of Support. Each Unit and the Common Elements and Limited Common Elements shall have an easement of support from every other Unit, Common Elements or Limited Common Elements which provide such support.

(g) Easement for Use of Limited Common Elements. Each Owner of the Limited Common Elements shall have an easement for the repair, maintenance and upkeep of the Limited Common Elements and for ingress and egress to and from the Limited Common Elements for so long as the

Limited Common Elements exist. The aforesaid easement shall be for the benefit of each Unit Owner to which the Limited Common Element is appurtenant.

(h) Easements Appurtenant to Units. The easements and other rights created herein for the Unit Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their behalf for the purpose of evidencing all such easements created by the provisions hereof.

Section 2.06 Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as otherwise limited in this Master Deed, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of the Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units. The extent or amount of such ownership shall be expressed by a percentage relating to each Unit and shall remain constant, unless changed in accordance with the provisions of Section 2.02 hereof or by the unanimous approval of all Owners and Mortgagees affected hereby. The percentage ownership in the Common Elements relating to each Unit is set forth on Exhibit E attached hereto and has been calculated based on square footage.

Section 2.07 Rights in or to Limited Common Elements. The Limited Common Elements appurtenant to the Unit shall be as described in this Master Deed or shown on the Plat. The description shall be expressed by identifying the type of Limited Common Elements which are appurtenant to the Unit, if any, and the Owners of such Units shall have the exclusive right to use such Limited Common Elements so designated or described unless changed by the Developer as permitted in Section 2.02 hereof or by the unanimous approval of the Owners of the Units to which Limited Common Elements are appurtenant and their respective Mortgagees. Each Owner of a Unit to which the Limited Common Element is appurtenant shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of his Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run with the Units to which the Limited Common Elements are attached.

ARTICLE III
ORGANIZATION AND MANAGEMENT

Section 3.01 **Management of the Condominium Property**. Operation and administration of the Condominium Property shall be performed by EAST END LOFTS CONDOMINIUM ASSOCIATION, INC., an Tennessee nonprofit corporation. The powers and duties of the Association shall include those set forth in the Act, the Tennessee Nonprofit Corporation Act, Tenn. Code Ann. §§ 45-51-101 et seq., this Master Deed, the Charter and the By-Laws, as the same may be amended from time to time.

Section 3.02 **Members**. The members of the Association shall consist of all record Owners of the Units. Change of membership in the Association shall be established by recording in the public records of Davidson County, Tennessee, the deed or other instrument establishing record title to a Unit in the Condominium Property, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a record Owner and a member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of the Master Deed, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the By-Laws. Each Unit Owner is entitled to the number of votes for each Unit owned by him as set forth in Exhibit E attached hereto.

Section 3.03 **By-Laws**. The By-Laws of the Association shall be in the form attached as Exhibit B to this Master Deed, and may be amended from time to time as set forth therein.

ARTICLE IV
ASSESSMENTS

Section 4.01 **Liability, Lien and Enforcement**. The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all Units. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against the Owners of all Units to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Master Deed. The Association is also authorized to make, collect and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owner, his family members, guests, invitees or tenants for damages of any nature and for penalties for rules violations. In furtherance of said grant of

authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon the Owners of all Units.

Section 4.02 **Assessments**.

(a) All assessments for the payment of Common Expenses shall be levied annually against the Owners of all Units, and unless specifically otherwise provided for in this Master Deed, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership for the undivided interest in the Common Elements appurtenant to said Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board of Directors of the Association.

(b) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board of Directors determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board of Directors chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board of Directors of the Association.

(c) The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements or Limited Common Elements based on the usage of any component of the Common Elements or Limited Common Elements. Such assessments shall not be included in the assessment for Common Expenses, but shall be payable in such manner and at such times as may be determined by the Board of Directors of the Association.

Section 4.03 **Annual Budget**. Within sixty (60) days prior to the beginning of each calendar year, the Board of Directors of the Association shall adopt a proposed annual budget for such calendar year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act and this Master Deed. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after

adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be made available to each Unit Owner.

Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board of Directors shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act.

Section 4.04 **Omission of Assessment**. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Master Deed, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 4.05 **Detailed Records**. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner or his representative at convenient hours of weekdays in the county where the Condominium is located.

Section 4.06 **Payment of Common Expenses and Limited Common Expenses by Unit Owners**. All Unit Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board of Directors pursuant to the terms of this Article IV. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter up to the time of conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Master Deed, the Association, upon written request of the Owner or purchaser of such Unit, shall furnish to the Owner, the purchaser or any proposed Mortgagee, a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit. Any purchaser or proposed

Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be paid by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before the payment of the proceeds to or on behalf of the selling Unit Owner.

Section 4.07 **Default in Payment of Assessments.**

(a) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the greater of (i) the maximum legal rate on judgments or (ii) 12%, but not to exceed the maximum rate allowed under applicable law (the "Interest Rate"), and such late fees and penalties provided in the Rules and Regulations of the Association, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon said Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. The lien granted to the Association may be foreclosed in the same manner as real estate mortgages in the State of Tennessee but the Association shall give reasonable advance notice of its proposed action to the Unit Owner, the Mortgagee and all other lienholders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the Interest Rate on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

(b) The lien herein granted to the Association shall be effective from and after the time of recording of this Master Deed in the Register's Office for

Davidson County, Tennessee. No further recordation of any claim of lien for assessment under this section is required. Such lien shall include assessments, late fees, penalties and other charges imposed by the Association for violations of this Master Deed, the By-Laws and the Rules and Regulations, and shall include interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

Section 4.08 **Election of Remedies**. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent its thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

Section 4.09 **Power of Sale to Enforce Assessment Lien**.

(a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the Limited Common Elements, the assumption of the obligations of Unit Owners set forth in this Master Deed by Unit Owners, their successors and assigns, the receipt of which is hereby acknowledged, and to secure the payment of assessments for Common Expenses, and other assessments, assessed against a Unit Owner by the Association as provided in this Master Deed and By-Laws, interest, late charges and attorney fees as provided herein, hereinafter collectively referred to as the "Secured Charges," a lien is expressly retained in favor of the Association on each and every Unit Owner's Unit and prorata interest in the Common Elements.

(b) For the purpose of better and more effectually securing the Secured Charges, rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of the Secured Charges, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Unit Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as Trustors, hereby transfer and convey unto Stephen C. Baker, Trustee, his successors and assigns, their respective Units with the appurtenances, estate, title and interest thereto belonging upon the uses and trusts set forth in this Section 4.09.

(c) Trustors agree (i) to pay the Secured Charges when due, as provided in this Master Deed; (ii) to pay, discharge, or remove, any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against their Unit and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; (iii) to keep their respective Units in good repair and

preservation; (iv) to comply with all of the terms and conditions of this Master Deed and By-Laws and all rules and regulations of the Association; and (v) to pay upon demand of Trustee or the Association, all the costs and expenses, together with reasonable attorneys' fees, of any court appearance or other proceedings required by Trustee, his successors or the Association to enforce any provision of this Master Deed and By-Laws or any rule and regulation of the Association. If any Trustor fails to do any of these things, then Trustee or the Association may do any or all of these things, and the amounts so paid shall bear interest at the highest rate allowed under applicable laws in effect from time to time from the day of payment and shall become a part of the Secured Charges secured hereby.

(d) If a Trustor shall pay the Secured Charges when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Unit. If the Secured Charges with respect to any Unit are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty days notice by three publications in any newspaper, daily or weekly, published in Davidson County, Tennessee to sell said Unit at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the statutory right of redemption, the equity of redemption, homestead, dower and all exemptions and rights of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Association may, at any time after default in the payment of any of the Secured Charges, enter and take possession of said property, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Association fails, before instructing Trustee to sell said Unit, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all unpaid Secured Charges with respect to such Unit;

(3) Third, the residue, if any, will be paid to the Unit Owner of such Unit, his order, representatives or assigns;

(e) In the case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be

required or for any other reason, the Association is hereby authorized and empowered to name and appoint a successor to the Trustee by an instrument in writing to be recorded in the Register's Office for Davidson County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

ARTICLE V
MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

Section 5.01 **The Association's Obligation to Repair.**

(a) The Association acting through the Board of Directors shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense:

(i) The Common Elements, which by definition excludes the surfaces of all interior walls, floors, ceilings, entrance doors, and windows of a Unit;

(ii) Incidental damage caused to a Unit by any work done by the Association;

(iii) Portions of Common or Limited Common Elements contained in the Units contributing to the support of the building, including outside walls and load bearing columns, excluding, however, interior wall, ceiling and floor surfaces; and

(iv) The Association shall be responsible for the maintenance, repair and replacement of the exterior doors and windows of the Unit, including the door frames, the window frames and related structures, all of which are part of the Unit, the cost of which shall be assessed against the Unit Owner as a special assessment.

(v) The Association acting through the Board of Directors also shall be responsible for the maintenance, repair and replacement of the Limited Common Elements, the cost of which shall be charged to the Owners of Units to which said Limited Common Elements being maintained repaired or replaced are appurtenant, as a Limited Common Expense, except as follows:

(1) Unit Owners shall have the responsibility and bear the expense of the maintenance and repair of Limited Common Elements as provided in Section 5.02;

(2) Unit Owners with balconies, patios or terraces shall maintain their balconies, patios or terraces in an orderly and clean condition. All structural repair or

replacement of balconies, patios or terraces shall be the responsibility and expense of the Association.

(vi) If a Unit Owner fails to maintain and repair his Unit or any Limited Common Element as required by this Master Deed, the Association may perform such maintenance and repair and assess the Unit Owner for all expenses incurred, together with up to a twenty percent (20%) service charge for the Association's services.

(vii) The Association shall inspect the Condominium Property at least annually for repair and maintenance requirements, and shall promptly undertake the repair and maintenance thereof.

(b) This Section 5.01 shall not relieve a Unit Owner of liability for damage to the Common Elements, Limited Common Elements, a Unit of another person, adjacent property or any other property caused by the Unit Owner, his family members, guests, invitees, lessees or licensees as a consequence of an accident or the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Unit Owner, his family members, guests, invitees, lessees or licensees, shall be a special assessment against the Unit Owner.

Section 5.02 Each Owner's Obligation to Repair.

(a) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each Owner shall, at such Owner's expense, maintain his Unit in good tenantable condition and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in his Unit:

(i) The fixtures and equipment in his Unit, including the refrigerator, stove and all other appliances within the Unit; drains, sinks, plumbing and plumbing fixtures and connections within the Unit and serving only the Unit; electrical panels, wiring, outlets and electric fixtures within the Unit; interior doors, interior surfaces of the window frames, screening and glass; and interior surface of all exterior doors; all wall coverings including paint, wallpaper and light coverings; and all floor coverings, including carpeting, hardwood, vinyl and ceramic tile within a Unit.

(ii) The plumbing, heating, air conditioning and electrical systems serving only that Unit, whether located within or without the boundary of that Unit, including the fuse boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is within another Unit or requires access to another Unit, the repair, maintenance or replacement thereof

shall be performed by the Association, and the cost thereof shall constitute an assessment against the Unit Owner responsible therefor.

(b) Each Unit Owner agrees as follows:

(i) To perform all maintenance, repairs and replacements which are his obligations under subparagraph (a) of this Section 5.02;

(ii) To pay all utilities as herein provided and all taxes levied against his Unit;

(iii) Not to make, or cause to be made, repairs to any plumbing, heating, ventilation or air conditioning systems located outside his Unit but required to be maintained by him under subparagraph 5.02(a)(ii), except by licensed plumbers, electricians or heating and air conditioning professionals authorized to do such work by the Association or its delegate;

(iv) Not to make any addition or alteration to the Unit or to the Common Elements or Limited Common Elements or to do any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of a Unit Owner without the prior written consent of the Association and all Unit Owners affected thereby;

(v) Not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, excluding any alteration or additions made pursuant to the procedure described in subparagraph (iv) above and including, but not limited to, altering in any way exterior doors, patios, balconies or terraces, affixing outshutters to windows or painting any part of the exterior part of the Unit, without the prior written consent of the Association; provided that if such consent is granted, the Unit Owner shall use only a contractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association, and the Unit Owner shall be liable for all damages to another Unit or to the Common Elements or Limited Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise; and

(vi) To promptly report to the Association any defects or needed repairs for which the Association is responsible.

(c) The Association shall be obligated to answer any request by a Unit Owner for any required approval of a proposed addition, alteration or improvement (by painting or otherwise) within forty-five (45) days after such request, but its failure to do so within the stipulated time shall not constitute a consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Association, without, however, it incurring any liability on the part of the Board of Directors or any of them or the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this Section 5.02 shall in no way make the Association liable for any alterations, additions, or improvements by any Unit Owner. Rather, such review is for purposes of aesthetics and control only. The Board of Directors shall have the right to appoint a committee to make recommendations to the Board regarding any request for review; however, the Board is not obligated to appoint a committee and is not obligated to follow the recommendation of the Committee. The provisions of this section shall not apply to Units owned by the Developer until a deed for such Unit has been delivered to a purchaser other than Developer.

Section 5.03 Alterations, Additions and Improvements by the Association. Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Article VIII of the Master Deed, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements with a cost in excess of $100,000 (such sum to be increased annually by the percentage increase in *The Consumer Price Index* published by the Bureau of Labor Statistics of the United States Department of Labor, US City Average, All Items or if such index is not available a comparable index selected by the Board of Directors of the Association) (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements in accordance with the Master Deed) unless the same is authorized by the Board of Directors of the Association and ratified by the affirmative vote of the voting members casting not less than 75% of the total votes of the members of the Association present at any regular or special meeting of the Unit Owners called for that purpose at which a quorum is present and approved by a majority of the Mortgagees eligible to vote therefor. The cost of the foregoing shall be assessed against the Owners of Units as provided in Article IV hereof except as otherwise provided in this Section 5.03. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Unit Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Unit Owners exclusively, or substantially exclusively, benefiting therefrom, and the assessment shall be levied in such proportions as may be determined to be fair and

equitable by the Board of Directors of the Association. Where such alterations or additions exclusively, or substantially exclusively, benefit Unit Owners requesting the same, said alterations and additions shall be made only when authorized by the Board of Directors and ratified by not less than 75% of the total votes of the Unit Owners exclusively, or substantially exclusively, benefiting therefrom. Alterations, improvements or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation if the same is necessary and in the best interest of the Unit Owners.

Section 5.04 **Utilities**. Each Unit Owner shall be required to pay all charges for utilities serving that Unit, including electricity, cable television, and telephone service, used or consumed in his Unit. The utilities serving the Common or Limited Common Elements only shall be separately metered and paid by the Association as a Common or Limited Common Expense. The Association shall have authority, however, with regard to any utility, to use a common meter, pay the cost of such utilities used or consumed in the Units, and have the costs thereof apportioned among the Units based upon the Common or Limited Common Expense liability, use of the utility, or any other formula the Association may deem appropriate.

ARTICLE VI
RESTRICTIONS ON USE OF UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 6.01 **Rules and Regulations of the Association**. The Association is authorized to promulgate, amend and enforce Rules and Regulations concerning the operation and use of the Condominium; provided that such Rules and Regulations are not contrary to or inconsistent with the Act and the Condominium Documents. A copy of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time they become effective. All present and future Unit Owners, tenants, and occupants of the Units and any person who uses any part of the Condominium Property in any manner, are subject to, and shall comply with the provisions of the Condominium Documents and the Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any person shall constitute his agreement to be subject to and bound by the provisions of the Condominium Documents and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and 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 in full in each and every deed of conveyance or lease thereof. The Association may promulgate enforcement provisions for violation of any Rule or Regulation by a member, his family members, guests, invitees, lessees or renters, including the payment of penalties for such violations.

Section 6.02 **Restrictions on Use**. The use of the Condominium Property is subject to the following restrictions:

(a) Each Unit in the Condominium is hereby restricted to residential use. The parking is restricted to the parking of passenger vehicles, which may include pick-up trucks, sport utility vehicles and motorcycles, that fit within defined striping and do not encumber the neighboring parking spaces.

(b) There shall be no obstruction of the Common Elements or Limited Common Elements, nor shall anything be kept or stored in the Common Elements or Limited Common Elements (except balconies and terraces appurtenant to any Unit pursuant to the Rules and Regulations), nor shall anything be constructed on or planted in or removed from the Common Elements or Limited Common Elements, nor shall the Common Elements or Limited Common Elements in any other way be altered without the prior written consent of the Association.

(c) No immoral, improper, offensive or unlawful use shall be made of any Unit, Common Elements or Limited Common Elements, or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Condominium Property shall be observed.

(d) No Owner shall permit anything to be done or kept in his Unit or in the Common Elements or Limited Common Elements which will result in any increase of fire or hazard insurance premiums or the cancellation of insurance on any part of the Condominium Property, or which would be in violation of any law. No waste shall be committed to the Common Elements or Limited Common Elements.

(e) No sign of any kind shall be displayed to the public view on or from any part of the Condominium Property, without the prior written consent of the Board of Directors of the Association, except signs temporarily used by the Developer in the selling or leasing of the Units.

(f) No noxious or offensive activities shall be carried on, nor shall any outside lighting or sound speakers or other sound producing devices be used, nor shall anything be done, on any part of the Condominium Property which in the judgment of the Board of Directors of the Association, may be or become an unreasonable annoyance or nuisance to the other Owners.

(g) No Owner shall cause or permit anything to be placed on the Common Elements or Limited Common Elements immediately surrounding the Unit. No sign, awning, canopy, window air conditioning unit, shutter, or other fixture shall be affixed to or placed upon the exterior walls or roof of

any building on the Limited Common Elements or any part of the Common Elements, without the prior written consent of the Board of Directors of the Association. The location of any satellite television dishes is subject to the approval of the Board of Directors.

(h) No clothes, sheets, blankets, laundry of any kind, holiday lights or lighted signage or other articles shall be hung out or exposed from or on any part of the Common Elements or Limited Common Elements. The Common Elements and Limited Common Elements shall be kept clear of rubbish, debris and other unsightly materials.

(i) Other than the Developer, no Unit Owner, occupant, or any other person may replace carpeting with a tile, marble, vinyl, hardwood floor, or other hard surfaced flooring material, on the interior floor of a Unit which is located above another Unit without first obtaining written approval of the Developer or the Board of Directors. Among other factors, the Developer or the Board, as applicable, may consider whether the change will cause noise to any Unit below which will exceed the average noise level in Units below Units with carpeted floors and that the weight of such proposed flooring is appropriate and will not cause problems to the structure of subflooring.

The Owner applying for such approval shall provide the Developer or the Board, as applicable, with information regarding these factors, as well as other information requested by the Developer or the Board regarding the proposed flooring and its effect; provided, however, the noise level requirements shall be considered to be met if the Owner provides a sound transmission test that the proposed flooring will create a noise level less than a standard level set by reasonable regulation of the Developer or the Board, as applicable. Notwithstanding anything to the contrary stated herein, at least seventy-five percent (75%) of each room within a Unit located above another Unit (excluding the kitchen and bathrooms) shall have area rugs or carpet unless the flooring is sound proofed so as not to exceed the noise level in Units with carpeted floors.

(j) Applicable building codes require that any clothes dryer installed in the Unit must have specified venting characteristics. Accordingly, Unit Owners may replace their clothes dryers only with dryers meeting the required building code specifications.

(k) Two or more adjoining Units may be used as a single Unit subject to the use restrictions of this Section 6.02. The Common Elements located between and separating two or more adjacent Units used together may be altered or removed to afford ingress and egress to and from such Units to enhance the use of such Units as a single Unit. The Unit Owner's

right to use this portion of the Common Elements shall be pursuant to a license agreement with the Association subject to the following conditions:

(1) The expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alterations;

(2) In the event such Units shall cease to be used as a single Unit, the Unit Owner or Owners shall pay the full expense of restoring such Common Elements to their condition prior to such alterations; and

(3) The Unit Owner must obtain the prior written consent of the Board of Directors of the Association to such alterations. The Board of Directors may require plans prepared by a licensed architect as a condition to an application for such approval.

Section 6.03 **Right of Access**. Each Unit Owner grants a right of access to his Unit to the Association, and any other person authorized by the Association for the purpose of making inspections and for the purpose of correcting any condition originating in his Unit and threatening other Units, Common Elements or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements within his Unit, if any, or to correct any condition which violates the provisions of any Mortgage covering another Unit, or to enforce any provision of the Condominium Documents, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Owner is present at the time or not. Each Unit Owner further grants an easement and right of access to his Unit to the Developer or his agent, or other authorized representative who is not Developer's agent, for the purpose of (i) making all repairs required by any warranty delivered to the Unit Owner at the closing of his Unit or to resolve any claim of such Unit Owner; and (ii) making repairs to other Units or to the Common Elements or Limited Common Elements. To the extent that damages are inflicted on the Common Elements, Limited Common Elements or any Unit through which access is taken, the Unit Owner, Developer or the Association, if it caused the same, shall be liable for the prompt repair thereof.

Section 6.04 **Limitation of Liability**. The Association shall not be liable for any failure of water or power supply, telephone, security, fire protection or other service to be obtained by the Association or paid for out of the Common Expense funds, for problems resulting from the operation or lack of operation of sewer lines servicing the Condominium Property, or for injury or damage to a person or property caused by the natural elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements, Limited Common Elements or from any wire, pipe, drain, conduit,

appliance or equipment, however, this provision does not relieve the Association from maintenance responsibility or for damage to the Units or Limited Common Elements arising from or related to water intrusion from the Common Elements on account of maintenance or lack thereof. The Association shall not be liable to the Owner of any Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. The Association does not warrant security or control of access to the Condominium. No diminution or abatement of the Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, Limited Common Elements or to any Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental or judicial authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

Section 6.05 **Abatement of Violations**. The violation of any Rule or Regulation adopted by the Board of Directors of the Association or breach of the provisions of the Condominium Documents, shall give the Developer, the Association or any Unit Owner the right, in addition to any other right or remedy elsewhere available, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. All expenses of such actions or proceedings against a defaulting Unit Owner, including court costs, attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate on judgments until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien for all of the same upon the Unit of such defaulting Owner, upon all of his additions and improvements thereto and a security interest under the Tennessee Uniform Commercial Code upon all of his personal property in his Unit or located elsewhere on the Condominium Property. Nothing herein contained shall prevent an Owner from maintaining such an action or proceeding against the Association and the expense of any action to remedy a default of the Association shall be a Common Expense if a court of competent jurisdiction finds the Association to be in default as alleged in such action or proceeding.

Section 6.06 **Failure of the Association to Insist on Strict Performance; No Waiver**. Failure of the Association to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Master Deed, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach and no waiver by the Association of any provision hereof shall

be deemed to have been made unless expressed in writing and signed by the Board of Directors of the Association.

Section 6.07 **Use by Developer**. Subject to the rights of the Mortgagees hereunder, neither the Owners nor the Board of Directors of the Association nor their use of the Condominium Property or application of this Master Deed shall interfere with the completion of the contemplated improvements and sales of the Units in the Condominium. Subject to the rights of the Mortgagees hereunder, the Developer may make such use of the unsold Units, the Limited Common Elements and the Common Elements as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, management office and model units, the showing of the Condominium Property and the Units therein, the display of signs thereon and therein. These Special Declarant Rights exist so long as Developer holds any Unit in the Condominium for sale in the ordinary course of business. The Developer expressly reserves the right to lease any Unit which it may own in the Condominium Property on such terms as it may deem proper and desirable and may transfer Units subject to such lease.

Further, the Developer reserves the right for itself or an affiliate an easement or the right to lease for a nominal fee space on the roof of the building to maintain through ownership or lease to a third party antenna or transmission or receiving equipment. This right survives the sale of the Units in the Condominium.

ARTICLE VII
RIGHTS OF MORTGAGEES

Section 7.01 **Notification of Mortgagees Required**. Any Mortgagee shall have the right to be given written notification by the Association of (a) any sixty (60) day default by the Owner of the Unit covered by the Mortgage in the payment of assessments or in any other provision of the Condominium Documents; (b) any loss to or taking of the Common Elements or Limited Common Elements if such loss or taking exceeds $10,000; (c) damage to a Unit covered by the Mortgage if the amount of such damage exceeds $1,000; (d) any condemnation of all or a portion of the Condominium Property; (e) a lapse or cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (f) any proposed action that requires the consent of a specified percentage of Mortgagees if such Mortgagee has given notice to the Association of its interest in the Condominium.

Section 7.02 **Right of Inspection**. Mortgagees shall have the right to examine the Condominium Documents, the books and records of the Association or the Condominium Property and to receive annual reports, other financial data, and, upon request, an annual audited statement, within ninety (90) days following the end of any fiscal year of the Association.

Section 7.03 Required Reserve Funds and Working Capital Fund.

(a) Assessments levied by the Board of Directors of the Association shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements and Limited Common Elements that must be replaced or repaired on a periodic basis, and shall be payable in regular installments rather than by special assessments. Special assessments may be levied by the Board in the event that there is insufficient money in the reserve fund for the maintenance, repair or replacement of any portion of the Common Elements or Limited Common Elements.

(b) A working capital fund shall be established. Each Unit Owner purchasing a Unit from the Developer shall pay a one-time assessment equal to two months' assessment at the time of closing of the purchase of the Unit to be used by the Association as working capital to pay for such start up costs of the Association as the Board of Directors sees fit.

Section 7.04 Priority of Mortgagees.

(a) Any lien which is or may be created hereunder upon any Unit, including, but not limited to, the lien created for assessments under Section 4.07 hereof and the right to foreclose the same is and shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any Mortgage upon such interest made in good faith and for value and recorded prior to the creation of the lien hereunder, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 4.07 hereof on the interest of the purchaser as an Owner after the date of such foreclosure sale to secure all assessments hereunder. After the date of such foreclosure sale, said lien, if any, shall be claimed and shall have the same effect and be enforced in the same manner provided herein.

Notwithstanding the above, the lien created pursuant to Section 4.07 hereof is prior to any Mortgage to the extent of the Common Expense assessments based on the annual budget which would have become due in absence of acceleration during the six months immediately preceding institution of an action to enforce the lien.

(b) No provision of this Master Deed, the Charter, the By-Laws or the Rules and Regulations shall be construed to grant to any Unit Owner, or to any other party any priority over any rights of the Mortgagees of the Units pursuant to their Mortgages in the case of distribution to Unit Owners of the insurance proceeds or condemnation awards for losses or a taking of Units or

the Common Elements, the Limited Common Elements or any portion thereof.

(c) As provided in the Act, all assessments, property taxes and other charges imposed by any taxing authority which may become liens prior to a Mortgage, shall be separately assessed against and collected on each Unit as a single parcel, and not on the Condominium Property as a whole.

(d) No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or otherwise.

Section 7.05 **Request for Protection by Mortgagees**. Whenever the holder of any Mortgage desires the benefit of the provisions of this Article VII to be applicable to it, it shall serve written notice of such fact upon the Association, by registered or certified mail, addressed to the Association, and actually mailed to its address stated herein, identifying the Unit upon which it holds a Mortgage or identifying any Units owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it. Said notice shall designate the place to which the notices are to be given by the Association to such Mortgagee.

ARTICLE VIII
CASUALTY LOSS AND INSURANCE

Section 8.01 **Responsibility of Owners; Separate Insurance Coverage**.

(a) The Owner of each Unit may, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects, any improvements and additions to the Unit made by such Owner after the initial sale of the Unit, and other property belonging to such Owner, and may, at his expense, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's Unit or upon the Common Elements or Limited Common Elements. Risk of loss of or damage to any furniture, furnishings and personal property belonging to or carried on the person of the Owner, or which may be stored in any Unit, or in or upon Common Elements or Limited Common Elements, shall be borne by the Owner of each Unit. All furniture, furnishings and personal property constituting a portion of the Common Elements or Limited Common Elements and held for the joint use and benefit of all Owners of Units shall be covered by such insurance as shall be maintained in force and effect by the Association as hereinafter provided. Each Owner shall be required to notify the Association of all improvements made by the Owner to his Unit, the value

of which is in excess of $1,000. All insurance obtained by the Owner of each Unit shall, whenever such provisions shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners, the Association or Developer, and their respective servants, agents, employees and guests.

(b) Any Owner who obtains an individual insurance policy covering any portion of the Condominium Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance. In the event casualty insurance maintained by an Owner causes a decrease in the amount of the insurance coverage maintained by the Association for the benefit of all Owners on a casualty loss to the Condominium Property by reason of proration or otherwise, the Owner so maintaining such insurance shall be deemed to have assigned to the Association the proceeds collected on such policy for loss or damage to the Condominium Property and such proceeds shall be paid directly to the Association by the insurer. Any such insurance proceeds shall be applied and distributed by the Association in accordance with this Article VIII.

Section 8.02 Insurance to be Maintained by the Association.

(a) Hazard Insurance. The Association shall obtain and maintain at all times a policy or policies of multi-peril type hazard insurance, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, insuring the Condominium Property against loss or damage by the perils of fire, lightning and those perils contained in extended coverage, vandalism and malicious mischief endorsements, and if the Condominium Property is located in an area identified by the Secretary of Housing and Urban Development as having special flood hazards, the Board shall, to the extent obtainable, insure the insurable property included in the Condominium Property against the perils of flood under the National Flood Insurance Act of 1968 and acts amendatory thereto. The amount of insurance coverage shall be determined on a replacement cost basis in an amount not less than 100% of the then current replacement cost of the improvements which constitute the Condominium Property, including the Common Elements, Limited Common Elements and the Unit as initially sold by Developer (but excluding land, foundations, excavations and other items usually excluded from such insurance coverage). Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association or the Insurance Trustee (hereinafter defined), as trustee for the use and benefit of the individual Owners (without naming them) and their Mortgagees. Periodically, prior to the renewal of any such policy or policies of insurance, the Association may

obtain an opinion or an appraisal from a qualified appraiser for the purpose of determining the full replacement cost of the Common Elements, the Limited Common Elements and the Units for the amount of insurance to be obtained pursuant hereto. The cost of any such opinion or appraisal shall be a Common Expense. All such policies of insurance shall comply with the provisions of Section 8.03 hereof and shall (i) contain standard mortgagee clause endorsements in favor of the Mortgagee or Mortgagees of each Unit, if any, as their respective interest may appear; and (ii) provide that the insurance shall not be invalidated by any act or neglect of any Owner.

(b) Public Liability and Property Damage Insurance. The Association shall obtain and maintain at all times a comprehensive policy or policies of public liability and property damage insurance in such amount (but not less than $1,000,000) and in such form as shall be required by the Association to protect said Association and the Owners of all Units which provide coverage for bodily injury and property damage resulting from the operation, maintenance or use of the Common Elements and Limited Common Elements and for legal liability resulting from employment contracts to which the Association is a party.

(c) Workmen's Compensation Insurance. The Association shall obtain and maintain at all times a policy or policies of workmen's compensation insurance to meet the requirements of the laws of the State of Tennessee.

(d) Fidelity Bonds. The Association shall obtain and maintain fidelity bonds for any person who either handles or is responsible for funds held or administered by the Association naming the Association as the obligee. The amount of the fidelity bond should cover the maximum funds that will be in the custody of the Association, but not less than the sum of three months' assessments on all Units plus the reserve funds of the Association.

(e) Other Insurance. The Association shall obtain and maintain such other insurance coverage as the Board of Directors of the Association, in its sole discretion, may determine from time to time to be in the best interest of the Association and the Owners of all Units.

Section 8.03 Governing Provisions. All insurance obtained and maintained by the Association as provided in Section 8.02 above shall be governed by the following provisions:

(a) All policies shall (i) comply with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association as they shall apply to

condominium loans; and (ii) be written with a company licensed to do business in the State of Tennessee and holding a financial rating of Class V or better and a general policyholders rating of "A" or better by Best's Insurance Reports or other then comparable rating. To the extent that the provisions of this Master Deed with respect to the maintenance of insurance shall conflict with the hazard and casualty insurance requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, then the requirements of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association shall control and such requirements shall be complied with by the Association.

(b) Exclusive authority to adjust all claims under the policies hereafter in force on the Condominium Property shall be vested in the Association or its authorized representatives.

(c) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with the insurance purchased by the individual Owners or their Mortgagees.

(d) The Association shall be required to make every effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the Developer or the Owners;

(ii) An agreement by the insurer that the insurance coverage cannot be terminated or materially changed without thirty (30) days prior written notice to the Association and the Mortgagee of each Unit;

(iii) The insurance coverage will be primary, even if a Unit Owner has other insurance that covers the same loss; and

(iv) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy.

Section 8.04 **Premiums and Deductibles**. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense; except that the amount of increase over the usual premium occasioned by the use, misuse, occupancy or abandonment of a Unit or its appurtenances or of the Common Elements or Limited Common Elements by an Owner shall be assessed against that Owner. Any deductible incurred by reason of a loss or claim under any insurance policy purchased under this Article VIII shall be paid by the Association, unless such loss or claim was caused by any Unit Owner, lessee or guest or invitee thereof or resulted from the use, misuse, occupancy, negligence or abandonment of a

Unit or any portion thereof . In such event the Unit Owner from whose Unit the cause originated, will be responsible for the deductible under the Association's insurance policy.

Section 8.05 **Insurance Trustee**. The Association may engage the services of a bank or trust company authorized to do trust business in the State of Tennessee and having a capital and surplus of not less than $50,000,000 to act on its behalf as an insurance trustee ("Insurance Trustee") and to receive and disburse the insurance proceeds in accordance with the provisions of this Master Deed. In the event the lowest of two bids from reputable contractors for making all repairs required by any such loss shall exceed $100,000, the Association upon written demand of the Mortgagee of any Unit shall engage the services of a bank or trust company to act as Insurance Trustee as aforesaid. The Association, as a Common Expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Whenever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units and their Mortgagees, as their respective interests may appear, or to any other party for repair, replacement or reconstruction of property, the Insurance Trustee may rely upon a certificate of the President and Secretary of the Association, executed under oath, which certificate will be provided to said Insurance Trustee upon request made to the Association. Such certificate is to certify unto said Insurance Trustee the name of the Owner of each Unit, the name of the Mortgagee who may hold a Mortgage encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner of any Unit, and his respective Mortgagee, as their respective interests may appear, or to certify the name of the party to whom payments are to be made for repair, replacement or reconstruction of all or a portion of the Condominium Property. The rights of the Mortgagee of any Unit under any standard mortgage clause endorsement to such policy shall, notwithstanding anything to the contrary therein or in any Mortgage contained, at all times be subject to the provisions hereof with respect to the application of insurance proceeds to reconstruction of the damaged Condominium Property; provided, however, that if the Association or the Insurance Trustee fails to perform all the conditions precedent required by the policy or policies of insurance, and fails to collect the amount of the loss within the time required by law, and the Mortgagee or Mortgagees are required to avail themselves of their rights under the standard mortgage clause to collect the proceeds of the policy or policies of insurance, any amount so collected through the efforts of said Mortgagee or Mortgagees shall be applied as directed by said Mortgagee or Mortgagees. No provision hereof shall entitle an Owner or any other party to any priority over a Mortgagee with respect to the distribution of any insurance proceeds with respect to such Unit.

Section 8.06 **Loss to Common Elements Only**. In the event of the loss of or damage to only Common Elements, real or personal, by reason of fire or other casualties, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or the Insurance Trustee, as the case may be, to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all Units, the distribution to be separately made to the Owner of each Unit and his respective Mortgagee, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the Owner of each Unit and his Mortgagee shall bear the same ratio to the total excess insurance proceeds as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Common Elements appurtenant to all Units. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire or casualty loss or damage payable to the Association or the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall pay, or shall deposit with the Insurance Trustee, as the case may be, a sum, which together with the insurance proceeds received or to be received, if any, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be so paid, or deposited by the Association with the Insurance Trustee, may be paid by the Association out of its reserve for replacement fund and if the amount in such reserve for replacement fund is not sufficient, or if the Board of Directors determines not to use such fund for said purpose, then the Association shall levy and collect an assessment against the Owners of all Units in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

Section 8.07 **Loss to Common Elements, Limited Common Elements and/or Units**. In the event of loss of or damage to Common Elements, Limited Common Elements or any Unit by reason of fire or other casualty, which loss or damage is covered by fire and casualty insurance, the proceeds paid to the Association or Insurance Trustee, as the case may be, to cover such loss or damage, shall be first applied to the repair, replacement or reconstruction of the Common Elements, then to the repair, replacement or reconstruction of the Limited Common Elements and any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any Unit which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the Common Elements, the Limited Common Elements and any Units sustaining any loss or damage, then such excess insurance proceeds shall be paid and distributed by the Insurance Trustee to the Owners of all Units, and to their Mortgagees, as their respective interests may appear. Such distributions are to be made in the manner and in the proportions as are provided

for the distribution of insurance proceeds under Section 8.06 above. If there is no insurance coverage for such loss or damage, or if it appears that the insurance proceeds covering the fire and casualty loss or damage payable to the Association or the Insurance Trustee, as the case may be, are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be sufficient, then the Board of Directors of the Association shall, based on reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction among the Common Elements, the Limited Common Elements and any Units sustaining any loss or damage. If the proceeds of said fire or casualty insurance, if any, are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to the Common Elements and Limited Common Elements, but are not sufficient to repair, replace or reconstruct any loss of or damage to any Units sustaining damage, then the Association shall levy and collect an assessment from the respective Owners of the Units sustaining any loss or damage, and the assessment so collected from said Owners shall be deposited with the Insurance Trustee, so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all Common Elements, Limited Common Elements, and Units. In said latter event, the assessment to be levied and collected from the Owners of the Units shall be apportioned among such Owners in such manner that the assessment levied against each Owner of a Unit shall bear the same proportion to the total assessment levied against all of said Owners of Units sustaining loss or damage as the cost of repair, replacement or reconstruction of each Owner's Unit bears to the cost applicable to all of said Units sustaining loss or damage. If the fire or casualty insurance proceeds, if any, payable to the Association or the Insurance Trustee are not an amount which will pay for the complete repair, replacement or reconstruction of the Common Elements and Limited Common Elements, it being recognized that such insurance proceeds are to be first applied to the payment for repair, replacement or reconstruction of said Common Elements and Limited Common Elements before being applied to the repair, replacement or reconstruction of any Unit sustaining loss or damage, then the cost to repair, replace, or reconstruct said Common Elements and Limited Common Elements in excess of available fire and casualty insurance proceeds shall be levied and collected as an assessment from the Owners of all Units in the same manner as would be levied and collected had the loss or damage sustained been solely to the Common Elements and Limited Common Elements and the fire or casualty insurance proceeds had been insufficient to cover the cost of repair, replacement or reconstruction. The cost of repair, replacement or reconstruction of each Unit sustaining loss or damage shall then be levied and collected by assessment against the Owners of the Units sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between Owners of the Units sustaining loss or damage.

Section 8.08 Estimates of Repair; Plans and Specifications; Payment of Assessments. In the event of loss or damage to Condominium

Property, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost of restoring damaged property to a condition as good as that which prevailed before such loss or damage. The estimate of repair shall be based upon the plans and specifications of the original buildings, as reflected on Exhibit D to this Master Deed as the same may from time to time be amended, or such other plans and specifications as may be approved by the Board of Directors of the Association, by all of the Owners of the damaged Units, and by not less than seventy-five percent (75%) of the Owners of all Units including the Owners of damaged Units. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing the Unit Owners in any proceeding, negotiation, settlement, or agreement arising from any loss or damage to the Condominium Property. Such estimates are to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the Association may deem to be in the best interest of the membership of said Association. Whenever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of repair, replacement or reconstruction thereof, the additional money required to completely pay for such repair, replacement or reconstruction of said loss or damage whether to be paid by all of the Owners of Units or only by the Owners of Units sustaining loss or damage, or both, as herein provided, shall be paid to the Association and deposited with the Insurance Trustee, if any, not later than thirty (30) days from the date on which the Association or the Insurance Trustee, as the case may be, shall receive the monies payable from the policies of fire and casualty insurance.

ARTICLE IX
CONDEMNATION

Section 9.01 **Condemnation Considered a Casualty Loss**. The taking of a portion of a Unit, the Common Elements or the Limited Common Elements by eminent domain shall be deemed to be a casualty loss, and except as otherwise provided in Section 9.02 below, the awards for such taking shall be deemed to be proceeds from insurance on account of the casualty and shall be applied and distributed by the Association in accordance with the provisions of Article VIII. Even though the awards may be payable to the Owners, the Owners shall deposit the awards with the Association or Insurance Trustee, as the case may be; and in the event of failure to do so, in the discretion of the Board of Directors of the Association, a special assessment shall be made against a defaulting Owner in the amount of his award, or the amount of such award shall be set off against the sums hereinafter made payable to such Owner. If any Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Mortgagee of such Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition as provided in Section 7.01, and no provision hereof shall entitle the Owner of such Unit or other party to priority over such Mortgagee with respect to the distribution of any award or settlement to the Owner of the Unit.

Section 9.02 **Partial Condemnation**. In the event that the Condominium Property is not to be terminated and one or more Units are taken in part, the taking shall have the following effects:

(a) If the taking reduces the size of a Unit and the remaining portion of that Unit can be made tenantable, the award for the taking for a portion of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property:

(i) The Unit shall be made tenantable and if the cost of such work exceeds the amount of the award, the additional funds shall be assessed against the Owner of the Unit.

(ii) The balance of the award, if any, shall be distributed to the Owner of the Unit and the Mortgagee of the Unit, as their respective interests may appear.

(iii) If there is a balance of the award distributed to the Owner and the Mortgagee, the share of the Common Elements or Limited Common Elements, if any, appurtenant to the Unit shall be equitably reduced. This shall be done by reducing such share by the proportion which the balance of the award so distributed bears to the market value of the Unit immediately prior to the taking, and then recomputing the shares of all Owners in the Common Elements and the Owners of all Limited Common Elements as percentages of the total of their shares as reduced by the taking.

(b) If the taking destroys or so reduces the size of a Unit so that it may not be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium Property:

(i) The market value of such Unit immediately prior to the taking, shall be paid to the Owner of the Unit and to each Mortgagee of the Unit, as their respective interests may appear.

(ii) The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Owners, in the manner approved by the Board of Directors of the Association; provided, however, that if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be approved in the manner required for further improvement of the Common Elements under Section 5.03 above.

(iii) The shares in the Common Elements and Limited Common Elements appurtenant to the Units which continue as a part of the Condominium Property shall be equitably adjusted to distribute the ownership to the Common Elements among the reduced number of Owners. This shall be done by recomputing the shares of such continuing Owners in the Common Elements as percentages of the total of the shares of such Owners as they exist prior to the adjustment.

(iv) If the amount of the award for taking is not sufficient to pay the market value of the condemned Unit to the Owner and to restore the remaining portion of the Unit in condition for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessments against all of the Owners who will continue as Owners of the Units after the changes in the Condominium Property affected by the taking. Such assessment shall be made in proportion to the share of such Owners in the Common Elements after the changes affected by the taking.

(c) If the market value of a Unit prior to the taking cannot be determined by agreement between the Owner and the Mortgagee and the Association within thirty (30) days after notice by any such party that agreement cannot be reached, such value shall be determined by three independent qualified appraisers with one appraiser to be selected by the Association, one appraiser to be selected by the Owner and Mortgagee, and the third appraiser to be selected by the two appraisers so appointed, and the fair market value of the Unit shall be deemed to be the average of the two appraisals of the fair market value of the Unit made by said appraisers having the least difference in amount. The cost of such appraisal shall be assessed against all Owners in the shares of the Owners in the Common Elements as they existed prior to the changes affected by the taking.

(d) Changes in the Units, in the ownership of the Common Elements and Limited Common Elements, and in the share of liability for Common Expenses and Limited Common Expenses which are affected by eminent domain, shall be evidenced by an amendment of this Master Deed which needs be approved only by a majority of the Board of Directors of the Association.

Section 9.03 Association Appointed As Attorney-In-Fact for Unit Owners. The Association shall be appointed as attorney-in-fact for each Unit Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the condemnation or taking by eminent domain of the Condominium Property or any portion thereof.

ARTICLE X
TERMINATION

Section 10.01 **Destruction of the Condominium Property**.

(a) Notwithstanding anything to the contrary contained in this Master Deed, if the Board of Directors shall determine that either of the following conditions exist;

(i) Two-thirds (2/3) or more of the Units in the Condominium Property shall have been destroyed or substantially damaged by fire or other casualty (including condemnation); or

(ii) The Condominium Property has been in existence in excess of forty (40) years and substantially all of the Units in the structure have substantially deteriorated and have been rendered substantially obsolete;

then the Board of Directors may call a meeting of the members of the Association to consider and vote upon whether to restore, repair and/or rebuild the Condominium Property, and if not, whether to terminate the Master Deed and remove the Condominium Property from the provisions of the Act. If the termination of the Master Deed and the removal of the Condominium Property from the provisions of the Act is approved by the affirmative vote of at least eighty percent (80%) of the Owners of all Units (based upon one vote for each Unit) and by at least sixty-seven percent (67%) of all Mortgagees (based upon one vote for each Mortgage owned) after notice given as provided in Section 7.01 hereof, the Master Deed and plan of condominium ownership established herein shall be subject to termination as provided in the Act and the Association shall be authorized to file on behalf of and in the name of the Unit Owners a petition for such termination and removal with the Circuit Court of Davidson County, Tennessee. If less than eighty percent (80%) of the Owners of all Units and/or less than sixty-seven percent (67%) of the Mortgagees vote in favor of terminating the Condominium Property as herein required, the Condominium Property shall be restored, repaired and/or rebuilt in accordance with the provisions of Sections 8.06, 8.07 and 8.08 above.

(b) In the event that the Circuit Court of Davidson County shall grant the petition for termination of this Master Deed and the plan of condominium ownership as provided in subparagraph (a) above, all of the Owners of Units shall be and become tenants in common as to ownership of the Land and any then remaining improvements thereon. The undivided interest in the Land and remaining improvements, except for Limited Common Elements, held by the Owner of each Unit shall be the same as the

undivided interest in the Common Elements which were formerly appurtenant to such Unit, and the lien of any Mortgage or other encumbrance upon each Unit shall attach to the percentage of undivided interest of the Owner of a Unit in the Land and then remaining improvements as above provided. The Owners of the Limited Common Elements shall have an undivided interest in said Limited Common Elements which is the same as the undivided interest in the Limited Common Elements formerly appurtenant to the Units owned by such Owners, and the lien of any Mortgage or other encumbrance upon such Units shall attach to the undivided interest in the Limited Common Elements. Upon termination of this Master Deed and the plan of condominium ownership established herein, the Owners of all Units still inhabitable shall, within sixty (60) days from the date of grant of the petition, deliver possession of their respective Units to the Association. Upon such delivery of possession, the Owners of inhabitable Units and their respective Mortgagees, as their interests may appear, shall become entitled to participate proportionately together with all Owners of uninhabitable Units in the distribution of proceeds in the possession of the Association or the Insurance Trustee. Upon such termination of this Master Deed and the plan of condominium ownership established herein, the Association or the Insurance Trustee, as the case may be, shall distribute any insurance indemnity which may be due under any policy of casualty insurance to the Owners of the Units and their Mortgagees as their respective interests may appear, such distribution to be made to the Owner of each Unit in accordance with his then undivided interest in the Land and remaining improvements as herein provided. The Land and any remaining improvements thereon shall be subject to all easements of record, except the easements created in the Condominium Documents. The assets of the Association upon termination of the plan of condominium ownership created by this Master Deed shall then be distributed to the Owner of each Unit and his Mortgagee, as their respective interests may appear, in the same manner as is above provided for the distribution of any final insurance indemnity.

Section 10.02 **Termination by Consent**. Except in the event of this Master Deed and plan of condominium ownership established herein being terminated as provided above, this Master Deed and said plan of condominium ownership may only be otherwise terminated by the consent of all of the Owners of all Units and all parties holding Mortgages, liens or other encumbrances, against any of said Units in which event the termination of the Condominium Property shall be evidenced by a deed in compliance with the Act, executed in writing by all of the aforesaid parties in recordable form, and such instrument shall be recorded in the Register's Office for Davidson County, Tennessee.

Section 10.03 **The Association Appointed as Attorney-In-Fact for Unit Owners**. The Association shall be appointed as attorney-in-fact for each Unit

Owner for the purpose of representing such Unit Owners in any proceeding, negotiation, settlement or agreement arising from the termination of this Master Deed and plan of condominium ownership established herein.

ARTICLE XI
AMENDMENT

Section 11.01 **Amendments by Developer**. Without limiting the rights of the Developer to alter the plans as described in Section 2.02 above, and notwithstanding any other provision herein contained, the following provisions shall be deemed to be in full force and effect, none of which shall be construed as to relieve the Developer from any obligations as a Unit Owner to pay assessments as to Units owned by it in accordance with the Condominium Documents.

(a) The Developer reserves the right to amend the By-Laws of the Association until such time as Developer relinquishes control of the Association as provided in Section 12.01 below.

(b) The Developer reserves the right to amend this Master Deed so long as there is no Unit Owner other than the Developer.

(c) The Developer reserves the right at any time to amend this Master Deed without the consent of other Owners if required by any Mortgagee as a condition of making a loan secured by an interest in a Unit in order to meet the requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; provided that any such changes or amendments requested by a Mortgagee shall not materially affect the rights of the Unit Owners or the value of the Condominium Unit or the undivided interest in the Common Elements or Limited Common Elements, if any, attributable to each Unit Owner.

Section 11.02 **Amendments by Unit Owners**. At such time as there is a Unit Owner other than the Developer, then, in addition to the amendments permitted under Section 11.01 above, the Master Deed may be amended in the following manner:

(a) A proposal to amend this Master Deed may be considered at any meeting of the members of the Association called for that purpose in accordance with the provisions of the By-Laws; provided that the Association provides prior written notice of such meeting to the Mortgagees as provided in Section 7.01 above. The proposal to amend the Master Deed must be approved by the affirmative vote of the members representing not less than sixty-seven percent (67%) of the total allocated votes of the Association and by the affirmative vote of the Mortgagees representing fifty-one percent (51%) of the total allocated votes of the Units subject to Mortgages to the extent the approval of Mortgagees are required for such amendment by the then

requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) Notwithstanding the foregoing, no amendment to the Master Deed under this Article XI shall:

(i) change a Unit, including the ownership in Common Elements, responsibility for Common Expenses and voting rights, without the prior written approval of the Unit Owner or Unit Owners so affected and prior written approval of the holders of record of any mortgage or other liens on the Unit or Units so affected; or

(ii) change, impair or prejudice the rights of Developer or change the provisions of this Master Deed with respect to the Developer's rights hereunder without Developer's prior written approval.

Section 11.03 **Effectiveness of Amendments**. A copy of each amendment so adopted shall be certified by the President or a Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and shall be effective when recorded in the Office of the Register of Deeds of Davidson County, Tennessee.

ARTICLE XII
CONTROL OF THE ASSOCIATION

Section 12.01 **Election of Board of Directors**. Developer, its successors or assigns, shall elect the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill the vacancies, until no later than the earlier of either (a) sixty (60) days after 75% of the total number of Units have been conveyed to purchasers of Units, or (b) three (3) years have elapsed from the conveyance of the first Unit to a purchaser thereof ("Termination of Control"); provided that the Developer may, at its option, terminate its control of the Association at an earlier date. Notwithstanding the foregoing, within ninety (90) days after conveyance of 50% of the Units to Unit Owners other than Developer, not less than 33 and 1/3% of the members of the Board shall be elected by the Unit Owners. The Developer shall be entitled to elect at least one 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 Unit within the Condominium.

Section 12.02 **Notice of Meeting**. Within sixty (60) days after the date of Termination of Control of the Association by the Developer, the Association shall call and give not less than ten (10) days nor more than thirty (30) days notice of a meeting of the Unit Owners for the purpose of electing the members of the Board of

Directors of the Association. Such meeting shall be called and the notice given in accordance with the By-Laws.

Section 12.03 **Status of Unsold Units**.

(a) Developer shall be deemed to be the Owner of each Unit which has not been conveyed to a person other than the Developer. Unless otherwise provided in the Condominium Documents, the Developer shall be entitled to all rights and privileges available to, and shall be subject to any and all obligations and duties imposed upon, the Owner of any such Unit under the Condominium Documents.

(b) Any person having a first mortgage lien against any Unit which has not been conveyed to a person other than Developer, whether under a blanket mortgage affecting the Condominium Property generally or under a mortgage on one or more specific Units, shall be deemed to be a Mortgagee with respect to any such Unit, and shall be entitled to all rights and privileges available to a Mortgagee of any such Unit under the Condominium Documents so long as the Mortgagee has give notice to the Association that it is a Mortgagee.

Section 12.04 **Professional Management and Other Contracts**. Any agreement entered into by the Association prior to the passage of control of the Association from the Developer pursuant to Section 12.01 above (including contracts for professional management of the Condominium Property, whether it be the Developer, its successors and assigns, or any other person or entity) shall provide the following:

(a) The Association shall have the right of termination which is exercisable without penalty any time upon not more than ninety (90) days' written notice to the other party thereto; and

(b) The Association shall have a right of termination for cause which is exercisable without penalty at any time upon not more than thirty (30) days' written notice to the other party thereto.

ARTICLE XIII
MISCELLANEOUS

Section 13.01 **Rights and Powers of Successors and Assignees**. The rights and powers reserved to or exercisable by the Developer under the Condominium Documents or the Act may be exercised by any successor or assignee of the Developer to whom the Developer specifically assigns such rights and powers by written instrument recorded in the Register's Office for Davidson County, Tennessee.

Section 13.02 **Headings**. The captions herein are used solely as a matter of convenience and shall not define, limit or expand any term or provision of this Master Deed.

Section 13.03 **Gender/Number**. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural, and any gender shall be deemed to include all genders.

Section 13.04 **Exhibits. Exhibits A, B, C, D, E, F and G attached to this Master Deed are an integral part of this Master Deed.**

Section 13.05 **Invalidity and Severability**. It is the intention of the Developer that the provisions of this Master Deed are severable so that if any provision is invalid or void under any applicable federal, state or local law or ordinance, decree, order, judgment or otherwise, the remainder shall be unaffected thereby.

Section 13.06 **Interpretation**. The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

IN WITNESS WHEREOF, the Developer has executed this Master Deed on the day and year first above written.

EAST END LOFTS, LLC,
a Tennessee Limited Liability Company

By: _____

Its: Chief Manager

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared W. Fred Williams, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Chief Manager of East End Lofts, LLC, the within named bargainor, a Tennessee limited liability company, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Chief Manager.

Witness my hand and seal, at office in Nashville, Tennessee, this the 2nd day of August, 2006.

Jeanette L. Ramer
NOTARY PUBLIC

My Commission Expires: 7/21/07

JEANETTE L. RAMER
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.

EXHIBIT A

LEGAL DESCRIPTION

Land in Davidson County, Tennessee, beginning at a point of the southerly margin of Woodland Street and the northwesterly corner of the Stafford Partners Property of record as Instrument No. 20000630-0065012, Register's Office for Davidson County, Tennessee, more particularly described as follows:

Thence South 28 deg. 14 min. 35 sec. East, 169.92 feet to a point; thence South 61 deg. 44 min. 43 sec. West, 260.00 feet to a point; thence North 28 deg. 15 min. 39 sec. West, 170.00 feet to a point; thence North 61 deg. 45 min. 43 sec. East 260.05 feet to the point of beginning, containing 44,194.64 square feet, or 1.01 acres, according to a Survey prepared by Volunteer Surveying, 2814 Foster Avenue, Nashville, TN 37210-5310, dated November 21, 2002.

Being the same property conveyed to East End Lofts, LLC by deed from Bristol East End Partners, LLC recorded under Instrument No. 20060215-0018167, said Register's Office.

EXHIBIT B

BY-LAWS
OF
EAST END LOFTS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Members
(Unit Owners)

Section 1. Eligibility. The Members of East End Lofts Condominium Association, Inc., a Tennessee not-for-profit corporation (the "Association"), shall consist of the respective Unit Owners of the Property known as East End Lofts Condominium, located at 926 Woodland Street, Davidson County, Nashville, Tennessee (called "Property"), in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners (these and other terms are used in these By-Laws as they are defined in the Master Deed for East End Lofts Condominium, which Master Deed is recorded in the Register's Office for Davidson County, Tennessee. The words "member" or "members" as used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Master Deed). If a Unit Owner is a trust, then the member shall be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner or beneficiary.

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

Section 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board, provided, however, that said First Meeting shall be held not less than thirty (30) days and not more than sixty (60) days after the date of recording of the within By-Laws and Master Deed. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year within thirty (30) days of the anniversary of the First 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 twelve (12) days prior to the date of such meeting.

Section 4. Special Meetings. Special Meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by Unit

Owners having at least fifty percent (50%) of the votes entitled to be at such meeting. Said Special Meetings shall be called by delivering written notice to all Unit Owners not less than twelve (12) days prior to the date of said meeting, stating the date, time and place of said Special Meeting and the matters to be considered.

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

Section 6. Voting. The aggregate number of votes for all members of the Association shall be equal to each Unit Owner's respective percentage of ownership interests in the Common Elements as shown on Exhibit E to the Master Deed. If any Unit Owner consists of more than one 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 person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The Developer may exercise the voting rights with respect to Units owned by it.

No Unit Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote hereunder 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 their agent, within fifteen (15) days after receipt of notice of assessment. A Unit Owner may protest the amount of the assessment, but it still must be paid during the pendency of the 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 thirty (30) percent of the votes entitled to be cast at such meeting.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to in the Horizontal Property Act of the State of Tennessee as the "board of administrators," and sometimes referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "directors"). Directors shall be deemed to be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that the first directors (hereinafter called "members of the First Board") shall be appointed by the Developer. Those candidates for election as director receiving the greatest number of votes cast either in person or by proxy at the meeting shall be elected. Every director, except for members of the First Board, shall hold office for the term of two (2) years and until his successor shall be elected and qualified. One (1) member of the First Board shall hold office until the first regular annual meeting of Association members, one (1)

member of the First Board shall hold office until the second regular annual meeting of Association members, and one (1) member of the First Board shall hold office until the third regular annual meeting of Association members. The Board may change the number of directors (in the discretion of the then existing Board) from time to time.

Section 2. Qualification. Except for members of the First Board, each director shall be a Unit Owner, spouse of a Unit Owner or an officer, trustee or manager of a Unit Owner that is not a natural person. If a Director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

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

Section 4. Meetings. A regular annual meeting of the Board shall be held within seven (7) days following the regular annual meeting of Unit Owners. Special Meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 5. Removal. Any director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Elements.

Section 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by the Unit Owners.

Section 7. Quorum. A majority of the directors shall constitute a quorum of the Board.

Section 8. Powers and Duties.The Board shall have the following powers and duties:

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

(b) to administer the affairs of the Association as hereinafter provided;

(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 of the 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 thereof;

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

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to 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 estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(k) to enter into any lease agreement for lease of any Unit owned or leased by the Association upon such terms as the Board may approve;

(l) unless otherwise provided herein or in the Master Deed, to comply with the instructions of a majority of the Unit Owners as expressed in

a resolution duly adopted at any annual or Special Meeting of the Unit Owners;

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

Section 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners. Except as expressly authorized by the Act or the Master Deed or these By-Laws, the Directors and Officers may not enter into any contractual agreement, or bind the Association or any Unit Owner, or sue or be sued in any capacity other than in its operating or management capacity.

ARTICLE III

Officers

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

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

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; the office of Secretary and Treasurer may be held by one person;

(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 duly adopted by the Unit Owners.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year 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 the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, 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. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements. The Board may determine different allocations with respect to a part of such charges whenever it appears to the Board that such an allocation would be unfair. The allocations shall

be applied uniformly to all Owners of like situations. The allocation of the Board shall be final and binding upon all parties. 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 as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

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

Section 4. Annual Report. Within forty-five (45) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, 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 and limited common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Contracts. The Board shall not enter into any contract for more than three (3) years without a ninety (90) day cancellation clause

Section 7. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the Common Expenses and Limited Common Expenses

incurred. Payment vouchers may be approved in such manner as the Board may determine.

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

Section 8. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance 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 Ownership. 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 attorneys' fees, incurred by reason of such lien.

Section 9. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages of the Unit Owners as from time to time existing.

ARTICLE V

Contractual Powers

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

(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 corporation 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 VI

Amendments

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

ARTICLE VII

Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board and Developer, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members or Developer, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members or Developer, 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 other, in which any such director, officer, Board, committee member or Developer may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Developer; provided, however, that such indemnity shall not be operative with respect to:

(a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Developer, or

(b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Developer.

Section 2. Success on Merits. To the extent that the Developer or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Article VII, Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' 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 of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Developer, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Developer, 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 the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, Developer or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, members of such committees, Developer or the Managing Agent, as the case may be, are acting only as agents for the 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 this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Developer or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE VIII

Mortgages

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

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

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

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

ARTICLE IX

Definition of Terms

The terms used in these By-Laws, to the extent they are defined therein, shall have the same definition as set forth in the Master Deed Establishing East End Lofts Condominium, which Master Deed is recorded in the Register's Office for Davidson County, Tennessee.

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

ARTICLE X

Conflicts

These By-Laws 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 By-Laws to control in specific situations where such law allows. In case any of the By-Laws conflict with the provisions of said statute or of the Master Deed, the provisions of said statute or of the Master Deed, as the case may be, shall control.

EXHIBIT C

CHARTER
OF
EAST END LOFTS CONDOMINIUM ASSOCIATION, INC.

The undersigned, acting as incorporator of a nonprofit corporation under the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated, §§ 45-51-101, *et seq.* (the "Act") adopts the following Charter for such Association:

FIRST: The name of the corporation shall be **EAST END LOFTS CONDOMINIUM ASSOCIATION, INC.**, hereinafter referred to as the "Association."

SECOND: The period of its duration is perpetual.

THIRD: This Association is a mutual benefit corporation not organized for profit and the purpose for which the Association is organized is to provide an entity pursuant to the Tennessee Horizontal Property Act, Tennessee Code Annotated §§ 66-27-101, *et seq.* for the operation, management, maintenance, control and administration of **EAST END LOFTS CONDOMINIUM**, located in Nashville, Davidson County, Tennessee (the "Condominium".)

FOURTH: The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all the common law and statutory powers of a nonprofit corporation and the powers designated under the Tennessee Horizontal Property Act which are not in conflict with the terms of this Charter or the Master Deed of East End Lofts Condominium (the "Master Deed"), as they may be amended from time to time, including but not limited to the following (capitalized terms shall have the meaning as set forth in the Master Deed):

1. To acquire, hold, lease, manage, mortgage or convey real, personal or mixed property wherever situated, including without limitation, Units in the Condominium.

2. To make and collect assessments against the members as provided in the Master Deed to defray the costs, expenses and losses of the Condominium or any other business enterprise, venture or property interest of the Association, and to use the proceeds of the assessments in the exercise of the powers and duties herein provided.

3. To borrow funds to pay for such expenditures as may be authorized by the provisions of the Master Deed and to assign as security for said loan rights to future income of the Association through assessments.

4. To maintain, repair, replace, clean, sanitize and operate the property of the Condominium or the property of the Association.

5. To purchase insurance for the protection of the Condominium and the Association and its members.

6. To make and amend reasonable Rules and Regulations respecting the use of the property of the Condominium or the property of the Association.

7. To lease or grant easements or licenses for use of the Common Elements of the Condominium in a manner not inconsistent with the rights of owners of Units in the Condominium.

8. To enforce by legal means the provisions of the Tennessee Horizontal Property Act, the Master Deed, the Charter and By-Laws of the Association, and the Rules and Regulations for the use of the property of the Condominium or the Association.

9. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required to be performed by the Association.

10. The objects and purposes set forth in Article Three of this Charter shall be construed as powers as well as objects and purposes, and the Association shall have and may exercise such powers as if such powers were set forth in full herein.

11. The Association shall have and may exercise all powers as shall enable it to do each and every thing necessary, suitable, convenient, expedient or proper for the accomplishment of any or all purposes and the attainment of any or all objects set forth in Article Three.

12. The Association shall have and may exercise all powers set forth in any other Article of this Charter, the Act or the Tennessee Horizontal Property Act, Tennessee Code Annotated, §§ 66-27-101, *et seq.*

B. All funds and title of properties acquired by the Association and the proceeds therefrom shall be held in trust for the members in accordance with the provisions of the Master Deed and the By-Laws of the Association.

FIFTH: The members of the Association shall consist of all of the record owners of Units in the Condominium and after termination of the Condominium shall consist of those who are members at the time of such termination and their heirs, successors and assigns. Membership in the Association shall be evidenced by a deed or other instrument establishing a record title to a Unit in the Condominium recorded in the Register's Office for Davidson County, Tennessee. Upon such

recordation, the Owner of the Unit designated by such instrument shall become a member of the Association and the membership of the prior Owner shall be terminated. The share of a member in the funds or assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the Unit. The exact number of votes to be cast by Owner(s) of a Unit and the manner of exercising voting rights shall be determined by the Master Deed and the By-Laws of the Association.

SIXTH: The affairs of the Association shall be managed by a Board of Directors consisting of the number of directors as shall be determined by the By-Laws. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

Notwithstanding the provisions set forth in this Article Sixth, East End Lofts, LLC (the "Developer"), its successors and assigns, shall control by appointing and renewing officers and members of the Board until such time as (a) sixty (60) days have elapsed since 90% of the Units in the Condominium have been conveyed to purchasers of Units other than the Developer, (b) three (3) years have elapsed from the conveyance of the first Unit to a person other than the Developer, or (c) the Developer elects, at its option, to terminate control of the Association, whichever first occurs. Not later than ninety (90) days after conveyance of 50% of the Units to Unit Owners other than Developer, not less than 33 1/3% of the members of the Board may be elected by the Unit Owners. The Developer shall be entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least one Unit. Within sixty (60) days after the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10) nor more than thirty (30) days notice of a special meeting of the membership for the purpose of electing the members of the Board of Directors.

The initial Board of Directors shall have three (3) Directors. The names and addresses of the members of the Board of Directors who shall hold office until their successors are elected and have qualified, or until such Directors are removed, are as follows:

NAME	ADDRESS
Ashlyn Hines	325 Seaboard Land, Suite 190 Franklin, TN 37067
Louise Bairnsfather	325 Seaboard Land, Suite 190 Franklin, TN 37067
W. Fred Williams	138 Second Avenue North, Suite 300 Nashville, TN 37201

Any director may be removed, either with or without cause, at any time, by a two thirds vote of all persons present in person and entitled to vote at a meeting of the Unit Owners at which a quorum is present, other than a director appointed by Developer, the vacancy in the Board caused by any such removal may be filled by the members at such meeting or at any subsequent meeting in the manner prescribed in the By-Laws for the filling of vacancies on the Board.

SEVENTH: The address of the Association's initial registered office and principal office is 138 Second Avenue North, Suite 300, Nashville, Davidson County, TN 37201 and the name of its initial registered agent is W. Fred Williams, with the same address.

EIGHTH: The Association shall have the right to indemnify each person who shall serve as a director, officer, employee, or agent of the Association, or shall serve at the request of the Association in a similar capacity with another association, joint venture, trust, or other enterprise, to the extent to which this Association is granted the power to so indemnify such persons by any and every statute of the State of Tennessee or act of the Legislature of the State of Tennessee.

NINTH: No contract or other transaction between the Association and any person, firm, association or association and no other act of the Association shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the Association are directly or indirectly, pecuniarily or otherwise interested in such contract, transaction or other act, or related to or interested in (either as director, stockholder, officer, employee, member or otherwise) such person, firm, association or association. Any director of the Association individually, or any firm or association of which any director may be a member of, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Association, provided that the fact that he, individually, or such firm or association, is so interested, shall be disclosed or known to the Board of Directors or a majority of the members thereof as shall be present at any meeting of the Board of Directors, or of any committee of directors having the powers of the full Board, at which action upon any such contract, transaction or other act is taken; and if such fact shall be so disclosed or known, any director of the Association so related or otherwise interested may be counted in determining the presence of a quorum at any meeting of the Board of Directors, or of such committee, at which action upon any such contract, transaction or act shall be taken, and may vote with respect to such action with like force and effect as if he were not so related or interested. Any director of the Association may vote upon any contract or other transaction between the Association and any affiliated association without regard to the fact that he is also a director of such affiliated association.

TENTH: Upon the dissolution of the Association, the assets of the Association shall be distributed to the members in the same manner as provided in the Master Deed for the distribution of the property subject thereto upon

termination of the Condominium to the extent that such dissolution is not inconsistent with the provisions of the Act.

ELEVENTH: The Association reserves the right to amend, alter, change or repeal any provision contained in this Charter in the manner now or hereafter provided by law, and all rights conferred upon officers and directors herein are granted subject to this reservation.

TWELFTH: The name and address of the incorporator are:

Stephen C. Baker
Waller Lansden Dortch & Davis LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219

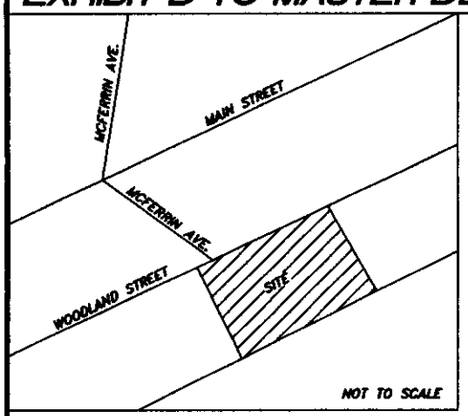
WHEREFORE, this incorporator files this Charter and tenders to the Secretary of State of Tennessee the lawful fees and charges, and prays that this Charter may be examined and approved, and that the Association may be deemed to be incorporated for the purposes herein set out on this 2nd day of August, 2006.

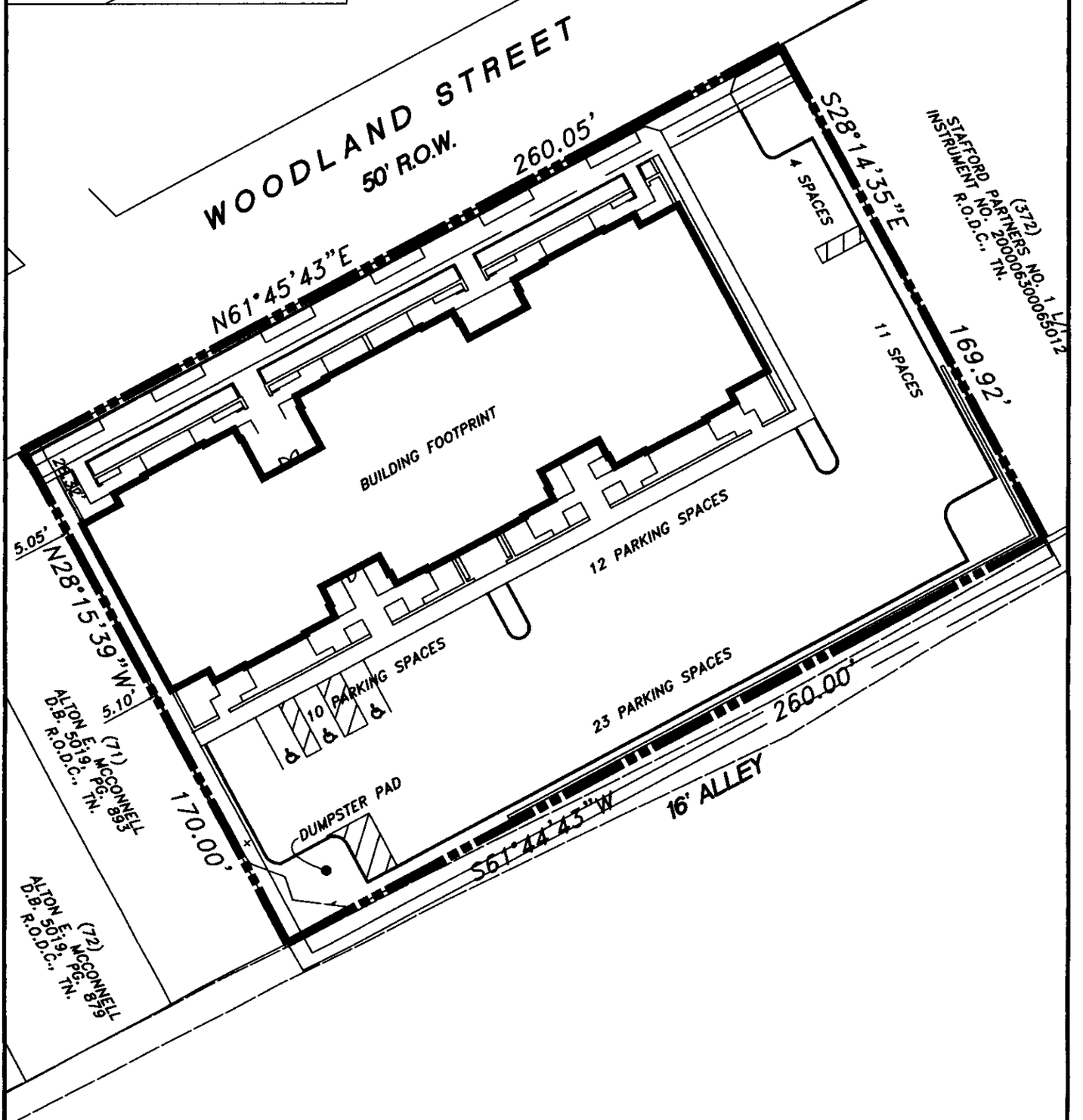
Stephen C. Baker

EXHIBIT D

PLAT OF EAST END LOFTS CONDOMINIUM

EXHIBIT D TO MASTER DEED ESTABLISHING EAST END LOFTS CONDOMINIUM





INDEX - STREET ADDRESS

▨ = NO PARKING AREA

SHEET 1 OF 6

EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

prepared by:

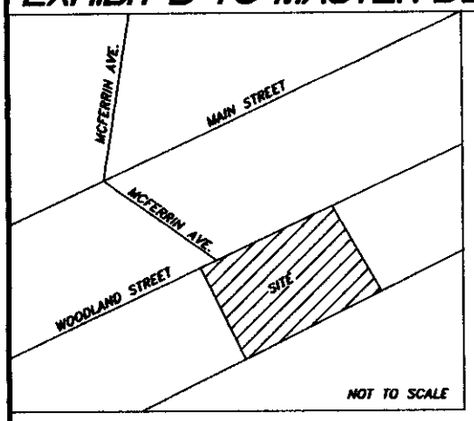
VOLUNTEER LAND SURVEYING SERVICES

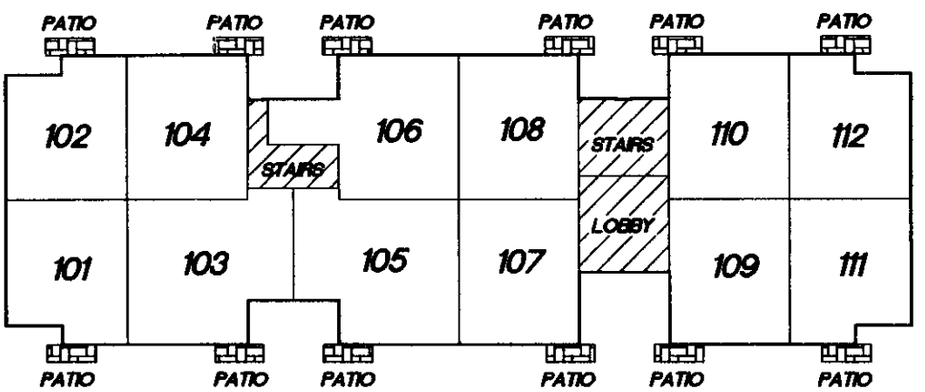
P. O. BOX 100310, NASHVILLE, TN 37224-0310

SCALE: 1"=40' | PHONE 385-5588 / FAX 385-0840 | FILE NO. 25056

PHILIP E. HOLMES JR. REGISTERED LAND SURVEYOR TENNESSEE NO. 1728

EXHIBIT D TO MASTER DEED ESTABLISHING EAST END LOFTS CONDOMINIUM





FIRST FLOOR PLAN
THE STAIRS, HALLWAYS AND LOBBY ARE COMMON ELEMENTS.
THE BALCONIES, PATIOS AND TERRACES ARE LIMITED COMMON ELEMENTS.

EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

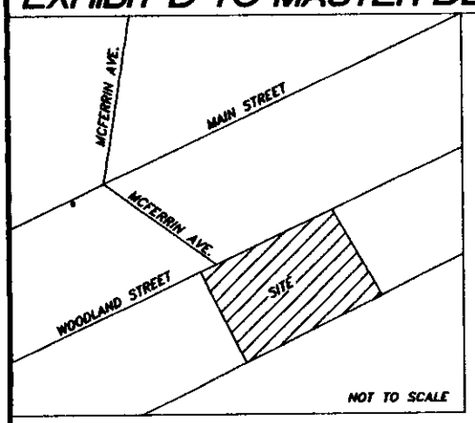
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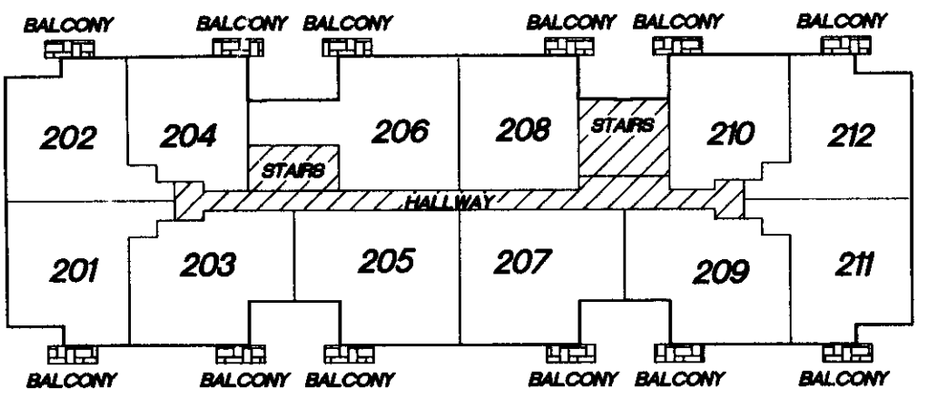
VOLUNTEER LAND SURVEYING SERVICES
P. O. BOX 100310, NASHVILLE, TN 37224-0310
PHONE 385-5588 / FAX 385-0840

SCALE: 1"=40' | FILE NO. 25056

PHILLIP E. HOLMES JR. REGISTERED LAND SURVEYOR TENNESSEE NO. 1728

EXHIBIT D TO MASTER DEED ESTABLISHING EAST END LOFTS CONDOMINIUM





SECOND FLOOR PLAN
THE STAIRS, HALLWAYS AND LOBBY ARE COMMON ELEMENTS.
THE BALCONIES, PATIOS AND TERRACES ARE LIMITED COMMON ELEMENTS.

EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

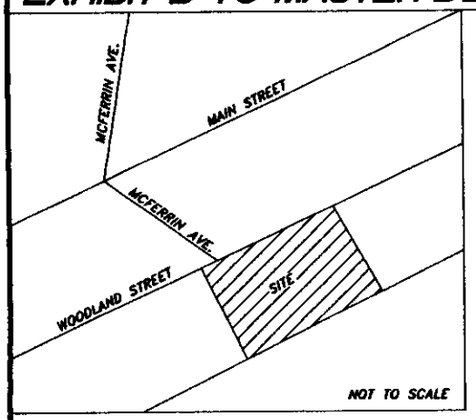
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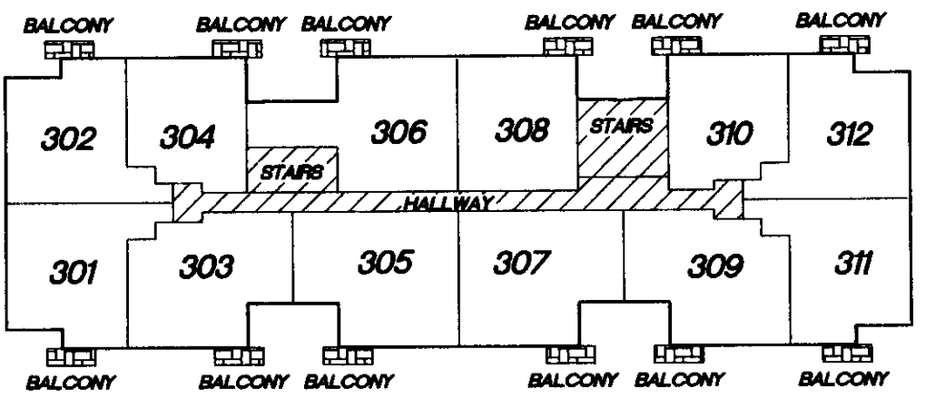
VOLUNTEER LAND SURVEYING SERVICES
P. O. BOX 100310, NASHVILLE, TN 37224-0310
PHONE 385-5588 / FAX 385-0840

SCALE: 1"=40' | FILE NO. 25056

PHILIP E. HOLMES JR. REGISTERED LAND SURVEYOR AGRICULTURE COMMERCE TENNESSEE NO. 1728

EXHIBIT D TO MASTER DEED ESTABLISHING EAST END LOFTS CONDOMINIUM





THIRD FLOOR PLAN
THE STAIRS, HALLWAYS AND LOBBY ARE COMMON ELEMENTS.
THE BALCONIES, PATIOS AND TERRACES ARE LIMITED COMMON ELEMENTS.

EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

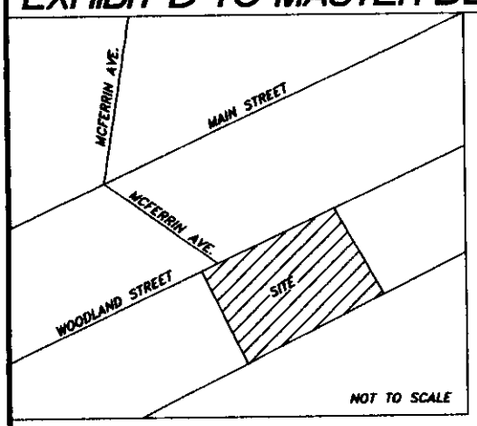
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P. O. BOX 100310, NASHVILLE, TN 37224-0310
PHONE 385-5588 / FAX 385-0840

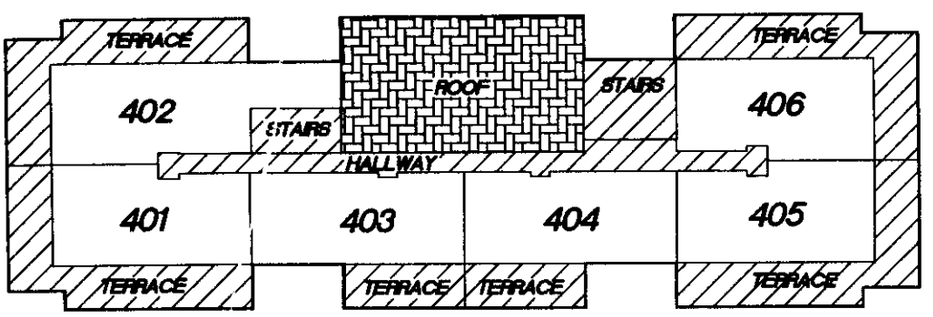
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FILE NO. 25056

PHILLIP E. HOLMES JR. REGISTERED LAND SURVEYOR TENNESSEE NO. 1728

EXHIBIT D TO MASTER DEED ESTABLISHING EAST END LOFTS CONDOMINIUM





FOURTH FLOOR PLAN
THE STAIRS, HALLWAYS AND ROOF ARE COMMON ELEMENTS.
THE BALCONIES, PATIOS AND TERRACES ARE LIMITED COMMON ELEMENTS.
THE TERRACES FOR UNITS ON THE FOURTH FLOOR ALSO SERVE AS THE ROOFS ABOVE THE THIRD FLOOR UNITS. THE SURFACES OF THE FOURTH FLOOR TERRACES ARE LIMITED COMMON ELEMENTS APPURTENANT TO THE UNIT SERVED BY SUCH TERRACE. THE STRUCTURES OF THE TERRACES SERVING AS THE ROOF FOR THE THIRD FLOOR UNITS ARE COMMON ELEMENTS.

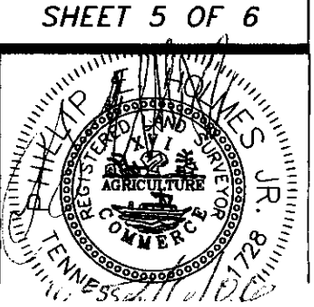
EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

prepared by:

VOLUNTEER LAND SURVEYING SERVICES

P. O. BOX 100310, NASHVILLE, TN 37224-0310



UNIT	SQ. FT.
101	811
102	811
103	1040
104	770
105	1085
106	1009
107	821
108	821
109	770
110	770
111	811
112	811
201	848
202	848
203	945
204	736
205	1003
206	1033
207	1003
208	791
209	945
210	736
211	848
212	848
301	848
302	848
303	945
304	736
305	1003
306	1033
307	1003
308	791
309	945
310	736
311	848
312	848
401	736
402	945
403	791
404	791
405	736
406	736

UNIT AREAS

EAST END LOFTS CONDOMINIUM

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

prepared by:

VOLUNTEER LAND SURVEYING SERVICES

P. O. BOX 100310, NASHVILLE, TN 37224-0310

PHONE 385-5588 / FAX 385-0840

SCALE: 1"=40'

FILE NO. 25056

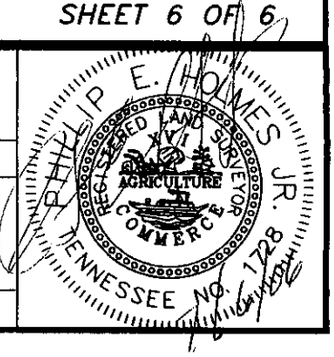


EXHIBIT E

PERCENTAGE OF EACH UNIT'S UNDIVIDED OWNERSHIP INTEREST IN THE COMMON ELEMENTS AND VOTING PERCENTAGE

UNIT	TYPE	SQ. FT.	%
101	J	811	2.2383%
102	J	811	2.2383%
103	M	1,040	2.8703%
104	K	770	2.1251%
105	N	1,085	2.9945%
106	P	1,009	2.7848%
107	L	821	2.2659%
108	L	821	2.2659%
109	K	770	2.1251%
110	K	770	2.1251%
111	J	811	2.2383%
112	J	811	2.2383%
201	A	848	2.3404%
202	A	848	2.3404%
203	D	945	2.6081%
204	B	736	2.0313%
205	E	1,003	2.7682%
206	F	1,033	2.8510%
207	E	1,003	2.7682%
208	C	791	2.1831%
209	D	945	2.6081%

210	B	736	2.0313%
211	A	848	2.3404%
212	A	848	2.3404%
301	A	848	2.3404%
302	A	848	2.3404%
303	D	945	2.6081%
304	B	736	2.0313%
305	E	1,003	2.7682%
306	F	1,033	2.8510%
307	E	1,003	2.7682%
308	C	791	2.1831%
309	D	945	2.6081%
310	B	736	2.0313%
311	A	848	2.3404%
312	A	848	2.3404%
401	V	736	2.0313%
402	U	945	2.6081%
403	W	791	2.1831%
404	W	791	2.1831%
405	V	736	2.0313%
406	V	736	2.0313%
% of Ownership		**36,233**	**100.0000%**

EXHIBIT F

EASEMENTS AND RESTRICTIONS OF RECORD

1. Taxes and assessments for 2006 and subsequent years, a lien but not yet due and payable.

2. Subject to all zoning regulations, building restrictions, setback lines, easements and rights of way for public utilities applicable to this property.

3. Matters shown on plan of record in Book 21, Page 70 and in Book 21, Page 143 in the Register's Office for Davidson County, Tennessee.

EXHIBIT G

RULES AND REGULATIONS
OF
EAST END LOFTS CONDOMINIUM ASSOCIATION, INC.

Section 1. Condominium Documents: These rules and regulations shall be supplementary and in addition to the provisions of the Master Deed establishing EAST END LOFTS CONDOMINIUM and the Charter and By-Laws of East End Lofts Condominium Association, Inc. Capitalized terms used in these Rules and Regulations are as defined in the Master Deed establishing East End Lofts Condonomium. The Board of Directors may alter, amend, delete or change these Rules and Regulations at any time upon a majority vote thereof.

Section 2. Use: The Units shall only be used for private residential use. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a residential Unit Owner from:

(a) Maintaining a personal or professional library in his or her Unit;

(b) Keeping personal business or professional records or accounts therein; or

(c) Handling personal business or professional telephone calls or correspondence therefrom.

Such uses are expressly declared customary and incidental to the principal residential use and shall not be deemed a violation of these restrictions. All use of the Condominium Property and any Unit therein shall conform to applicable zoning ordinances, and all other laws and regulations of State, County and Municipal authorities having jurisdiction.

The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the persons residing therein and their respective family members, guests, invitees, household help and other authorized visitors, and for other purposes incidental to the designated use of the respective Common Elements. Designated walkways and paved areas shall be used at all times and shortcuts shall be avoided both to prevent accidents and to preserve the appearance of planted areas. The sidewalks, driveways and parking areas must not be obstructed or encumbered or used for any purpose other than access, ingress, egress and for parking. Bicycles, tricycles and skateboards shall not be stored or used on the Common Elements or Limited Common Elements, except for egress and ingress, and except in areas, if any, designated by the Association for this purpose. The Association, the Board of Directors and their authorized employees, agents and

representatives shall have such access to any Unit as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the Common Elements or Limited Common Elements, the Units or any portion thereof. Any alteration or repair of the Common Elements or Limited Common Elements is the responsibility of the Association, except for those matters which are stated in the Master Deed to be the responsibility of the Unit Owner. No part of the Common Elements or Limited Common Elements shall be used for commercial activities of any character, including solicitation of business.

Section 3. Nuisances: No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit, the Common Elements, the Limited Common elements, or elsewhere on the Condominium Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise, light or other disturbance to others. Offensive or strong odors, including cigar and cigarette smoke, shall not be allowed to permeate the property to the extent that they constitute a nuisance to any Unit Owner, but rather offensive or strong odors should be properly and effectively ventilated, as shall be determined at the discretion of the Board of Directors. All radios, televisions, phonographs, musical instruments or other items which cause noise shall be maintained at a level that does not annoy or interfere with other Unit Owners' or tenants' enjoyment of the Property.

Section 4. Maintenance and Repair: Each Unit Owner shall maintain his Unit in good condition and in good order and repair and shall not do or allow anything to be done therein which may increase the rate or cause the cancellation of insurance on any Unit or the Common Elements. No structural alteration, construction, addition or deletions of any Unit, the Limited Common Elements or the Common Elements shall be made by the Unit Owners except with the prior written consent of the Board of Directors. Proposed alterations in the residential Units which cost $1,000 or more shall first require that a deposit in the amount of $1,000 be posted with the Management Company, which will be applied toward any damage to the Common Elements or Limited Common Elements, in addition to a copy of the proper building permits from the applicable authorities, as required, and proof of contractor liability insurance. All work shall be performed during normal business hours.

Section 5. Trash Disposal: Trash, garbage and other waste shall be disposed of only in designated areas and in containers and bags specified from time to time by the Board or Management Company. All refuse shall be disposed of in a clean and sanitary manner in sealed, waterproof bags, so as to avoid leakage in route to the refuse receptacles.

Section 6. Rights of Developer: Until all of the Units have been sold and occupied by Purchasers or tenants, the Developer may use and show one or more of such unsold or unoccupied Units as model Units or sales office, and may maintain

customary signs in connection therewith notwithstanding the provisions of Section 9 of these Rules and Regulations.

Section 7. Storage: Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, firewood, clothing and other articles, shall not be stored or kept in the Common Elements or Limited Common Elements. All storage will be confined to the Unit. No flammable materials may be stored in any portion of the buildings. Hanging baskets, wind chimes or any other such items shall not be hung on the ceiling, railing or walls of the balconies, patios or terraces of any Units and no ornaments, chairs, tables, benches, planters or statues will be allowed outside the entrance door of the Unit. No clothing, rugs, sheets, blankets, or other laundry articles shall be hung or exposed from the balconies, patios, terraces or windows or hung in the Common Elements.

Section 8. Pets:

8.1 The maintenance, keeping, breeding, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and are hereby prohibited within any Unit, or upon any Common Elements, except that this shall not prohibit residents from keeping no more than two (2) well-behaved, orderly dogs, cats and/or caged birds or other domestic pets, provided they are not kept or maintained for commercial purposes or for breeding.

8.2 Pets shall not be allowed on any part of the Common Elements or Limited Common Elements unattended for any period of time.

8.3 Pets shall not be permitted upon the Common Elements or the Limited Common Elements of the Condominium Property unless they are carried or are on a leash and shall not be allowed on any of the Common Elements or Limited Common Elements inside the building except for purposes of ingress and egress as discussed herein. Pets should be taken to the adjoining designated grass areas, out of the way of sidewalks and pedestrian traffic to attend to their natural needs.

8.4 Pet owners are responsible for cleaning where pets foul the Common Elements, Limited Common Elements or adjacent properties. Such fouling shall not be permitted to accumulate but shall be cleaned up immediately.

8.5 Any resident who has a pet on any portion of the Condominium Property shall indemnify and hold the Condominium Association and each of its members, their tenants, guests and employees, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium Property.

8.6 Pets shall be registered with the Association through its Management Company, and shall be inoculated as required by local law. Further, any Unit Owner who allows pets to be maintained in the Unit, must be insured against any damage or personal injury caused by the pet(s). The Board of Directors of the Association shall have the right to order any person whose pet is a nuisance to remove such pet permanently from the premises upon three (3) days prior written notice.

Section 9. Signs: No signs of any character shall be erected, posted, or displayed upon, in, from or about any Unit or the Common Elements, including any window or door of a Unit, without the prior written consent of the Board of Directors.

Section 10. Parking and Driving:

10.1 The maximum speed limit on the Condominium Property is 5 MPH. All traffic regulations must be observed by each Owner and each Owner's family members, guests, tenants, or employees.

10.2 No vehicle shall be parked on the Common Elements or Limited Common Elements except in an authorized and designated parking space.

10.3 No boats, campers, trailers, or oversized vehicles may be parked on the Common Elements or the Limited Common Elements. No vehicle may be parked on the roads or ramps providing ingress and egress on the Condominium Property except in those spaces which have been designated as parking areas. Any illegally parked vehicle will be towed away at the Owner's expense, and the Owner shall be subject to a fine. No motorized vehicle shall be operated on any walkway or other area except upon the driveways and parking areas designated by the Board for vehicular use.

10.4 No vehicle which cannot operate on its own power shall remain on the Common Elements or Limited Common Elements for more than twenty-four (24) hours without the express permission of the Board of Directors of the Association and no vehicle repair other than washing and waxing or the changing of a flat tire shall be made on the Condominium Property. A violation of this rule will result in the vehicle being towed away at the expense of the Owner and/or the imposition of a fine.

Section 11. Common Elements:

11.1 Only authorized maintenance personnel are allowed to adjust any Common Element equipment.

11.2 Any damage to the buildings or equipment, or other Common Elements or adjacent property caused by an Owner, his family members, guest, tenants, invitees or pets shall be repaired by the Association and the cost thereof shall be assessed against the Unit Owner as a special assessment.

11.3 No item of common ownership shall be removed or damaged by any resident or guest from the Common Elements or Limited Common Elements. Any Owner, resident, family member, guest, tenant or invitee violating this rule shall be sanctioned, fined or subject to criminal prosecution by the Association. The Owner of the Unit in which said resident resides or guest visits shall be held responsible for the cost of any item so removed or damaged.

Section 12. Association Management:

12.1 Complaints or suggestions regarding the management of the Condominium or regarding the actions of other Owners or residents shall be made in writing to the Board of Directors of the Association.

12.2 No Owner shall request or cause an employee of the Association, or of any management company employed by the Association, to do any private work during normal business hours in the Unit except as authorized in writing by the Association.

Section 13. Structures: No structures or appurtenances, such as a doghouse, tent, shack, treehouse, trailer, fence, aerial antenna or playground equipment, shall be placed or erected on any part of the Condominium Property, including the balconies, patios or terraces. Outdoor clothes lines shall not be maintained upon any portion of the Common Elements or Limited Common Elements at any time.

Section 14. Window Treatment: Draperies, shades or mini blinds used to cover windows in the Units shall be lined in white or off white.

Section 15. Access: The Board of Directors or its designated agent may request access to individual Units for use in emergency situations, and the Unit Owners must provide this access upon reasonable request.

Section 16. Rules and Regulations: There shall be no violation of any of these Rules and Regulations or of the terms and provisions of the Condominium Documents, or other supplemental Rules which may, from time to time, be adopted by the Board of Directors and promulgated among the membership in writing. Any consent or approval given under these Rules and Regulations may be added to, amended, or repealed at any time by resolution of the Board of Directors.

Section 17. Enforcement of Rules and Regulations: The Association is responsible for the notification of residents and/or Owners regarding violation of these Rules. A minimum fine of $250.00 will be assessed against any resident and Owner who violates or allows to be violated by his family members, guests, tenants, invitees or pets any Rule or Regulation. Also, fines may be assessed to cover costs of repairs and damages resulting from any violation. The amount of the fine may vary based on the severity of the violation and shall be determined by the Board. The Unit Owner against whom a penalty has been assessed may make objections and be heard by the Board if the Unit Owner notifies the Board of his objection within ten (10) days of the assessment of the penalty. All charges and fines imposed by the Association are due and payable on the first day of each month unless otherwise specified. Failure to pay the fine by the 15th of each month will result in a 10% late penalty per month, plus $5.00 per day. Payment shall be made at the Management Company's office by check or money order, payable to East End Lofts Condominium Association, Inc. Failure to pay any fine or assessment shall constitute a lien against the Unit of the Unit Owner.

Section 18. Monthly Condominium Assessments: All monthly Condominium assessments are due and payable on the first day of each month unless otherwise specified. Payment should be made directly to East End Lofts Condominium Association, Inc. at the Management Company's office. Failure to pay by the 15th day of each month will result in a 10% late penalty per month that the assessment is late, plus $5.00 per day. After assessments are sixty (60) days late, the matter will be turned over to the Association's attorney who shall then institute collection procedures against the Unit Owner. The delinquent Unit Owner will be responsible for the payment of any attorney's fees and costs arising from the legal action.

Section 19. Lease Agreements: Any Unit Owner who leases his or her Unit must use a standard lease agreement provided and approved by the Association, which may be subject to a processing fee to the Management Company. The lease agreement must also be reviewed by the Management Company prior to it becoming effective. If the lease agreement is approved, a copy of the Condominium Documents and the Rules and Regulations shall be provided to the Tenant at commencement of the lease. An acknowledgement shall be signed by the Tenant acknowledging that Tenant intends to be bound by all of the Condominium Documents. The Unit Owner shall remain responsible for all actions or omissions by the Tenant throughout the term of the tenancy. No lease shall be for less than one (1) year and no more than one (1) family or two (2) people per bedroom shall occupy a Unit.

Section 20. Tenants: The Board of Directors shall have the authority to contact any Tenant in the Condominium and counsel or discuss any relevant issue concerning the Condominium Documents, Rules and Regulations or any violations thereof. Thereafter, should the Tenant violate or continue to violate the Condominium Documents or Rules and Regulations, the Unit Owner will take

appropriate legal action to remedy the violations. The Unit Owner remains subject to fines for any violations by the Tenant.

Section 21. Elevators and Moving: The elevators shall be used for passenger use only. When moving items into the building, great care should be taken to avoid damage to the elevators, walls and doors. Each resident using a cart must return the cart to the location from which it was taken.

When moving furniture, boxes and large parcels (which are not related to moving in or out of the Condominium), the resident must schedule the delivery or removal with maintenance personnel so that an elevator may be properly protected with padding. The cost of repairing any damage to the elevator or the building by the delivery or removal will be assessed against the Unit Owner of the Unit in which the resident lives as a special assessment.

Any resident moving in or out of the Condominium Property must schedule such move with, and pay a $250.00 deposit to, the Management Company at least one (1) week in advance of the move. Prior to the move, a walk-through of the general area of the move will be conducted by an appointed agent to determine the pre-existing condition of the Condominium Property. After the move, a walk-through of the general area of the move will be conducted by an appointed agent before any portion of the deposit will be returned. The cost to repair any damage caused by the move will be deducted from the $250.00 deposit. If the cost to repair any damage caused by the move exceeds the deposit, a special assessment will be made against the Unit Owner of the Unit in which the moving resident lives or lived.

Section 22. Construction or Improvements to Units: Prior to the commencement of any construction in any Unit or improvement to any Unit which cost exceeds $1,000.00, the Unit Owner must obtain the written approval of the Board of Directors of the Association. Prior written approval will only be given after submission of drawings or plans showing in detail the nature and extent of construction or improvement. The Unit Owner shall post a $1,000 damage deposit with the Management Company at least one (1) week before commencement of construction or improvement. A walk-through will be conducted of the Common Elements and Limited Common Elements in the general area of the construction prior to the commencement of construction to determine the preexisting condition of the area.

During construction, the contractors, workmen, suppliers and employees must cover the hallway floor on the floor where they are working to prevent dirt and dust to accumulate. Further, such contractors, workmen, suppliers and employees are not permitted on any other part of the Condominium Property and will be ejected if they are observed on any other portion of the Property. The Unit Owner shall be totally responsible for the contractors, workmen, suppliers and employees while they are on the Condominium Property, and the cost to repair any damage or loss to

the Condominium Property caused by the contractors, workmen, suppliers and employees will be assessed as a special assessment against the Unit Owner hiring such contractors. The Common Elements of the Condominium must be cleaned each day after construction activities at the Unit Owner's expense. Construction activities are limited to Monday through Friday, 8:00 a.m. to 5:00 p.m., and such activities may not interfere with the quiet enjoyment of the other Unit Owners. No portion of the Common Elements or Limited Common Elements may be altered in any way by any Unit Owner.

After the construction or improvements are completed, the Unit Owner must notify the Management Company, and a walk-through of the general area of the construction will be performed by an appointed agent of the Association before any portion of the damage deposit will be returned. The cost to repair any damage caused by the construction will be deducted from the $1,000 deposit. If the cost to repair any damage caused by the construction exceeds the deposit, a special assessment will be made against the Unit Owner.

Section 23. Admission of Guests on Condominium Property:

23.1 No garage sales may be held on the Condominium Property.

23.2 Each Unit Owner is responsible for every person such Owner or resident admits onto the residential floors and controlled access areas of the Condominium Property, and such entry shall not be permitted except to invited or expected family members, guests and invitees. Any damage caused by the invited person or guest will be assessed against the Unit Owner, and the Unit Owner will be responsible for paying any fine assessed by reason of the tenant, invited guest or family member of the Unit Owner.

23.3 Any Owner who has his or her Unit for sale is responsible for any person on the Condominium Property viewing such Unit and is responsible for providing ingress and egress to such prospective purchaser or sales agent.

23.4 Any entry onto the Property by guests or invitees shall be made without revealing to anyone access codes or making available entry keys.