MASTER DEED
OF
DISTRICT LOFTS,
A CONDOMINIUM DEVELOPMENT

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MASTER DEED
OF
DISTRICT LOFTS, A CONDOMINIUM DEVELOPMENT

THIS MASTER DEED is made this 4th day of January, 2008, by **THIRD & HARRISON, 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 located one (1) building containing three (3) levels of no more than twenty-one (21) residential Units (Unit Nos. 118, 119, 120, 121, 122, 123, 124, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 218, 219, 318, 319), one (1) unit of retail space (Retail Space Unit No. 126), and certain other improvements in accordance with the Plan of District Lofts, a condominium development, a copy of which is included in Exhibit C 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 DISTRICT LOFTS, A CONDOMINIUM DEVELOPMENT 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 that certain real property situated in the City of Nashville, Davidson County, Tennessee, more particularly described on Exhibit A attached to this Master Deed, 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 said 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 said property or any part thereof, and shall be for the benefit of each Owner of any portion of said 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) "Association" shall mean District 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.

(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, parking garage, mechanical equipment, garbage, and storage areas designated as common, stairways and entrances 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 central air conditioning, 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) Greens, roadways, 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;

(ix) The interior courtyard and gardens and other amenities.

(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. Even though the parking spaces are designated as Limited Common Elements, garage maintenance shall be a Common Expense.

(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 Articles of Incorporation of the Association, as the same shall be amended from time to time and the Rules and Regulations of the Association.

(i) "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 Third & Harrison, 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.

(k) "Land" shall mean the parcels or tracts of real estate described in Exhibit A to this Master Deed, submitted to the provisions of the Act, and such other parcels or tracts of real estate as may be submitted to the provisions of the Act by amendment of this Master Deed.

(l) "Limited Common Elements" shall mean and include any area designated as Limited Common Elements on the Plan and any amendment to the Plan and any areas defined in the Act as Limited Common Areas. The Limited Common Elements shall include among any other property so designated, any balconies, patios, rooftops, or terraces immediately accessible

from the Unit, any designated parking spaces or storage spaces assigned to the Unit and the chutes, flues, wires, conduit, bearing walls, bearing columns, or any other fixture serving or located within only that Unit. Should any Limited Common Element ever be determined not to be a Limited Common Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Unit to which it was originally assigned as a Limited Common Element.

(m) "Limited Common Expenses" shall mean the expenses arising from the maintenance or repair of the Limited Common Elements for which the Unit Owners to which the Limited Common Elements attach shall be liable to the Association in the amount adopted by the Board of Directors pursuant to the terms of this Master Deed. Also, the Limited Common Expenses shall include the expenses related to the personnel necessary to maintain and clean the Limited Common Elements associated with the residential Units. 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. 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. Maintenance of the parking garage shall be a Common Expense, hereunder.

(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 Plan showing the Unit, the Common Elements and the Limited Common Elements of the Condominium Property attached hereto as Exhibit C, and made a part hereof for all purposes, as such Plan 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.

(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 private elements of each Unit are identified in a diagrammatic floor plan of the floor on which the Unit is situated as shown on the Plan 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 lower surface of the subflooring material which serves as the Unit's floor, except at the slab level for which the upper surface of the subflooring material shall be the lower boundary. 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.

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 three (3) levels of no more than twenty-one (21) residential Units (Unit Nos. 118, 119, 120, 121, 122, 123, 124, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 218, 219, 318, 319), one (1) unit of retail space (Retail Space Unit No. 126), and certain other improvements in accordance with the Plan of District Lofts. 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 Plan attached hereto as Exhibit C.

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 Plan, and if necessary, an amendment to this Master Deed. An amendment to the Plan 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 Parking Spaces and Storage Spaces. Owners of Units 126, 218, 219, 318, and 319 shall be assigned reserved parking spaces in the parking facility on the Condominium Unit and shall be allowed to purchase the right to use storage spaces in the parking facility. Owners of all other Units shall be allowed to purchase the right to use storage spaces in the parking facility, but shall not be entitled to purchase additional parking spaces in the parking facility. Use of the parking facility shall be in accordance with the Rules and Regulations of the Association. The assigned parking spaces and storage spaces are shown on the Plan attached hereto as Exhibit C and shall be designated on Exhibit D-1 attached hereto. As shall be set forth in said Exhibit D-1, each "Commercial Unit" shall be assigned two (2) parking spaces for parking by employees, customers, or guests of said "Commercial Unit" between the hours of 8:00 a.m. and 6:00 p.m. each day. The identification of said "Commercial Units" shall be as designated by Developer on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the Developer.

Section 2.04 Balconies, Patios or Terraces. Each Unit Owner shall be entitled to an exclusive easement for the 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.

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. Said Unit, Common Elements and Limited Common Elements are further declared to be subject to any and all restrictions, easements, conditions and limitations now of record affecting the Condominium Property. 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 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, CommonElement 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 creating all such easements as are contemplated 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 D attached hereto and has been calculated based on a mixture of value, square footage, and number of bedrooms.

Section 2.07 Rights in or to Limited Common Elements. The Limited Common Elements appurtenant to the Unit shall be as described by the Act, as shown on the Plan, and as shown on Exhibit D-1 attached hereto. 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 along with the Units to which the Limited Common Elements are attached.

Section 2.08 Use of Commercial Space. The Condominium Property shall include some space for commercial business. Developer or any other person or entity that has ownership of the commercial space has the sole discretion to determine which businesses are selected for leases of said commercial space. The Unit Owners shall have no authority to participate in the selection of businesses for the commercial space. Notwithstanding anything herein to the contrary, use of any and all commercial space shall be subject to the limitations set forth in Section 6.02 of this Master Deed.

ARTICLE III

ORGANIZATION AND MANAGEMENT

Section 3.01 Management of the Condominium Property. Operation and administration of the Condominium Property shall be performed by District Lofts Condominium Association, Inc., a 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 Articles of Incorporation, 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 D 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.

(d) The Association may assess a working capital fee upon the sale or resale of all Units, whether said sale or resale is between the Developer and an Owner or between an Owner and another entity.

(e) The management company hired by the Developer pursuant to Section 12.05 hereof, and any other management companies hired by the Developer or the Association, may assess a transfer fee upon the sale or resale of all Units, whether said sale or resale is between the Developer and an Owner or between an Owner and another entity.

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 and ratify an 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. 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. The Board shall have sole authority for ratification of the budget. Once the budget is ratified by the Board, the assessment for said year shall be established based upon such budget.

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. The initial projected and estimated annual operation budget for the Condominium Property is attached to the Master Deed as Exhibit E.

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 forCommon 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 therefore. 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 (within the time period prescribed by the Act) 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 and the other information required by the Act. 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 maximum legal rate on judgments or 12%, whichever is greater, 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 reasonable 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 or otherwise executed upon in the manner prescribed by the laws of the State of Tennessee, including without limitation, the filing of an action for original attachment and levy or under the law of real estate mortgages, if applicable, 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 maximum legal rate on judgments or 12%, whichever is greater, 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 in the Register of Deeds Office of Davidson County, Tennessee, the Master Deed of District Lofts, a condominium development and no further recordation of any claim of lien for assessment under this section is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable 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 attachment, levy or foreclosure of any sums remaining owing to it. Nor shall proceeding by attachment, levy or 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 attachment, levy or foreclosure of the assessment lien and may apply as a cash credit against its bid all sums secured by the lien enforced.

ARTICLE V

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

Section 5.01 The Association's Obligation to Repair. 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;

(iv) The Parking Garage, including the parking spaces, which are Limited Common Elements; and

(v) The common roof of the building, which is a Common Element, and any private roofs if elected by any Unit Owners, which are Limited Common Elements, except that the Association shall not be obligated to maintain or repair any decking added to the private roof membrane by Unit Owners.

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 by the Association. 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 all Unit Owners to which said Limited Common Elements being maintained repaired or replaced attach as a Limited Common Expense. The Association shall inspect the Condominium Property at least annually for repair and maintenance requirements, and shall promptly undertake the repair and maintenance thereof.

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 the private elements attributable to 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, 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 reviewed

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 (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements which is in accordance with the Master Deed and which does not require expenditures of more than $10,000, over and above any funds used from the reserve fund for that purpose) unless the same is authorized by the Board of Directors of the Association. 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. 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, with the exception of those Units designated by Developer as "Commercial Units" on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the Developer. The parking level in each building 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 other than common household items of reasonable size, such as small plants, patio furniture, or similar items, be kept or stored in the Common Elements or Limited Common Elements, 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 and signs used to identify businesses operating in those Units designated by Developer as "Commercial Units" on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the Developer. All signs used by businesses in "Commercial Units" must comply with standard aesthetic requirements established by the Developer.

(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.

(h) No satellite dishes over one (1) meter shall be allowed on the Condominium Property at any time. Satellite dishes less than one (1) meter shall not be allowed on any part of the Limited Common Elements and only will be allowed on other portions of the Condominium with the express approval of the Board of Directors as to location of the dish.

(i) No clothes, sheets, blankets, laundry of any kind, holiday lights or lightedsignage 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.

(j) No hot tubs or similar items may be placed or installed on any part of the Common Elements or Limited Common Elements.

(k) 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.

(l) 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.

(m) With regard to those units designated by Developer as "Commercial Units" on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the Developer, all of the restrictions set forth in this Section 6.02 shall be applicable. Additionally, with regard specifically to the "Commercial Units," there shall be no full service restaurants, full commercial kitchens, deep fryers, heavy commercial ovens, grease traps, or other types of intensive odor and/or refuse producing food preparation equipment allowed on the Condominium Property.

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 a 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 making all repairs required by any warranty delivered to the Unit Owner at the closing of his Unit. To the extent that damages inflicted on the Common Elements, Limited Common Elements or any Unit through which access is taken, the Unit Owner 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 fee of Twenty Dollars ($20.00) per month 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.

Section 6.08 **Restriction on Resale of Units by Owners**. Without first obtaining the written consent of the Developer, no Owner shall be entitled to advertise for resale or close on any resale of its Unit in the Condominium Property prior to fifteen (15) days following final completion of construction of the building in which said Unit is located within the Condominium Property.

Section 6.09 **Inherent Risks in Use of Common Elements and Limited Common Elements**. There may be numerous risks to Unit Owners and their guests inherent to the use of certain of the Common Elements and Limited Common Elements on the Condominium Property, including but limited to the use of balconies, patios, terraces, roofs, stairways, and elevators. As a result, certain limitations and/or restrictions on the use of those Common Elements and Limited Common Elements may be desirable, including but not limited to the following:

(a) Unit Owners and their guests should not use balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements, or their individual Units, in a hazardous, reckless, negligent, or otherwise unsafe manner.

(b) Unit Owners and their guests should not use balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements or similar items in their individual Units while intoxicated or otherwise incapacitated.

(c) Unit Owners and their guests should not throw, hang, place, or drop any items or debris from any balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements or their individual Units.

(d) Units Owners and their guests should not allow an excessive number of persons on, or otherwise violate the recommended weight limitations for, balconies,

patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements.

(e) Unit Owners and their guests should at all times while on the Condominium Property use common sense and avoid behavior that would pose a risk of harm to themselves or others.

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. 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. The reserve fund shall be based on a reserve study prepared initially by Developer in coordination with the Architect, Engineers, Contractor and Management Entity. This reserve study shall be updated every five years by the Association. The Association retains the liability to have this study prepared and appropriate capital improvements made. A working capital fund shall be established. Each Unit Owner purchasing a Unit from the Developer shall pay a onetime 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 or otherwise execute upon 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.

(b) No provision of this Master Deed, the Articles, 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 designated as residential shall, at his expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects,

and other property belonging to such Owner, and shall, 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 purchased by the Unit Owner (but excluding land, 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) in the proportionate shares equal to their respective percentage ownership of the Common Elements. Periodically, prior to the renewal of any such policy or policies of insurance, the Association should 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 from time to time to be in the best interest of the Association and the Owers 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 Associations 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 $20,000, 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 and/or any private element of 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 the private elements 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 the private elements of 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 the private elements of 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 the private elements of 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 private elements of 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 private element of a 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 the private elements of each Unit sustaining loss or damage shall then be levied and collected by assessment against the Owners of the private elements sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between Owners of and private elements 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 C to this Master Deed as the same may from time to time be amended and including any changes necessary to meet then-current code requirements, 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, or, if the former Units are for sale, may make arrangements for the purchaser thereof from the Association at a fair market value. 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 ninety percent (90%) 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 by such plans as may be then unanimously adopted by said Owners and parties holding any Mortgages, liens, or other encumbrances. Such election to terminate this Master Deed and the plan of condominium ownership established herein shall be evidenced by a termination agreement executed in writing by all of the aforesaid parties in recordable form, and such instrument shall be recorded in the Office of the Register of Deeds of 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.

(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 sixty (60) days after the sale of the final Unit; provided that the Developer may, at its option, terminate its control of the Association at an earlier date.

Section 12.02 Notice of Meeting. Within sixty (60) days before 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. Notwithstanding anything to the contrary in the foregoing, however, Developer shall not under any circumstances be obligated to pay any Association dues for any unsold Units at any time prior to the conveyance of said Units to purchasers of said Units.

(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.

(c) Notwithstanding the provisions of Sections 4.02 and 12.03 (a) above, no assessments shall be imposed by the Association against the Developer until turnover of control of the Board of Directors by the Developer pursuant to Section 12.01 above. During such period, Developer shall be responsible for the Common Expenses and Limited Common Expenses of the Condominium Property, except that the Developer shall be entitled to use and apply to the payment of such Common Expenses and Limited Common Expenses any and all assessments made against the Unit Owners other than Developer and collected by the Association for Common Expenses and Limited Common Expenses, including the two months' assessment paid by each Owner as working capital. The Developer shall be solely responsible for the maintenance, repair and operation of the private elements of the unsold Units.

Section 12.04 Additional Rights of Developer Concerning Construction. Developer hereby reserves all rights for itself and the General Contractor as defined therein relating to any perceived design defect, construction-related defect or other construction related issue, or relating to improve the operational efficiency and structural integrity of any improvement located on the Condominium Property as are set forth in Exhibit G attached hereto.

Section 12.05 Professional Management and Other Contracts. Developer shall be entitled to hire and enter into an agreement with a management association, and other similar agreements as necessary in the sole discretion of the Developer, and the terms of said agreements shall remain binding upon the Association pursuant to the terms of said agreements after Developer terminates its control over the Association pursuant to Section 12.01 above.

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 (i) who acquires title from the Developer by foreclosure or other judicial sale or deed in lieu of foreclosure, or (ii) to whom the Developer specifically assigns such rights and powers.

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, D-1, 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 hereunto set its signature and seal on the day and year first above written.

THIRD & HARRISON, LLC,
a Tennessee limited liability company

By: _____

Its: _____

STATE OF TENNESSEE)
DAVIDSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Adam Leibowitz, whose name as co-manager of **THIRD & HARRISON, LLC**, a Tennessee limited liability company, is signed to the foregoing Master Deed, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Master Deed, he, as such officer, and with full authority, executed the same voluntarily on the date the same bears date.

Given under my hand and official seal of office this 4 day of Jan, 2008.

_____
Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

My commission expires:
March 7, 2011

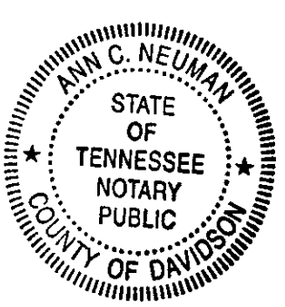


EXHIBIT A

LEGAL DESCRIPTION

METES AND BOUNDS DESCRIPTION
THIRD & HARRISON, LLC
823 3RD AVENUE NORTH
DAVIDSON COUNTY, NASHVILLE, TENNESSEE
W&A FILE NO. 719-0106

BEGINNING at an iron rod (old) at the intersection of the northern right-of-way of Harrison Street (50' R.O.W.) and the western right-of-way of 3rd Avenue North (50' R.O.W.), being the easternmost corner of the subject property;

THENCE, leaving said right-of-way of 3rd Avenue North and following said northern right-of-way of Harrison Street, ***South 44 degrees 45 minutes 13 seconds West*** for a distance of ***244.31*** feet to an iron rod (old), being the easternmost corner of Devenport Family, L.P. # 1 property, as of record in Instrument # 20041216-0149732, R.O.D.C.T.;

THENCE, leaving said northern right-of-way of Harrison Street and following said Devenport Family, L.P. # 1 property, ***North 45 degrees 32 minutes 32 seconds West*** for a distance of ***291.17*** feet to an iron rod (old), being the westernmost corner of the subject property;

THENCE, continuing with said Devenport Family, L.P. # 1 property and following Nashville Gas & Heating Company property, as of record in Instrument # 00000785-0000522, ***North 44 degrees 12 minutes 25 seconds East*** for a distance of ***244.93*** feet to an iron rod (old) in said western right-of-way of 3rd Avenue North;

THENCE, leaving said Nashville Gas & Heating Company property and following said western right-of-way of 3rd Avenue North, ***South 45 degrees 25 minutes 20 seconds East*** for a distance of ***293.50*** feet to the point of beginning, containing 71,512 square feet or 1.64 acres.

The above described property is subject to easements retained by the Metropolitan Government of Nashville and Davidson County as set forth in Council Bill No. 088-349, approved July 21, 1988.

Being the same property conveyed to Third & Harrison, LLC from Chi Development, Inc. as of record in Instrument #20061016-0128432, R.O.D.C.T.

EXHIBIT B

BYLAWS FOR THE ADMINISTRATION OF DISTRICT LOFTS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I.
ASSOCIATION

Section 1.01 Association and Membership. All of the owners of units within District Lofts, a Condominium Development (the "Project") shall be members of District Lofts Condominium Association, Inc., a Tennessee corporation (the "Association").

Section 1.02 Administration. The purpose of the Association is to administer on a nonprofit basis, and through a Board of Directors, the District Lofts; to elect the Board of Directors; to amend and supplement from time to time these Bylaws and the system of Administration; and to do and perform any and all other things, matters, or acts required by or permitted by the owners or an assembly or council under The Horizontal Property Act of the State of Tennessee, T.C.A. §§ 66-27-101 et seq. (the "Act"), and by the Master Deed creating the Project (the "Master Deed").

ARTICLE II.
MEETING AND VOTING RIGHTS OF OWNERS

Section 2.01 Eligibility. The owner or owners of a unit, who have become such in compliance with all of the requirements and conditions precedent contained in the Master Deed, including these Bylaws, shall be entitled to attend and vote at all meetings of the Association. The Developer shall be considered the owner of each unit that is unsold by it. Ownership of a Unit shall be the sole qualification for membership in the Association.

Section 2.02 Voting Rights. The owner or owners of a unit shall be entitled to vote at all meetings of the Association, as provided in the Master Deed. Where two or more persons own a unit, the vote allocated to that unit shall be cast by the one authorized by such two or more owners, and in the event of failure of such authorization, no vote shall be recorded for that unit. Where only one of two or more owners of a unit is present in person at a meeting, such one shall be presumed to be authorized by all owners of said unit and shall be entitled to cast the vote with respect to that unit. Where one person or group of persons owns more than one unit, such person or group shall be entitled to cast the total votes for each unit owned.

Section 2.03 Corporation as Owner. In the event a partnership, trustee, corporation or other entity owns a unit or units, after having complied with all conditions precedent contained in the Master Deed, including these Bylaws, the votes of such may be cast by a partner, trustee

or officer of the same or by any person authorized in writing by a partner, trustee or officer thereof, to represent the same.

Section 2.04 Proxies. Votes may be cast in person or by proxy. Proxies, to be valid, shall be in writing for the particular meeting designated therein and any adjournments thereof and shall be filed with the secretary of the meeting prior to voting.

Section 2.05 Annual Meetings. The Members of the Association shall have an annual meeting. The annual meeting of the Association shall be held at the offices of the Association or at such other place in the State of Tennessee as shall be designated by the Board or the President of the Association. The annual meeting shall be at a place and time determined by the Board, which shall ordinarily be at least eleven (11) months but no later than thirteen (13) months since the previous annual meeting.

Section 2.06 Special Meetings. Special meetings of the Association shall be held whenever called by the President, Board of Directors or by the written request of owners holding at least ten percent (10%) of the total votes of the Association. When a special meeting is so called, the Secretary shall mail or deliver written notice of the meeting to all owners.

Section 2.07 Notice. Notice shall be given to all owners of meetings of owners, stating the date, time, and place (and purpose, in the case of special meetings) for which the meeting is called. Such notice shall be in writing and shall be mailed or delivered to each member at his or her address as it appears on the books of the Association, or may be mailed or delivered to his or her unit not less than ten (10) days nor more than two (2) months before the meeting. Proof of such mailing or delivery may be given by the written statement of the Secretary or other person giving the notice. Notice of a meeting may be waived before, at or after the meeting.

Section 2.08 Quorum. A quorum at any meeting of the Association shall consist of persons entitled to cast at least ten percent (10%) of the votes entitled to be cast on a matter unless otherwise provided in the Master Deed or herein. Except as otherwise provided in the Master Deed or herein, the affirmative vote of a majority of the votes cast, being more than fifty percent (50%) of the total number of votes cast, is required to adopt any resolution, elect any director, make any decision or take any action; except that these Bylaws and the system of administration may be modified only in the manner hereinafter set forth.

Section 2.09 Presiding Officer. The President shall preside over all Association meetings; and the Secretary shall take and keep the minutes and minute book of all Association meetings, wherein adopted resolutions shall be recorded, and shall serve as Secretary at such meetings.

Section 2.10 Amendments. Unless otherwise provided herein, by law or in the Master Deed, the Association may, at any duly called, held and convened meeting, modify or amend the system of administration of District Lofts Condominium Association, Inc. and these Bylaws by the affirmative vote of owners representing at least two-thirds (2/3) of the total votes cast or

a majority of the voting power, whichever is less, and the Developer so long as the Developer owns any unit in the Property. The said system of administration and these Bylaws, however, may only be amended in such manner that all of the provisions required by the Act to be within the contents of the Bylaws shall always be embodied in the Bylaws. No such modification or amendment of a system of administration or of these Bylaws shall be operative unless and until it is embodied in a written instrument and is recorded in the Register's Office of Davidson County, Tennessee.

Section 2.11 Action Without Meeting. If permitted by the Board, the membership may approve any matter (specifically including the election of the Directors) by written ballot. Ballots shall be mailed or hand delivered to all Members. The Board shall establish for each vote the amount of time to be permitted for voting, which shall be no less than ten (10) days nor more than sixty (60) days, and all ballots returned within the permitted time shall be counted. The Board may also establish a minimum number of ballots that must be returned in order for the vote to be valid, within the limits required for a quorum.

ARTICLE III
BOARD OF DIRECTORS

Section 3.01 Initial Composition, Number of Directors, and Qualifications. The Administration of District Lofts Condominium Association, Inc., its business and the affairs of the General Common Elements therein shall be vested in its Board of Directors, who shall consist of at least three (3) persons. Except for the initial members of the Board of Directors, who shall be appointed by the Developer, each member of the Board of Directors shall be either the owner of a unit or of an interest therein, or, in the event of ownership of a unit by a partnership, trustee, corporation or other entity, a partner, trustee, officer or other designated representative thereof.

Section 3.02 Appointment or Election of Directors. The Association, except for the initial Board of Directors, which shall be appointed by the Developer, shall, at its annual meeting, elect the Board of Directors. Each owner of a unit and the Developer shall be entitled to vote as provided in the Master Deed, with cumulative voting not being permitted. At least fifty-one percent (51%) of the votes cast shall be necessary for the election of a Director. Each owner of a unit, on each ballot, is required to cast his or her total votes for as many persons as there are Directors to be elected. In the event a sufficient number of persons fails to receive at least fifty-one percent (51%) of the votes, additional ballots will be taken with the name of the person receiving the lowest number of votes being dropped after each ballot, until the required number of Directors is elected.

Section 3.03 Vacancies. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

Section 3.04 Term. The term of each Director's service shall extend until the next annual meeting of the Association and thereafter until a successor is duly elected by the Association and qualified or until the Director is removed in the manner elsewhere provided.

Section 3.05 Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within one (1) week of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, providing a quorum shall be present.

Section 3.06 Regular Meetings. Regular meetings of the Board of Directors may be held on such date and at such time and place as shall be determined, from time to time, by at least fifty-one percent (51%) of the Board. Regular meetings may be held without notice.

Section 3.07 Special Meetings. Special meetings of the Board may be called by the President, the presiding officer of the Board or any two (2) directors. Not less than two (2) days' notice of the meeting shall be given, personally or by mail, telephone or telegraph, which notice shall state the date, time, place and purpose of the meeting.

Section 3.08 Waiver of Notice. Any Director may waive notice in writing of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 3.09 Quorum. A quorum at Directors' meetings shall consist of the Directors entitled to cast at least fifty-one percent (51%) of the votes of the entire board. The acts of the Board approved by at least fifty-one percent (51%) of votes cast at a meeting at which a quorum is present when a vote is taken shall constitute the acts of the Board of Directors except as specifically otherwise provided in the Master Deed or elsewhere in these Bylaws. If, at any meeting of the Board of Directors, there be less than a quorum present, at least fifty-one percent (51%) of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.10 Presiding Officer. The President of the Board of Directors shall preside at all meetings of the Board; the Secretary of the Board shall serve as Secretary of all meetings of the Board. In the absence of either, the Board shall designate one of their number to preside or to serve as Secretary as the case may be.

Section 3.11 Compensation. No compensation shall be paid to any member of the Board or to any officer for services as such, unless approved by at least fifty-one percent (51%) of the total votes of owners. Any member of the Board or any officer may be reimbursed for expenses actually incurred by him or her upon approval by the Board.

Section 3.12 Removal. Except for the initial Board of Directors who may be removed only by the Developer, any member of the Board may be removed with or without cause and

relieved of duty as such by the vote of owners representing at least fifty-one percent (51%) of the total votes cast at any regular or special meeting duly called and convened of the Association. The vacancy created by such removal shall be filled by the Developer if the removed Director was appointed by the Developer and otherwise by the Association.

ARTICLE IV
OFFICERS

Section 4.01 Election. The Board of Directors shall elect from its members:

A. A ***President*** who shall be the chief administrative office of the Board, shall execute contracts and agreements in the name and behalf of the Board when directed by the Board; shall preside at all meetings and shall perform such other duties as the chief administrative officer as the Board may from time to time direct.

B. A ***Secretary*** who shall keep the Minutes of all meetings and proceedings of the Association and of the Board of Directors. The Secretary shall attend to the giving and serving of all notices to the owners of meetings of the Association, and to the Directors of meetings of the Board of Directors. The Secretary shall keep all other records of the Board.

C. A ***Treasurer*** who shall have the custody of all property of the Board, including funds, securities, evidences of indebtedness, books, assessment rolls and accounts of owners. The Treasurer shall keep the books in accordance with good accounting practice, and shall perform all other duties incident to the office of Treasurer.

Section 4.02 Term. The term of each officer's service shall extend until the next annual meeting of the Association and thereafter until a successor is duly elected by the Board and qualified or until the Officer is removed in the manner elsewhere provided.

Section 4.03 Powers. The officers shall have the general powers usually vested in such officers of a not-for-profit corporation, 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 deem necessary.

Section 4.04 Vacancy. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board.

Section 4.05 Compensation. No compensation shall be paid to any Director or officer for services as such, except upon approval, by at least fifty-one percent (51%) of the total votes of the owners. This provision shall not preclude, however, the Board of Directors from employing an independent contractor for some of all of the above services or employing an

officer or administrator as an employee of the Association, such as manager or as a bookkeeper, auditor, attorney or the like.

Section 4.06 Handling of Funds. All moneys and funds of the Board of Directors shall be deposited in such bank or banks as may be designated from time to time by the Board of Directors. Withdrawals of moneys from such accounts in banks shall be only by checks or drafts signed by such persons as are authorized by the Board of Directors.

Section 4.07 Bonds. Fidelity bonds may be required by the Board of Directors covering all officers and employees of the Board and any agents or managers handling or responsible for funds of the Board of Directors or of the Association. The amount of such bond or bonds shall be determined by the Board of Directors but shall be at least in the amount of the total annual assessments against members for common expenses. Premiums on such bonds shall be paid by the Board of Directors from the maintenance fund.

ARTICLE V
POWERS OF THE BOARD OF DIRECTORS

Section 5.01 Rights, Powers, and Duties. In addition to the rights, powers and duties conferred upon the Board of Directors by the Master Deed, the Act and by other provisions of these Bylaws and without in anywise limiting the same, the Board of Directors shall have the following additional and cumulative rights, powers and duties:

A. To hold title and possession to funds and property, including the maintenance funds and other assessments and including title to any purchased unit or purchased leasehold interest pursuant to the powers hereinabove conferred, as trustee for the use and benefit of the owners of units;

B. To make and collect maintenance fund assessments against members to defray the costs of the units, including, without limitation, all costs and expenses of maintaining, repairing, replacing, improving, altering, operating and administering the roofs and exteriors of the units and the common elements and of engaging all necessary services and employees therefor;

C. To use the proceeds of assessments in the exercise of its powers and duties;

D. To oversee the maintenance, repair, replacement, operation and administration of the Project, including the roofs and exteriors of the units and the common elements;

E. To oversee the reconstruction of the improvements after casualty and the further improvements of the property, including buildings and common elements;

F. To make and amend regulations respecting the use of the property in the Project, including the buildings and common elements;

G. To enforce by legal means, or otherwise, the provisions of the Master Deed, including the Bylaws and the regulations for the use of the property;

H. To contract for the management of the Association and to delegate to a manager the management duties of the Board of Directors, to be performed by such manager under the supervision of the Board of Directors;

I. To pay any taxes and assessments which are liens against any part of the property other than individual units and the appurtenances thereto and to assess the same against the unit subject to such liens; to oppose the levying of any such taxes;

J. To carry insurance for the protection of unit owners and the Board of Directors against property damage and liabilities;

K. To pay the cost of all power, water, sewer and other utility services rendered to the Association and not billed to owners of individual units;

L. To employ personnel for reasonable compensation to perform the services required for proper administration of the Association, including, without limitation, auditors, attorneys, bookkeepers and managers;

M. To contract for treatment of the building against termites and other damage causing insects or organisms, with the cost to be paid through the monthly assessments; and

N. To take such other and additional actions as may be deemed advisable to carry out the intent and purposes hereof.

ARTICLE VI
INSURANCE

Section 6.01 Authority to Purchase. All insurance policies upon the property (except as hereinafter allowed) shall be purchased by the Board of Directors for the benefit of the unit owners and their respective mortgagees as their interest may appear and shall provide for the issuance of certificates of insurance to the unit owners, mortgage endorsements to the holders of the mortgages on the units or any of them, and, unless prohibited by the policies, shall provide that the insurer waives its rights of subrogation as to any claims against unit owners and the Board of Directors or the Insurance Trustee (as hereinafter provided for), who must first

acknowledge that the policies and any proceeds thereof will be held in accordance with the terms hereof.

Section 6.02 Unit Owners. Each unit owner shall obtain additional insurance at his or her own expense, affording coverage upon the property, including a unit owner's endorsement for improvements and betterments to the unit made or acquired at the expense of the owner within the boundaries of his or her individual physical unit and for his or her personal liability and as may be required by law, but all such property insurance shall contain the same waiver of subrogation as that referred to in Section 6.01 hereof (if the same is available) and shall be obtained from a company which is acceptable to the Board of Directors. Each unit owner will provide evidence satisfactory to the Board of Directors of the existence of such coverage.

Section 6.03 Coverage.

A. All insurable improvements upon the land and all personal property as may be owned by the Board of Directors as trustees for the owners shall be insured in an amount equal to the full replacement cost without deduction or allowance for depreciation thereof (exclusive of excavation and foundation) as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against the following unless the Board of Directors determines otherwise:

(i) Loss or damage by fire and other hazards covered by "causes of loss-special form" property policies, together with coverage for common expenses with respect to units during any period of repair or reconstruction.

(ii) Such other risks as from time to time customarily insured shall be covered with respect to buildings similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and other damage, and such other insurance as the Board of Directors may determine.

B. Public liability and property damage coverage shall be carried in such amounts and in such forms as shall be required by the Board of Directors.

C. Workmen's compensation coverage shall be carried to meet the requirements of any applicable law, or as may be desired.

D. Such other policies of insurance as are or shall hereafter be considered appropriate by the Board of Directors shall be carried, including insurance for other risks of similar or dissimilar nature.

E. Premiums for insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as common expenses.

F. All insurance policies purchased by the Board of Directors shall be for the benefit of the Board of Directors and the unit owners and their mortgagees as their rights may appear, and shall provide that all proceeds payable as a result of property losses shall be paid to either the Board of Directors or, if deemed desirable, to a bank to be selected by the Board of Directors, as Insurance Trustee. The Insurance Trustee (unless the Board of Directors is the same) shall not be liable for the payment of premiums, nor the renewal of the policies, nor for the sufficiency of coverage, nor for the form or contents of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners, their respective mortgagees and the Board of Directors, in the manner set forth herein.

Section 6.04 Application of Insurance Proceeds.

A. Common Elements. Proceeds on account of damage to the Common Elements shall be held for each unit owner in the percentage interest of each unit owner and the unit owner's mortgagee, if any, or with respect to Limited Common Elements, proportionate to the number of units benefited by such Limited Common Elements.

B. Units. Proceeds on account of damage to units shall be held for each unit owner on a pro rata basis to the extent of damage suffered by the owner's unit. Upon the request of the Insurance Trustee, the appropriate portions as aforesaid, and each unit owner shall be bound by and the Insurance Trustee may rely upon such certificate.

C. Mortgages. In the event a mortgagee endorsement has been issued on a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interest may appear.

D. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners, after first paying or making provision for the payment of the expense of the Insurance Trustee, in the following manner:

(i) *Reconstruction or Repair.* If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by the mortgagee.

(ii) *Failure to Reconstruct or Repair.* If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be

reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, all remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by the mortgagee.

(iii) *Certificate.* In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Board of Directors as to the names of the unit owners and their mortgagees and their respective shares of the distribution. Upon request of the Insurance Trustee, the Board of Directors forthwith shall deliver such certificate.

(iv) *Payments.* The Insurance Trustee shall make payments and disbursements of the insurance proceeds during the course of reconstruction upon the presentation of certificates requesting payments executed by the Board of Directors and upon certificates of the supervising architect or engineer that reconstruction or repair has progressed to the extent of the payment or partial payment certified for payment.

Section 6.05 Waiver of Subrogation. Unless the insurance policy shall expressly prohibit a waiver of subrogation or shall be rendered invalid by an agreement providing for a waiver of subrogation, neither the owners, their mortgagees nor the Board of Directors nor the insurers shall have any right of action against any other owner or the Board of Directors for property damage, it being the intention of this provision that all insurance carried for the use and benefit of any unit owner shall inure to protect every other unit owner and the Board of Directors, including the servants, agents, invitees and guests of each.

Section 6.06. Additional Requirements. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

A. All policies shall be written with a company or companies licensed to do business in the State of Tennessee and holding a rating acceptable to mortgagees.

B. All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to any and all insureds named thereon, including any and all mortgagees of units in the condominium project.

ARTICLE VII
INDEMNIFICATION

Section 7.01 Indemnification. To the extent not covered by insurance, the Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any pending or completed action, suit or proceedings, whether civil, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is

or was a Director, Officer or Developer of District Lofts Condominium Association, Inc. against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interest of District Lofts Condominium Association, Inc. The termination of any action, suit or proceeding by judgment, order, settlement, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of District Lofts Condominium Association, Inc.

Section 7.02 Willful Misconduct or Bad Faith. No indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for his or her willful misconduct or bad faith in the performance of his or her duty to District Lofts Condominium Association, Inc., unless and only to the extent that the Chancery Court of Davidson County, Tennessee, or the Court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court shall deem proper. To the extent that a Director, Officer or Developer of District Lofts Condominium Association, Inc. has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 7.03 Authorization for Indemnification. Any indemnification under this Article (unless ordered by a court) shall be made only as authorized in the specific case upon a determination that indemnification of the Director, Officer or Developer is proper in the circumstances because he or she has met the applicable standard of conduct set forth herein. Such determination shall be made (1) by the Board of Directors by at least fifty-one percent (51%) of the votes of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Association.

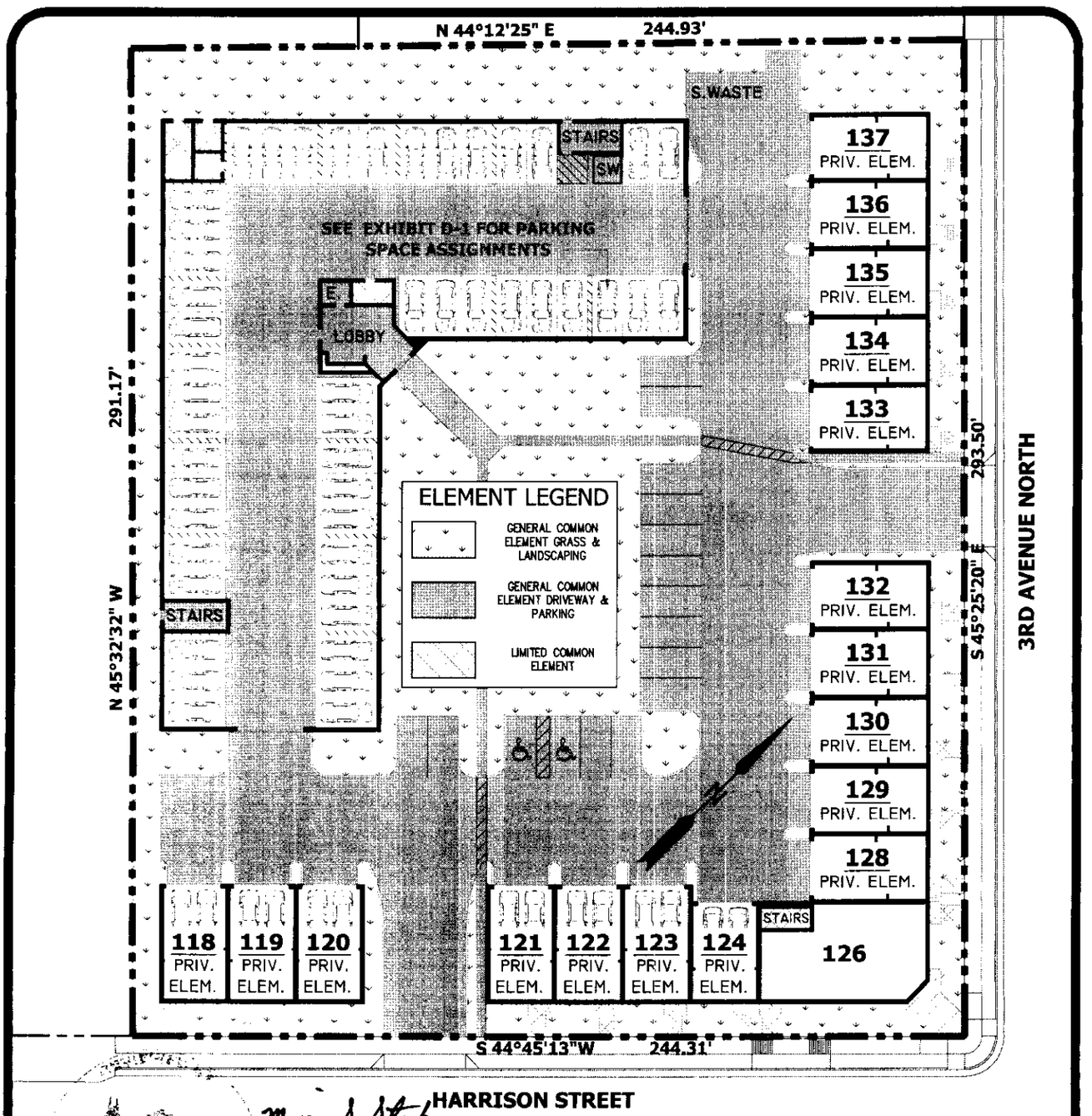
Section 7.04 Payment in Advance. Expenses incurred in defending an action, suit or proceeding may be paid by District Lofts Condominium Association, Inc. in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon a secured receipt of an undertaking by or on behalf of the Director, Officer or Developer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized herein.

Section 7.05 Indemnification Not Exclusive. The indemnification provided in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law or under the Master Deed and Bylaws, by agreement, vote of the Association, or disinterested Directors or otherwise, both as to an action in his or her official capacity and as to an action in another capacity while holding office or acting as Developer, and

shall continue as to a person who has ceased to be a Director, Officer or Developer, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VIII
CONFLICTS

The Bylaws are intended to be read in conjunction with the Master Deed, and if there is any conflict between the Bylaws and the said Master Deed, the Master Deed shall control.



Marie S. Stahr
1-4-08

EXHIBIT "C" - SITE PLAN

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

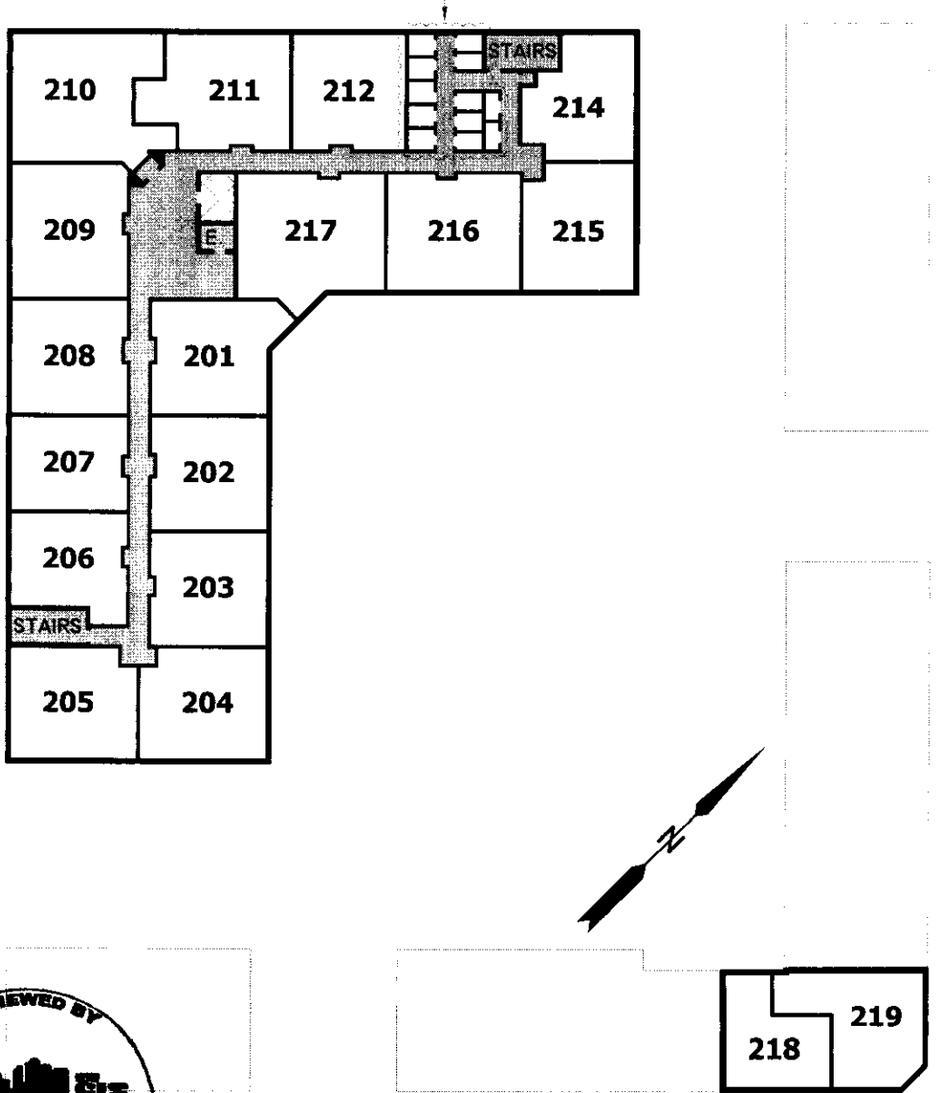
JOB# 719-0106 DATE: DECEMBER 12, 2007

40' 0' 40' 80'

SCALE IN FEET

Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering · Land Surveying

SEE EXHIBIT D-1 FOR
STORAGE UNIT ASSIGNMENTS





Marie S. Stark
1-4-08

EXHIBIT "C" - SECOND FLOOR

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

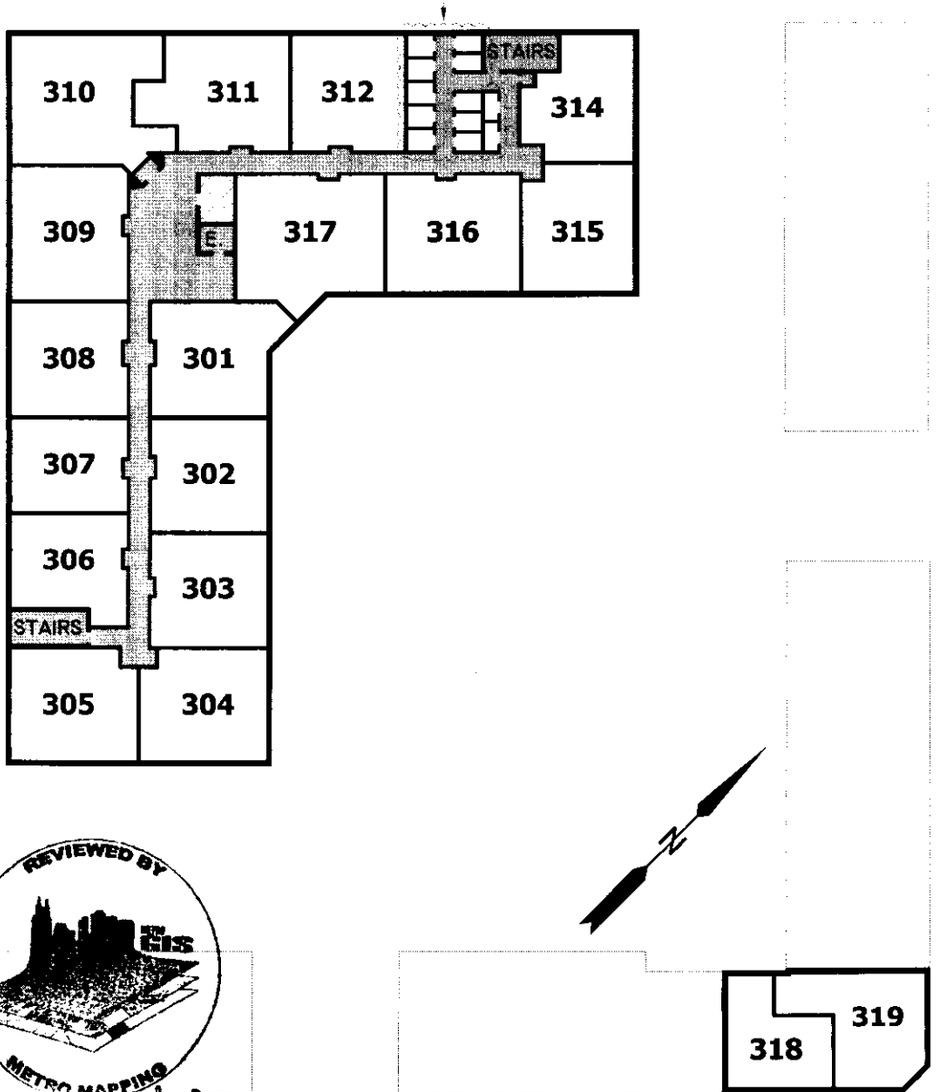
JOB# 719-0106 DATE: DECEMBER 12, 2007

40' 0' 40' 80'

SCALE IN FEET

Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering · Land Surveying

SEE EXHIBIT D-1 FOR
STORAGE UNIT ASSIGNMENTS



Marie D. Stahr
1-4-08

EXHIBIT "C" - THIRD FLOOR

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

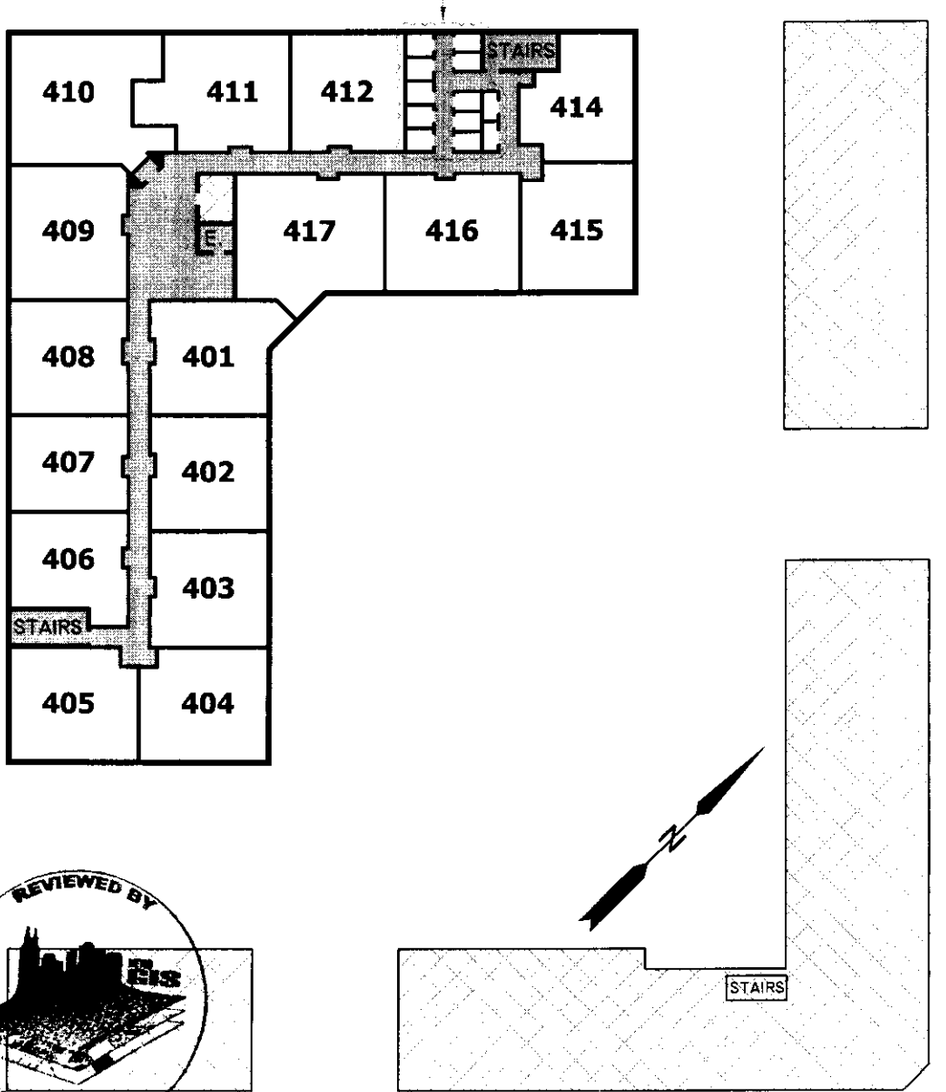
JOB# 719-0106 DATE: DECEMBER 12, 2007

40' 0' 40' 80'

SCALE IN FEET

Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering · Land Surveying

SEE EXHIBIT D-1 FOR
STORAGE UNIT ASSIGNMENTS



REVIEWED BY
METRO MAPPING

Mark S Stahr
1-4-08

EXHIBIT "C" - FOURTH FLOOR

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

JOB# 719-0106 DATE: DECEMBER 12, 2007

40' 0' 40' 80'

SCALE IN FEET

Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering · Land Surveying

Unit #	Address: Nashville, TN	Parcel ID #
118	320 Harrison Street, 37219	082130e118 00co
119	318 Harrison Street, 37219	082130e119 00co
120	316 Harrison Street, 37219	082130e120 00co
121	312 Harrison Street, 37219	082130e121 00co
122	310 Harrison Street, 37219	082130e122 00co
123	308 Harrison Street, 37219	082130e123 00co
124	306 Harrison Street, 37219	082130e124 00co
126	300 Harrison Street, 37219	082130e126 00co
128	805 3rd Ave. North, 37201	082130e128 00co
129	807 3rd Ave. North, 37201	082130e129 00co
130	809 3rd Ave. North, 37201	082130e130 00co
131	811 3rd Ave. North, 37201	082130e131 00co
132	815 3rd Ave. North, 37201	082130e132 00co
133	819 3rd Ave. North, 37201	082130e133 00co
134	821 3rd Ave. North, 37201	082130e134 00co
135	823 3rd Ave. North, 37201	082130e135 00co
136	825 3rd Ave. North, 37201	082130e136 00co
137	827 3rd Ave. North, 37201	082130e137 00co

Unit #	Address: Nashville, TN	Parcel ID #
301	817 3rd Ave. N., Unit 301, 37201	082130e301 00co
302	817 3rd Ave. N., Unit 302, 37201	082130e302 00co
303	817 3rd Ave. N., Unit 303, 37201	082130e303 00co
304	817 3rd Ave. N., Unit 304, 37201	082130e304 00co
305	817 3rd Ave. N., Unit 305, 37201	082130e305 00co
306	817 3rd Ave. N., Unit 306, 37201	082130e306 00co
307	817 3rd Ave. N., Unit 307, 37201	082130e307 00co
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312	817 3rd Ave. N., Unit 312, 37201	082130e312 00co
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316	817 3rd Ave. N., Unit 316, 37201	082130e316 00co
317	817 3rd Ave. N., Unit 317, 37201	082130e317 00co
318	314 Harrison St., Unit 301, 37219	082130e318 00co
319	314 Harrison St., Unit 302, 37219	082130e319 00co

201	817 3rd Ave. N., Unit 201, 37201	082130e201 00co
202	817 3rd Ave. N., Unit 202, 37201	082130e202 00co
203	817 3rd Ave. N., Unit 203, 37201	082130e203 00co
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217	817 3rd Ave. N., Unit 217, 37201	082130e217 00co
218	314 Harrison St., Unit 201, 37219	082130e218 00co
219	314 Harrison St., Unit 202, 37219	082130e219 00co

401	817 3rd Ave. N., Unit 401, 37201	082130e401 00co
402	817 3rd Ave. N., Unit 402, 37201	082130e402 00co
403	817 3rd Ave. N., Unit 403, 37201	082130e403 00co
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416	817 3rd Ave. N., Unit 416, 37201	082130e416 00co
417	817 3rd Ave. N., Unit 417, 37201	082130e417 00co

---	General Common Elements	082130e001 00co

REVIEWED
METRO MAPPING
Maria S. Stahr
1-4-08

EXHIBIT "C" - UNIT NUMBERING PLAN

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

JOB# 719-0106 DATE: DECEMBER 12, 2007

40' 0' 40' 80'

SCALE IN FEET

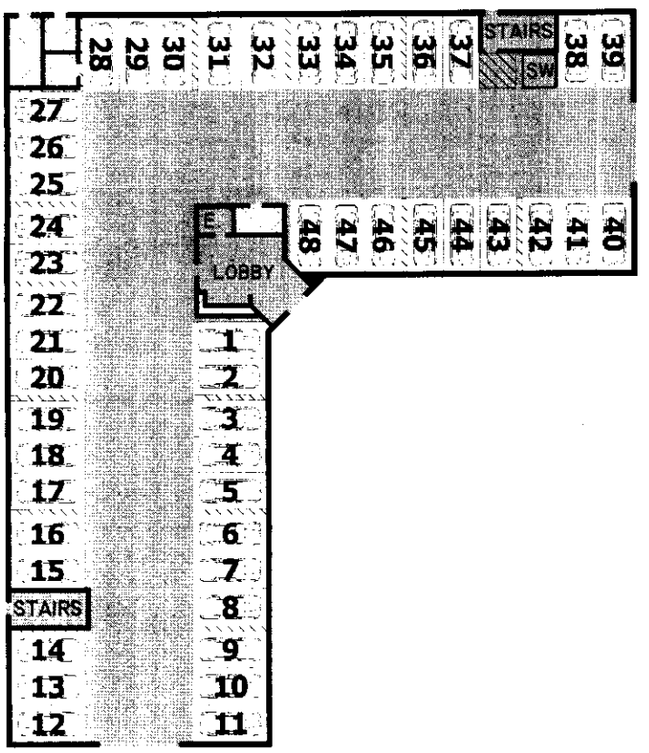
Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering • Land Surveying

EXHIBIT D

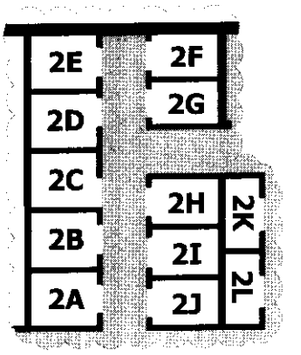
ALLOCATION OF INTERESTS AND VOTES

Each Unit shall be allocated one interest in the District Lofts Condominium Association, Inc. and shall be entitled to one vote per Unit for all matters addressed by the District Lofts Condominium Association, Inc.

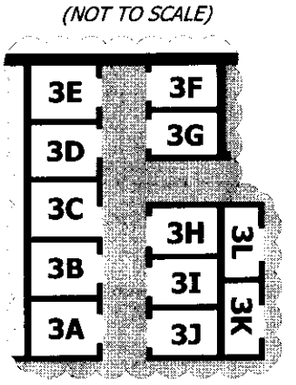
GARAGE PARKING SPACE ASSIGNMENTS



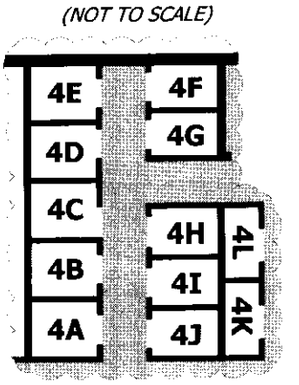
SECOND FLOOR
STORAGE UNIT ASSIGNMENTS
(NOT TO SCALE)



THIRD FLOOR
STORAGE UNIT ASSIGNMENTS
(NOT TO SCALE)



FOURTH FLOOR
STORAGE UNIT ASSIGNMENTS
(NOT TO SCALE)





Marie S. Starks
1-4-08

EXHIBIT "D-1" - PARKING SPACE & STORAGE UNIT ASSIGNMENTS

DISTRICT LOFTS

19th COUNCILMATIC DISTRICT - NASHVILLE, DAVIDSON COUNTY, TENNESSEE

JOB# 719-0106 DATE: NOVEMBER 14, 2007

40' 0' 40' 80'
SCALE IN FEET

Wamble & Associates, PLLC
40 Middleton St. Nashville, Tennessee 37210
Telephone (615)251-9555 Fax (615)251-9034
Civil Engineering · Land Surveying

EXHIBIT E

ESTIMATED OPERATING BUDGET

DISTRICT LOFTS

Budget

INCOME:	
Association Fees: Residential	
Association Fees : Commercial	
Total Income	
EXPENSES:	
Facilities Maintenance:	
Grounds Care	$12,000
Landscaping	$1,000
Electric	$7,000
Water (Irrigation & Amortization)	$10,000
Security: Garage Gate Contract	$5,000
Security: Door Access System	$3,000
Fire System Inspection	$2,400
Elevator Contract	$1,400
Elevator Phone	$1,200
Custodial Contract: Common Areas Incl Halls, Garage	$5,400
Window Cleaning	$2,200
General Repairs/Maintenance	$7,500
Dumpsters: 2nd weekly pickup	$3,000
Termite Contract	$750
Total Facilities Maintenance	*$61,850*
Administrative:	
Insurance	$28,000
Office/Copies/Other	$1,200
Management Fee	$16,680
Accounting/Tax Return	$1,500
Legal	$750
Web Site	$500
Board Education	$300
Annual Meeting	$300
Total Administrative	*$49,230*
Total Operating Expenses	$111,080

Total Reserve Transfers	$22,750
Total Expenses & Reserve Transfers	**$133,830**

Total:	**$133,830**

DISTRICT LOFTS
ASSOCIATION FEES PER UNIT TYPE

Type	# of Beds	Unit Count	SF/Unit	Tot SF/Unit Type	Mo Assn Fee	AnnFee/Unit Type
TH 1-6 & 8-17	3	16	1,573	25,168	$236	$45,347
TH 7	3	1	1,301	1,301	$195	$2,344
Flat - Unit F	2	3	1,163	3,489	$175	$6,286
Flat - Unit E	2	3	1,129	3,387	$170	$6,103
Flat - Unit D	2	9	1,000	9,000	$150	$16,216
Flat - Unit B	1	9	910	8,190	$137	$14,756
Flat - Unit A1	1	3	893	2,679	$134	$4,827
Flat - Unit A	1	12	850	10,200	$128	$18,378
Flat - Unit B1	1	3	808	2,424	$121	$4,367
Flat - Unit C	1	3	755	2,265	$113	$4,081
Flat - Unit C1	1	3	710	2,130	$107	$3,838
Flex Space	1	2	625	1,250	$94	$2,252
Flex Space	1	2	647	1,294	$97	$2,331
Retail / Commercial	n/a	1	1,500	1,500	$225	$2,703
Total		70		74,277		
Fee Per SF/Month			$0.15			
Total - Annual						$133,830

EXHIBIT F

INTENTIONALLY LEFT BLANK

EXHIBIT G

DEVELOPER RIGHTS REGARDING CONSTRUCTION

Notwithstanding any other terms to the contrary within the above Master Deed, the following terms and conditions are hereby incorporated into the terms of the Master Deed by this reference and shall control over any other inconsistent terms set forth therein. Unless otherwise defined below, all capitalized terms shall have the meaning ascribed to them in the Master Deed and the Act.

ARTICLE I

Easement to Inspect and Right to Correct.

A. Easement. Developer reserves for itself, General Contractor (defined below) and such other persons as each may designate, perpetual, non-exclusive easements throughout the Property to the extent reasonably necessary for the purposes of access, inspecting, testing, redesigning, correcting, modifying or improving any portion of the Property, including Units, the Common Elements and the Limited Common Elements. Pursuant to this Section and any express warranty provided by either party, Developer and General Contractor shall have the unilateral right, at any time, to redesign, correct, modify or improve any part of the Property, including Units, the Common Elements and the Limited Common Elements, to the extent reasonably necessary to correct any design defect, construction-related defect or other construction-related problem, to improve the operational efficiency and structural integrity of any improvement located on the Property, and to otherwise provide a superior or enhanced housing product within the Property.

B. Right of Entry. In addition to the above easement, Developer for itself and General Contractor reserves a right of entry into any Unit or Limited Common Elements upon reasonable notice to the Unit Owner; provided, however, notice shall not be required in an emergency. Entry into a Unit shall be only after Developer or General Contractor notifies the Unit Owner (or occupant) and agrees with the Unit Owner regarding a reasonable time to enter the Unit to perform such activities. Unit Owner agrees to cooperate in a reasonable manner with Developer and General Contractor in their exercise of the rights provided to it by this Section. Entry onto the Common Elements and into any improvements and structures thereon may be made by Developer or General Contractor at any time with advance notice to the Association; provided, however, in an emergency, such notice shall not be required and Developer and General Contractor shall be permitted to enter upon any portion of the Property without advance notice or consent.

C. Notice Requirement. Upon notice, observation, or suspicion of a design defect, construction-related defect or other construction-related problem with any improvement located on the Property, including the Common Elements, the Limited Common Elements and any Unit, the affected Unit Owner immediately shall notify Developer and General Contractor of such issue in writing and, in the case of a condition posing an imminent threat of damage to person or property, telephonically. Upon such notice, Developer or General Contractor shall have the right

to come onto the Property to observe the defect or problem and unilaterally to undertake any corrective measures that it deems appropriate without the additional consent or participation of the Unit Owner(s). The rights of notice, inspection and correction granted to Developer and General Contractor pursuant to this Section shall be provided by any affected Unit Owner prior to the Association and any affected Unit Owner consulting with, hiring or retaining, in any capacity whatsoever, any third party to examine, correct, repair or improve any design defect, construction-related defect or other construction-related problem with the Property, any Common Element, Limited Common Element or Unit. Failure by any Unit Owner to provide Developer and General Contractor with the above described notice, inspection and cure rights granted to it by this Section, automatically shall constitute an absolute and unconditional waiver of any legal claim or other claim or remedy whatsoever, including any warranty claims and any right to file a claim in arbitration, that the Unit Owner(s) otherwise may have regarding such defect or problem absent such waiver.

D. Damage. Any damage to the Property, a Unit, the Limited Common Elements or the Common Elements resulting from the exercise of the easement and right of entry described in the above subsections of this Section promptly shall be repaired by, and at the expense of, the party exercising this easement; provided, however, the obligation to repair shall be limited to restoring the affected area to the same approximate condition and state of repair which existed prior to the undertaking of the work permitted by this easement and after taking into account the nature of any corrective work or improvement so performed by Developer or General Contractor pursuant to this Section.

E. No Implied Warranty and Enforcement. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DEVELOPER AND GENERAL CONTRACTOR TO THE ASSOCIATION OR ANY OWNER, AND DEVELOPER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY TENNESSEE LAW. Developer and General Contractor may seek enforcement of the rights afforded to each of them under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction in the State of Tennessee and notwithstanding to the contrary any arbitration provision set forth in this Master Deed or any other instrument whatsoever.

F. General Contractor, Notices and Amendment. As used in this Section, the term "General Contractor" shall mean J2K Builders, LLC, a Tennessee limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work on the Property, the Common Elements, the Limited Common Elements and any Unit. Notices to General Contractor shall be delivered as follows: J2K Builders, LLC, Attn: District Lofts Project, P.O. Box 100453, Nashville, Tennessee, 37224, Phone: (615) 256-1400, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Master Deed. General Contractor is an express beneficiary

of the terms set forth in this Section, and the terms of this Section may not be amended in any manner whatsoever without General Contractor's prior written consent. Developer covenants with General Contractor that it immediately shall forward to General Contractor any notice whatsoever that Developer receives from the Association or any Unit Owner regarding any alleged design defect, construction related defect or other construction-related problem whatsoever regardless of whether or not such notice also shall be addressed to General Contractor and regardless of whether or not Developer determines that such complaint is without merit.

ARTICLE II.

Arbitration and Actions Against the General Contractor and/or Developer.

A. Prerequisites to Actions Against Developer or General Contractor

Prior to filing a civil action or arbitration claim of any nature whatsoever against Developer or General Contractor (as defined below), and prior to consulting with, retaining or hiring in any capacity whatsoever, any third party consultant, advisor, property inspector, architect, engineer, contractor or repairmen to correct the problem or to examine, investigate, or advise the Association or any Unit Owner with respect to any suspected or reasonably inferable design defect, construction-related defect or other construction-related problem with the Property, Common Elements, the Limited Common Elements and any Unit, the Association and Unit Owner shall first notify Developer and General Contractor of the alleged or suspected problem and shall first provide Developer and General Contractor with a reasonable opportunity to inspect and repair the problem pursuant to the terms of Section 1. above. For the purposes of this Section, a minimum of sixty (60) days from first notice to Developer or General Contractor shall be deemed a reasonable opportunity for Developer and General Contractor to inspect and repair any alleged or suspected problem; provided, however, in certain circumstances, this period of time may be longer depending on the complexity of the condition and the length of time reasonably necessary to obtain parts and services from third parties as such additional time shall be communicated to the Association and Unit Owner by Developer or General Contractor. After the above right to inspect and correct period elapses, the Association may bring an action against Developer or General Contractor to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements only. Such action may be maintained by the Association only after taking certain actions, including, but not limited to, the following:

i. The Association obtains the written approval of each Unit Owner whose interest in the Common Elements or Limited Common Elements will be the subject of the action;

ii. The Association obtains the affirmative vote of the Unit Owners to which at least a majority of the votes of the members of the Association are allocated;

iii. The full Board of Directors and, as applicable, the General Contractor and Developer have met in person and conferred in a good faith attempt to resolve the

Association's Claim or the General Contractor and/or Developer has definitively declined or ignored the requests to meet with the Board of Directors.

At least three business days in advance of any vote to commence an action by the Association to recover damages resulting from construction defects in any of the Common Elements or Limited Common Elements, the attorney representing the Association shall provide to each Unit Owner a written statement that includes, in reasonable detail:

1. The defects and damages or injuries to the affected Common Elements or Limited Common Elements;

2. The cause of the defects, if the cause is known;

3. The nature and the extent that is known of the damage or injury resulting from the defects;

4. The location of each defect within the affected Common Elements or Limited Common Elements, if known;

5. A reasonable estimate of the cost of the action or mediation, including reasonable attorneys' fees and costs, expert fees, and the costs of testing; and

6. All disclosures that the Unit Owner is required to make upon the sale of the Unit.

The Association or an attorney for the Association shall not employ a person to perform destructive tests to determine any damage or injury to a Unit, Common Element, or Limited Common Element caused by a construction defect unless:

1. The person is licensed as a contractor pursuant to law;

2. The Association has obtained the prior written approval of each Unit Owner whose Unit or interest in the Common Element or Limited Common Element will be affected by such testing;

3. The person performing the tests has provided a written schedule for repairs;

4. The person performing the tests is required to repair all damage resulting from such tests in accordance with state laws and local ordinances relating thereto;

5. The Association or the person so employed obtains all permits required to conduct such tests and to repair any damage resulting from such tests; and

6. Reasonable prior notice and opportunity to observe the tests is given to Developer, General Contractor and any other party against whom an action may be brought as a result of the tests.

The Association may commence an action only upon a vote or written agreement of the Unit Owners to which at least a majority of the votes of the members of the Association are allocated. In such a case, and at least 21 calendar days before the meeting, the Association shall provide written notice to the Unit Owner of each Unit of the meeting at which the commencement of an action is to be considered or action is to be taken.

The Association may, without giving notice to the Unit Owners, employ a contractor and such other persons as are necessary to make such immediate repairs to a Unit or Common Element as are required to protect the health, safety, and welfare of the Unit Owners and Occupants.

Similarly, prior to any Unit Owner(s) bringing any Claim against the Developer or General Contractor, the affected Unit Owner(s) shall first notify the Association of their intent to do so, shall meet with the Association's Board of Directors to discuss the nature and merit of their Claim and whether such Claim concerns the Common Elements, and shall provide the Association with at least sixty (60) days (if requested by the Board) to obtain the consent of the Unit Owners for the Association to join-in such Claim against the Developer or General Contractor with respect any affected Common Elements only.

B. Notice.

After first complying with the terms and conditions set forth above in subsection A, if the Association and/or a Unit Owner(s) (singularly or collectively as the context requires, the "Claimant") desires to pursue a legal claim of any nature whatsoever against General Contractor and/or Developer (singularly or collectively as the context requires, the "Respondent"), then the Claimant shall, no later than ninety (90) days before initiating an action against Respondent, provide service of written notice of claim on Respondent (the "Notice of Claim"). The Notice of Claim shall state that the Claimant asserts a construction defect claim. The Notice of Claim shall describe the claim or claims in detail sufficient to explain the nature of the alleged construction defects and the results of the defects. In addition, the claimant shall provide to the General Contractor or Developer any evidence that depicts the nature and cause of the construction defect, including expert reports, photographs, and videotapes, if that evidence otherwise would be discoverable under evidentiary rules.

For purposes of clarification of the above terms and conditions, a Unit Owner may file a Claim against Respondent for problems or deficiencies with his or her Unit only; a Unit Owner may not file a Claim against Respondent for problems or deficiencies with the Common Elements as all Unit Owners covenant and agree that all such Claim rights are exclusively those of the Association. The Association only may file Claims against Respondent for problems or deficiencies with the Common Elements or for problems and deficiencies affecting more than 10% of all Units in the Property and, in such case, all Unit Owners covenant and agree that the Association shall serve in a representative capacity on behalf of all such affected Unit Owners should the Association elect to do so.

C. Negotiation and Mediation.

If the parties do not resolve the Claim amongst themselves in accordance with the notice and opportunity to cure provisions set forth above ("Termination of Negotiations"), then Claimant shall have thirty (30) days from the conclusion of the right to inspect and correct period set forth in Article II(A) to submit the Claim to mediation under the auspices of an independent, mutually acceptable agency providing dispute resolution services in the Metropolitan Nashville, Tennessee area.

If Claimant does not submit the Claim to mediation within such time period, or does not appear for the mediation, Claimant shall be deemed to have absolutely, unconditionally and forever waived the Claim, and Developer and General Contractor shall be released and discharged from any and all liability whatsoever to Claimant on account of such Claim.

Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the parties. If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such additional time as determined by the mediator, the mediator shall issue to all parties a written notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the parties are at an impasse and the date that such mediation was terminated. Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to Respondent, and Respondent shall make a final written settlement offer ("Settlement Offer") to Claimant. If Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If Respondent fails to make a Settlement Offer, they shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

D. Final and Binding Arbitration.

If the parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, then the Claimant shall have fifteen (15) additional days thereafter (i.e., thirty (30) days from the date of Termination of Mediation) to submit the Claim to arbitration before the American Arbitration Association pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, then the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability whatsoever to Claimant arising out of such Claim. This is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Tennessee. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it to the fullest extent permitted under the laws of the State of Tennessee.

E. Allocation of Costs of Resolving Claims.

Each party (regardless of the outcome of the arbitration proceeding) shall bear its own costs, including attorneys' fees, arbitration filing fees and arbitration case service fees. The parties shall share equally in all arbitrator compensation and expenses and compensation of the mediator and mediation service. Under no circumstances whatsoever shall one party be entitled

to receive reimbursement from the other party for the above described costs, expenses and fees, including but not limited to attorneys' fees.

F. Enforcement of Resolution.

After resolution of any Claim, if any party fails to abide by the terms of any settlement agreement or Award, then any other party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above. In such event, the party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties jointly and severally) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

G. General Contractor, Amendment, Miscellaneous.

As used in this Section, the term "General Contractor" shall mean J2K Builders, LLC, a Tennessee limited liability company, its employees, officers, directors, agents, subsidiaries, affiliates and assigns as well as all subcontractors hired by General Contractor (or subcontractors of such subcontractors) to perform work on the Property, the Common Elements and any Unit. Notices to General Contractor shall be delivered as follows: J2K Builders, LLC, Attn: District Lofts Project, P.O. Box 100453, Nashville, Tennessee, 37224, Phone: (615) 256-1400, as such notice address and phone number may be amended from time to time by General Contractor upon the filing of a new notice address in the appropriate land records where the Condominium is located with cross-reference to this Master Deed. General Contractor is an express beneficiary of the terms set forth in this Section, and the terms of this Section may not be amended in any manner whatsoever without General Contractor's prior written consent. THE TERMS OF THIS SECTION SHALL NOT BE DEEMED TO PROVIDE ANY IMPLIED OR EXPRESS WARRANTY RIGHTS WHATSOEVER BY DEVELOPER AND GENERAL CONTRACTOR TO THE ASSOCIATION OR ANY OWNER, AND DEVELOPER AND GENERAL CONTRACTOR EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE FULLEST EXTENT PERMITTED BY TENNESSEE LAW. Developer and General Contractor may seek enforcement of the rights afforded to it under this Section by filing an action at law or in equity, including specifically the remedy of specific performance, in the appropriate court of competent jurisdiction in the State of Tennessee and notwithstanding to the contrary any arbitration provision set forth in this Master Deed or any other instrument whatsoever.

RULES AND REGULATIONS
OF
DISTRICT 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 of District Lofts, a condominium development, and the Articles of Incorporation and By-Laws of District Lofts Condominium Association, Inc. Capitalized terms used in these Rules and Regulations are as defined in the Master Deed of District Lofts, a condominium development. 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, with the exception of those Units designated by Developer as "Commercial Units" on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the. 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, other than the areas immediately adjacent to the commercial, retail or office Units, shall be used only for access, ingress and egress to and from the respective residential 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 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 Declaration 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 $500 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 City of Nashville, 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 If required by the Board of Directors, in its sole discretion, 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, with the exception of signs used to identify businesses operating in those Units designated by Developer as "Commercial Units" on the Plan attached to the Master Deed as Exhibit C, as may be modified from time to time by the. All signs used by businesses in "Commercial Units" must comply with standard aesthetic requirements, established by the Developer.

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, commercial vehicles, 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 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 fine, in an amount set by the Board, 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. 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 assessment of a monthly late penalty at a rate set from time to time by the Board. Payment shall be made at the Management Company's office by check or money order, payable to District 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 District Lofts Condominium Association, Inc. at the Management Company's office. Failure to pay by the 15th day of each month will result in assessment of a monthly late penalty at a rate set from time to time by the Board, plus an additional fee for the Board's time in processing late payments,. 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: In its sole discretion, the Board may require that 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. However, 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 deposit rate set from time to time by the Board 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 would reasonably be considered

major construction or improvements, 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. In the Board of Director's discretion, the Unit Owner may be required to post a 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 Unit Owner's damage 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, estate sales, or similar 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.

Section 24. Inherent Risks in Use of Common Elements and Limited Common Elements. There may be numerous risks to Unit Owners and their guests inherent to the use of certain of the Common Elements and Limited Common Elements on the Condominium Property, including but limited to the use of balconies, patios, terraces, roofs, stairways, and elevators. As a result, certain limitations and/or restrictions on the use of those Common Elements and Limited Common Elements may be desirable, including but not limited to the following:

24.1 Unit Owners and their guests should not use balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements, or their individual Units, in a hazardous, reckless, negligent, or otherwise unsafe manner.

24.2 Unit Owners and their guests should not use balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements or similar items in their individual Units while intoxicated or otherwise incapacitated.

24,3 Unit Owners and their guests should not throw, hang, place, or drop any items or debris from any balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements or their individual Units.

24.4 Units Owners and their guests should not allow an excessive number of persons on, or otherwise violate the recommended weight limitations for, balconies, patios, terraces, roofs, stairways, elevators, and similar Common and Limited Common Elements.

24.5 Unit Owners and their guests should at all times while on the Condominium Property use common sense and avoid behavior that would pose a risk of harm to themselves or others.

ARTICLES OF INCORPORATION
OF
DISTRICT LOFTS CONDOMINIUM ASSOCIATION, INC.

FILED
STATE OF TENNESSEE

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SECRETARY OF STATE

STATE OF TENNESSEE
ARTICLES OF INCORPORATION
OF
DISTRICT LOFTS CONDOMINIUM ASSOCIATION, INC.

The undersigned person(s), under the Tennessee Nonprofit Corporation Act, adopt(s) the following charter for the above listed corporation:

1. The name of the corporation is DISTRICT LOFTS CONDOMINIUM ASSOCIATION, INC.

2. The corporation is a mutual benefit corporation.

3. This corporation is not classified as a religious corporation.

4. The initial registered agent and the address of the initial registered office in Davidson County, Tennessee shall be as follows:

   Adam Leibowitz
   2515 Nolensville Pike
   Nashville, TN 37211

5. The name and complete address of each incorporator is:

Name	Address	Zip Code
Adam Leibowitz	2515 Nolensville Pike, Nashville, TN	37211
Andy Neuman	2515 Nolensville Pike, Nashville, TN	37211
Jim McLean	P.O. Box 100453, Nashville, TN	37224

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

Street Address	City	State	Zip Code
2515 Nolensville Pike	Nashville	Tennessee	37211

7. This corporation is a not for profit corporation. The corporation is organized and shall be operated exclusively for educational and charitable purposes and such other literary and research purposes, or any other purposes authorized by section 501(c)(3), or any of them, as defined in section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (sometimes hereinafter ACode@).

8. This corporation shall have members. The business and affairs of the corporation shall be managed by a Board of Directors and shall adopt bylaws all in accordance with the Tennessee Nonprofit Corporation Act, as amended. The bylaws may be adopted, amended, and repealed by the directors. The directors shall be selected at the times and in the manner provided in the bylaws.

9. The corporation is intended to qualify and be subject to the benefits and obligations of those statutory provisions referred to above (including the Code), and the provisions of this Article 9 are set forth as additional restrictions upon the authority of the corporation. Any references in this Article Nine and elsewhere in these Articles of Incorporation to the ACode@ or to the Internal Revenue Code of 1986 are intended to apply to such sections of the Internal Revenue Code of 1986 and to the corresponding provisions of any future United States internal revenue law as amended from time to time. In furtherance of the foregoing principles in Articles 7 and 9 the following three (3) paragraphs shall be binding upon the corporation:

> No part of the net earnings of the corporation shall inure to the benefit of or be distributable to members (if any), directors (and/or trustees), officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of authorized purposes of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt for federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.
>
> For those periods of time (if any) during which the corporation is a private foundation within the meaning of Section 509 of the Code, the income of the corporation shall be distributed at such time and in such manner as not to subject the corporation to tax under Section 4942 of the Code; and the corporation shall not engage in any act of self-dealing (as defined in Section 4141(d) of the Code), shall not retain any excess business holdings (as defined in Section 4943(c) of the Code), shall not make any investments in such manner as to be subject to tax under Section 4944 of the Code, and shall not make any taxable expenditures (as defined in Section 4945(d) of the Code).
>
> Upon the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the

corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Trustees shall determine. Any of such assets not so disposed of shall be disposed of by the appropriate Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

10. Officers and directors of the corporation may hereby be entitled to indemnification to the fullest extent authorized by the Tennessee Nonprofit Corporation Act except to the extent as the members or directors, by specific resolution, may otherwise limit such indemnification. The bylaws of the corporation may set forth such provisions relating to indemnification and payment of expenses regarding proceedings in which a director or officer is a party as set forth in, and subject to, Part 5 of Chapter 58 of Title 48 of the Tennessee Code Annotated, as amended from time to time. Nothing herein shall be deemed to limit any immunity for actions for breach of fiduciary duty as set forth in Part 6 of Chapter 58 of Title 48 of the Tennessee Code Annotated, as amended.

11. The undersigned incorporators shall be the initial members of the Board of Directors of the corporation

DATED this 3rd day of January, 2008.

Adam Leibowitz

Andy Neuman

Jim McLean

This instrument is prepared by:
Lawrence P. Leibowitz
C. Ryan Stinnett
Leibowitz & Cohen
608 Gay Street, SE, Suite 200
Knoxville, TN 37902
(865) 637-1809

DISTRICT LOFTS, A CONDOMINIUM DEVELOPMENT
LIMITED NEW HOME WARRANTY

THIS AGREEMENT made this _____ day of _____, 200__, by and between **Third & Harrison, a Tennessee limited liability company** ("Seller"), and _____ ("Purchaser") for the purchase and sale of Unit _____ in **DISTRICT LOFTS, A CONDOMINIUM DEVELOPMENT.**

WHEREAS, Seller has caused to be developed for sale to Purchaser a condominium Unit situated in the City of Nashville, County of Davidson, State of Tennessee, and;

WHEREAS, Seller does hereby agree to give a limited warranty on the Unit for a period of one (1) year following closing or occupancy by the Purchaser, whichever event shall first occur, upon the following conditions.

NOW, THEREFORE, in consideration of the payment of the purchase price of the Unit and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and upon the premises and agreements hereinafter set forth, the parties hereby agree as follows:

1. Prior to or at Closing, the Purchaser shall deliver an Affidavit of Acceptance containing a written list of any apparent defects, omissions, adjustments or malfunctions in the Unit not previously made known in writing to the Seller. To the extent that such items are a normal Seller's responsibility or not otherwise excluded hereunder, corrections or adjustments will be made by the Seller within sixty (60) days after Closing. Purchaser agrees to cooperate after Closing to make the Unit available for subcontractors during normal business hours in order that agreed items may be corrected.

2. Seller warrants the Unit to be free from latent defects for a period of one (1) year following Closing. A latent defect in construction is herein defined as a defect not apparent at time of occupancy or Closing, but which becomes apparent within one (1) year from date of Closing, and such defect has been directly caused by Seller's failure to construct in accordance with the standards of construction prevailing in the Nashville area. It is stressed, however, that normal characteristic behavior of building materials, wear and tear, general maintenance, and like items, will not constitute a latent defect.

PROCEDURE: Should it appear that a possible latent defect (non-emergency nature) has developed, Purchaser shall outline pertinent details in writing, and deliver same to Seller immediately. Following receipt of such notice, Seller will make an inspection. If a latent defect exists, the Seller will (at Seller's sole option) either (1) repair, (2) replace, or (3) pay to Purchaser the reasonable cost of such repair or replacement due to such latent defect(s); however, Seller shall not be obligated to spend more than the purchase price of the Unit.

NOTWITHSTANDING ANYTHING TO THE CONTRARY STATED HEREIN, THIS WARRANTY DOES NOT COVER ANY APPLIANCE, PIECE OF EQUIPMENT, OR ITEM WHICH IS A CONSUMER PRODUCT FOR PURPOSES OF THE MAGNUSON-MOSS WARRANTY ACT (15 U.S.C., § 2301 THROUGH 2312). THIS WARRANTY IS GIVEN IN

LIEU OF ANY AND ALL OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY AND WORKMANSHIP, AND IS ALSO IN LIEU OF ANY CLAIMS FOR CONSEQUENTIAL DAMAGES, MENTAL ANGUISH OR DISTRESS AND FOR DAMAGES BASED ON NEGLIGENCE EXCEPT, IF APPLICABLE, SUCH WARRANTY AS SPECIFICALLY STATED IN ANY REQUIRED VA/FHA WARRANTY DELIVERED SIMULTANEOUSLY HEREWITH, EACH OF WHICH IS HEREBY WAIVED BY PURCHASER. ***(Initials _____)***.

3. The Seller shall not be liable under this Limited Warranty unless written notice of the latent defect shall have been given by Purchaser to Seller within the one (1) year warranty period. Steps taken by the Seller to correct any defect or defects shall not act to extend the warranty period described hereunder.

4. If Purchaser has given Seller written notice of the latent defect within the one (1) year warranty period, the Purchaser shall have ninety (90) days after expiration of the one (1) year warranty period to initiate mediation and/or arbitration relating to any defects not corrected by Seller hereunder.

5. Seller hereby assigns to Purchaser all of Seller's rights, if any, under manufacturers' warranties on appliances and items of equipment included in the Unit. Seller assumes no responsibility for such manufacturers' warranties, and Purchaser should follow the procedures in the manufacturers' warranties if defects appear in such appliances and items of equipment.

6. Seller does not assume responsibility for any of the following, all of which are expressly excluded from coverage under this Limited Warranty:

   (a) Defects in appliances and pieces of equipment which are covered by manufacturers' warranties.

   (b) Incidental, consequential, or secondary damages caused by a breach of this Limited Warranty.

   (c) Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; mildew and fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather stripping.

   (d) Conditions resulting from condensation on, or expansion or contraction of, materials.

   (e) Defective design or materials supplied by Purchaser or installed under his direction, or defects in, or caused by anything not built into or installed in the Unit pursuant to contract between Seller and Purchaser.

(f) Damages due to ordinary wear and tear, abusive use, improper operation of any element or lack of proper maintenance of the Unit.

(g) Loss or injury due to the elements.

(h) Landscaping or any portion thereof is hereby expressly excluded from this Limited Warranty including sodding, seeding, shrubs, trees and plantings, except that Seller guarantees trees and plantings will bloom the first season after installation.

(i) Insect damage of any nature whatsoever.

(j) Non-uniformity of appearance of used or simulated used brick.

(k) Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, granite, marble and glass not expressly identified to Seller prior to Closing.

(l) Dripping faucets and toilet adjustments after the initial thirty (30) days of the warranty period.

(m) Utility service lines installed by municipality or service company and back filling, or slumping thereof, including meters.

(n) Deterioration or defects in asphalt paving.

(o) Changes or failures in the underground water table and subsurface soil structures beyond the Seller's control.

(p) Damage due to the abuse or neglect of the Purchaser, or the Purchaser's failure to provide proper maintenance.

(q) The presence of mold, mildew, spores, fungi or other related conditions, Acts of God, lightening, windstorm, hail, flood, mud slides, radon gas, sinkholes, earthquakes or other similar conditions.

(r) Cosmetic defects or flaws not listed on the Homeowner Orientation Form;

(s) Special Exclusions: _____

7. All warranty work shall be scheduled during normal weekday working hours, except in emergencies.

8. This warranty is extended only to the Purchaser(s) named herein. It is not transferable to subsequent purchasers of the Unit and is subject to Purchaser's occupancy or occupancy of Purchaser's immediate family.

9. Should any term of this Agreement be deemed by a Court of competent jurisdiction to be unenforceable, such determination shall not affect the enforceability of the remaining provisions.

10. Use of one gender shall include all other genders; use of the singular shall include the plural; and use of the plural shall include the singular; all as may be appropriate.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

12. All claims, disputes or other matters in question ("Claims") arising out of or relating in any way to this Limited Warranty or breach thereof, or relating to the relationship involved with or concerning this Limited Warranty, shall be subject to mediation and, in the event no mediated resolution is reached within sixty (60) days of either party's request for and notice of mediation, then subject to arbitration by a single arbitrator in Nashville, Tennessee, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. All disputes concerning the arbitrability of any claim or the enforceability or scope of this provision shall be subject to the same binding arbitration. The parties shall bear equally the cost of the arbitrator, and each party shall otherwise bear their own costs; provided the arbitrator shall have the authority to award costs as a part of this award to the extent authorized by applicable law. The arbitrator shall follow the law applicable to any Claim and shall be empowered to award any damages or other relief which would be available under the law applicable to any such Claim. The determination of the arbitrator shall be final, binding on the parties and non-appealable, and may be entered in any court of competent jurisdiction to enforce it. The parties acknowledge and agree that the transactions contemplated by this Limited Warranty, which include the use of materials and components which are obtained from out-of-state and which otherwise include the use of interstate mails, roadways and commerce, involve interstate commerce, as that term is defined in the Federal Arbitration Act, 9 U.S.C. §1, *et seq.*

13. Purchaser acknowledges that the sole remedy available to Purchaser hereunder is the right to require Seller to repair, replace or pay the reasonable cost of repairing or replacing any such items. Further, this is the entire and sole agreement of the parties, all prior representations and agreements, including the Sales Contract pertaining to the purchase and sale of the Unit, are incorporated or merged herein or superseded hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SELLER:

THIRD & HARRISON, LLC,
a Tennessee limited liability company

By: _____
Its: _____

PURCHASER:

_____

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