

This Instrument Prepared By:
Lewis S. Howard, Jr., Esq.
Howard & Howard, P.C.
4820 Old Kingston Pike
Knoxville, TN 37919
865.588.4091

SHERRY WITT
REGISTER OF DEEDS
KNOX COUNTY

**MASTER DEED
OF
THE ENCLAVE
CONDOMINIUM**

THIS MASTER DEED, made and entered on behalf of HOLROB-HOWARD NORTHSHORE PARTNERSHIP, a Tennessee general partnership, hereinafter called "Developer" or "Declarant", effective the 27th day of December, 2008, pursuant to the provisions of the Tennessee Horizontal Property Act (the "Act") Tennessee Code Annotated Sections 66-27-101 et seq.

WITNESSETH:

WHEREAS, Developer owns a certain tract of land (the "Land"), located in the County of Knox, State of Tennessee, more particularly described on Exhibit A attached hereto and hereby incorporated by reference herein; and

WHEREAS, there are constructed or to be constructed certain improvements on the Land consisting of residential units and appurtenances and amenities thereto, and it is the desire and intention of the Developer to divide the Project (as hereinafter defined) into condominiums and to sell and convey the same to various purchasers, subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, it is the desire, intent and purpose of the Developer by this Master Deed and attached exhibits, to submit the Land together with said condominium Units (as hereinafter defined) and all structural improvements and other permanent fixtures now or hereafter erected thereon, and all rights and privileges belonging or in any wise appertaining thereto, to the provisions of the Act (as hereinafter defined); and to establish a "condominium project" in which each individual Unit may be and shall be owned, possessed, leased, sold, conveyed and encumbered as if it were solely and entirely independent of the other Units in the condominium buildings and in which the Owner (as hereinafter defined) has an exclusive ownership of his Unit and has a common right to share with other Owners in the General Common Elements (as hereinafter defined) of the Land and buildings not constituting an individual Unit; and

WHEREAS, the Condominium Project shall consist of ten (10) Phases, each Phase being numbered consistently from 1-10 and each Phase consisting of two (2) individual Units.

DECLARATION

NOW, THEREFORE, for and in consideration of the premises, in consideration of the reliance hereon by the purchasers of individual Units, and as authorized by the Act, Developer, for itself and its successors and assigns, does hereby covenant, establish and confirm unto its grantees and unto its heirs, successors and assigns, as well as to any and all other persons hereafter having or acquiring any interest of any nature whatsoever in or to any part of the Land and Buildings, as follows:

ARTICLE I ESTABLISHING OF HORIZONTAL PROPERTY REGIME

(a) The Land and buildings and all other improvements located on the Land shall be and are herewith constituted and established as a condominium project and a horizontal property regime as defined in and as authorized by the Act, and shall continue as such forever unless terminated in the manner hereinafter provided.

(b) Each Unit, as hereinafter defined, may be and shall be individually transferred, conveyed and encumbered and shall be the subject of ownership, possession, mortgage, deed of trust or sale and of all types of juridic acts inter vivos or mortis causa as if it were solely and entirely independent of the other Units in the Condominium Buildings (as hereinafter defined), and the corresponding individual title and interest with respect to each Unit shall be recordable. In any deed, mortgage, lease or other instrument of conveyance or encumbrance of, or by which a lien is created upon, any interest or estate in a Unit or Units within the condominium, it is sufficient to describe any such Unit or Units by setting forth the name of the property, "The Enclave," the number or address of the Unit as it appears on the condominium plat and the number of this instrument in the records of the Office of the Register of Knox County, Tennessee.

(c) An Owner shall have an exclusive ownership to his Unit and shall have the common right to share with the other Owners in the General Common Elements of the property and limited use of certain Limited Common Elements (as hereinafter defined). Each Owner may use the General Common Elements in accordance with the purpose for which they are intended. Any transfer, conveyance or encumbrance of an individual Unit, whether by deed, mortgage, deed of trust, last will and testament, inheritance, gift or otherwise, shall be deemed also to transfer, convey or encumber the undivided interest of the Owner in the Common Elements (as hereinafter defined) belonging to and appertaining to said Unit, without specifically or particularly referring to the same. No Owner, whether by deed, mortgage, deed of trust, last will and testament, inheritance, gift or otherwise, shall have any right to transfer, convey or mortgage his Unit without also transferring, conveying or mortgaging as an incident thereto his undivided interest in the Common Elements; conversely, no Owner shall have any right to transfer, convey or mortgage any part of his undivided interest in such Common Elements without also transferring, conveying or mortgaging his Unit to which his undivided interest in such Common Elements is incident.


Page: 2 OF 51
200812290040057

(d) Any Unit may be held and owned by more than one person, as tenants in common, as joint tenants, as tenants by the entireties, or in any other real estate tenancy relationship now or hereafter recognized under the laws of the State of Tennessee.

(e) The Common Elements shall remain undivided and shall not be the object of an action for partition or for division by judicial proceedings or otherwise. Likewise, no Unit (or the undivided interest in the Common Elements incidental thereto) shall be partitioned in kind nor subdivided into smaller Units by judicial proceedings or otherwise, EXCEPT as provided herein or with the consent of the Board of Directors (as hereinafter defined).

(f) Each Owner, his personal representatives, heirs, successors and assigns (i) shall, at all times, comply with the provisions and requirements of this Master Deed, with the Bylaws hereinafter set forth and all amendments thereof, and with any Community Policies and Guidelines for the Condominium Project as in effect from time to time, as initially adopted by Developer and as updated from time to time thereafter by the Board of Directors ("Community Policies and Guidelines"), and shall promptly pay, when due, all assessments and his pro rata share of the expenses of administration and maintenance and repair of the Common Elements, as hereinafter provided. The failure to comply with any such provision or requirements, or the failure to make any such payment, shall be grounds for an action to recover the sum due for damages and for injunctive or other relief as hereinafter provided.

(g) Each and all of the rights, privileges and benefits of, and each and all of the duties, burdens, requirements and restrictions contained in, the Act, resulting from the establishment of a horizontal property regime in accordance therewith, shall be applicable to the Project and to each Owner, both with respect to his Unit and his undivided interest in the Common Elements, except to the extent that an express contrary provision is validly and lawfully made in this Master Deed or in the Bylaws forming a part hereof, and, to that end, the said Act, as amended or as it may subsequently be amended, is incorporated herein by reference as fully as though set out herein in full.

In the event the Act or any provision thereof is, at any time, declared or found to be unconstitutional or invalid, the provisions of this Master Deed and the plan for an Owner to own his Unit in fee simple, separately and independently, and to own his undivided interest in the Common Elements and in all other incidents thereto as set out in this Master Deed, shall nonetheless continue in full force and effect as authorized by the laws of the State of Tennessee.

ARTICLE II DEFINITIONS

Certain terms as used in this Master Deed (whether capitalized or not) shall be defined as follows, unless the context clearly indicates a different meaning thereof:


Page: 3 OF 51
200812290040057

(a) "Association" is a non-profit Tennessee corporation known as "The Enclave Owners Association Inc.", which includes as members all of the Owners and Co-Owners. The Bylaws of the Association are attached hereto as Exhibit E.

(b) "Board of Directors" means the administering body of the Association.

(c) "Common Elements" means and includes both General Common Elements and Limited Common Elements.

(d) "Condominium Building" means a building containing and including two (2) individual condominium Units.

(e) "Condominium Buildings" means and includes all of the buildings located on the Land containing and including individual condominium Units.

(f) "Condominium Project" or "Project" means the entire parcel including all structures thereon.

(g) "Condominium Unit" or "Unit" ("apartment" as defined in T.C.A. Section 66-27-102) means that part of the Condominium Project intended for individual ownership and use.

Each individual Unit shall consist of all the improvements and space therein within the boundary lines for that Unit, as set out on the Plat and condominium site plan, attached hereto as Exhibits "B" and "C", respectively, and as more particularly described in Article IV below. Nothing contained herein shall be construed to include any of the Land as part of an individual Unit, however, as all of the Land is part of the Common Elements, as defined hereafter.

(h) "Co-Owner" or "Owner" means a person, firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof, who owns a Unit or Units within the Condominium Project. When two or more persons own a Unit as tenants in common, joint tenants, tenants by the entireties, or otherwise, such persons shall constitute the "Co-Owner" or "Owner" with respect to that Unit.

(i) "Developer" means HOLROB-HOWARD NORTHSORE PARTNERSHIP, a Tennessee general partnership, or its designee, who has made and executed this Master Deed.



Page: 4 OF 51

200812290040057

(j) "General Common Elements" mean the Land and any of the following included in the Project: entry gate, gatehouse, walls, fencing, the foundations, main walls, roofs, the yards, and gardens, except as otherwise provided or stipulated; the compartments or installations of central services, such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like; and, in general, all devices or installations existing for common use; and all other elements of the Project rationally of common use or necessary to its existence, upkeep and safety; provided that "General Common Elements" shall exclude all Limited Common Elements. Without limiting the foregoing, it is expressly acknowledged and agreed that "General Common Elements" shall include all storm water detention facilities, all utility installations up to the point of connection in a Unit (with the exception of fixtures within a Unit for the purpose of serving that particular Unit) including but not limited to electric wiring, plumbing and sanitary lines and all pipes, ducts or other equipment used to provide power, light, telephone, gas, water, heat or other utility services to the individual Units; provided, however, that any heating and/or air conditioning equipment located outside the Unit but intended for use specifically by that Unit shall be a part of that Unit and shall not be a General Common Element.

(k) "General Common Expenses" means and includes all expenses related to insurance coverage maintained by the Association and the maintenance and repair of all improvements constituting a part of the Common Elements, including the Limited Common Elements, and including but not limited to utility and storm water facilities serving more than one Unit, utility lines in the Common Elements, lawns, shrubs, trees, walkways, drives, parking areas, fireplace chimneys, and the structural portions and exterior portions of all Condominium Buildings and improvements which are a part of the Common Elements, including the Limited Common Elements, and that do not constitute part of a Unit.

(l) "Act" means the Horizontal Property Act of the State of Tennessee being Chapter 124 of the Public Acts of 1963, and being Section 66-27-101, et seq., of the Tennessee Code Annotated, as same may hereafter be amended.

(m) "Land" shall have the meaning set forth in the preamble of this Master Deed.

(n) "Limited Common Elements" means those portions of the Common Elements which are reserved or reasonably meant for the use of a certain Unit or Units to the exclusion of other individual Units.

(o) "Majority of Owners" means Owners entitled to cast more than fifty percent (50%) of the votes as provided in Article XXII(f) of this Master Deed.

(p) "Manager" means the person or firm designated by the Developer or the Board of Directors to manage the affairs of the Condominium Project.



(q) "Member" means a member of the Association who is the Owner of a condominium Unit. All Co-Owners of an individual Unit shall be members. The cessation of the ownership of a Unit shall terminate membership.

(r) "The Enclave" is the name of the Condominium Project.

Section 2. "Plat" means the plat of the Condominium Project attached hereto as Exhibit "B" and incorporated herein by reference.

All pronouns used herein include the male, female and neuter genders and include the singular or plural number, as the case may be.

ARTICLE III DESCRIPTION OF LAND AND BUILDINGS

The Land is owned by the Developer in fee, and embraces the marked area shown on the Plat which is attached hereto and made a part hereof as Exhibit B. The Project includes ten (10) Phases, each Phase consisting of one (1) Condominium Building, containing two (2) dwelling Units.

ARTICLE IV DESCRIPTION AND NUMBER OF UNITS

(a) Within each Condominium Building are situated two (2) individual Units, all for residential purposes. Each Unit has the number, type, location and dimensions shown (or to be shown) on the Plat and condominium site plan, attached as Exhibits B and C hereto and made a part hereof, to which reference is hereby made.

(b) The boundary lines of each Unit are those shown on the Plat and condominium site plan. In the event of any variation between the distances as shown on the Plat and condominium site plan and the actual distances, the actual distances shall prevail. Each Unit includes each and all of the things and matters mentioned in the definition of Unit.

(c) In the event that, by reason of the construction, settlement, reconstruction or shifting of any Condominium Building, any part of a Unit forming a boundary shifts or changes, then the boundary of such Unit shall likewise shift or change, it being always the intention of this instrument that the boundaries as defined in Article IV(e) below shall constitute its actual boundaries.

(d) Each Unit constitutes a single freehold estate and consists of the space in the building designated by that Unit's designation on the Plat that is bounded by the undecorated interior surfaces of the perimeter walls, the unfinished surface of the floors, and the unfinished interior surface of the ceilings, all projected, if necessary by reason of structural divisions such as interior

walls and partitions, to constitute complete enclosures of space, and all improvements within that space. Without limiting the generality of the foregoing, or, as appropriate, in addition, each Unit shall include:

(1) the decorated surfaces, including paint, lacquer, varnish, wall covering, tile and other finishing material applied to floors, ceilings, and interior and perimeter walls, carpeting, if any, and also the floors and ceilings themselves, and the drywall, paneling and other finishing wall material;

(2) all windows, skylights, if any, and screens and doors, including storm doors and windows, if any, and the frames, sashes and jambs, and the hardware therefor;

(3) all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the Condominium Building and from utility pipes, lines or systems serving the entire Condominium Building or more than one Unit thereof, including, without limiting the generality hereof, built-in cabinets, dishwashers, garbage disposal units, refrigerators, stoves and hoods, television antennas and cables, furnaces, hot water heaters, heat pumps, air conditioning units (even though located outside the bounds of a Unit), and components of the foregoing, if any;

(4) all plumbing, electric, heating, cooling and other utility or service lines, pipes, wires, ducts, conduits and apparatus, wherever located, which serve only that Unit;

(5) all control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and ceilings which service either the Unit or the fixtures located therein;

(6) all interior walls that are not necessary for support of the structure, and all components thereof and all space encompassed thereby;

(7) the portion of fireplaces actually within the interior of a Unit, and fireplace vents or chases;

(8) the space in any attached garage;

(9) the space in the attached enclosed veranda, if any; and

(10) the attic space or storage space above a Unit, and the crawl space below a Unit, if any, to which the Unit has direct and exclusive access;

excluding therefrom, however, all of the following items, whether or not located within the bounds of that Unit:

- (i) any supporting element of the Condominium Building contained in interior walls;
- (ii) all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which serve any other Unit; and
- (iii) fireplace chimneys, if any.

(e) Developer makes no representations and warranties regarding the actual square footage of any Unit. Each Unit has its own central heating and air conditioning system. Each Unit has direct access to the General Common Elements.

(f) The number of the individual Units (the area and location of each being shown on the Plat and condominium site plan exhibited hereto), the agreed pro rata share of expenses and assessments of each and the percentage interest of each in the Common Elements and the number of votes per Unit are as set forth on Exhibit D attached hereto and made a part hereof by reference and shall have permanent character and shall not be altered without the consent of all Owners expressed in an amended master deed duly recorded, except as provided herein (Article XXI). The percentage of undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE V GENERAL COMMON ELEMENTS

All General Common Elements are subject to the joint use and enjoyment of each and all of the Owners. The undivided right, title and interest of each Owner, as an incident and appurtenance to his ownership of such Unit, in the Land and in the other General Common Elements and in all of the improvements and facilities thereon (excepting always the Units, as above described and as shown on the Plat and condominium site plan for any additional Units added pursuant to the provisions hereof) and his pro rata share in the income, if any, and of the General Common Expenses and his percentage interest in the Common Elements and facilities and improvements thereon, and in the funds and property held by the Board of Directors, shall be that Unit's pro rata share and percentage interest as set forth in Exhibit D under the column so styled.

ARTICLE VI LIMITED COMMON ELEMENTS

The Limited Common Elements shall be those areas, if any, designated as such herein, or on the Plat and condominium site plan attached hereto as Exhibits B and C, respectively, or designated as such by the Board of Directors from time to time. The Limited Common Elements shall be assigned to the exclusive use and enjoyment of the Owner of the individual Unit or Units which it adjoins, subject to the Bylaws and regulations and final decision as to area included by the Board of Directors.

ARTICLE VII BYLAWS FOR ADMINISTRATION

The Bylaws for the administration of the Project are attached hereto and made a part hereof as Exhibit E to this Master Deed.

ARTICLE VIII BOOKS OF BOARD OF DIRECTORS

The Board of Directors, as established by the Bylaws, and its successor, shall keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Project and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. Both said book and the vouchers accrediting the entries made thereupon shall be available for examination by all the Owners at convenient hours on working days that shall be set and announced for general knowledge. The Board of Directors shall also keep and maintain current copies of this Master Deed, the Charter and Bylaws of the Association, and all other rules and regulations adopted by the Association.

ARTICLE IX EXPENSES PRORATED - NO EXEMPTIONS

PRORATED EXPENSES AND TAXES A LIEN

The Owners of the Units are bound to contribute toward the costs and expenses set forth in Article XVI hereof, including without limitation the General Common Expenses, as assessed from time to time by the Board of Directors or its successor, and toward any other expenses lawfully agreed upon, in proportion to their ownership interests, as shown on Exhibit D.

No Owner may exempt himself from contributing toward such expenses by waiver of the use of enjoyment of the Common Elements or by abandonment of the Unit belonging to that Owner or by any other means.

The sale or conveyance of a Unit shall in all cases be subject to all unpaid assessments against the Owner thereof for his pro rata share in the expenses to which this section refers and, if the same are not paid by the Owner thereof prior to sale or conveyance, there shall be a lien against the Unit and the same shall be paid by the new Owner thereof. Taxes and other levies and assessments of governmental taxing bodies shall likewise be a lien against Units.

ARTICLE X INSURANCE

(a) Developer, the assignee of Developer and each Owner agree that the Condominium Buildings, including all Units, interior and exterior portions thereof, General Common Elements and Limited Common Elements, shall be insured against risks as determined by the Board of Directors in accordance with the Bylaws, including fire and extended coverage. Public liability insurance shall also be maintained. The premiums for such insurance coverage shall be a General Common Expense unless otherwise provided. This provision shall have the same force and effect of a resolution adopted by a majority of Owners under T.C.A. Section 66-27-117. In case of fire or any other disaster, the insuring indemnity shall be applied to reconstruct the condominium project in the manner and with the exceptions set forth in the Bylaws.

(b) Any Owner or occupant may carry such insurance in addition to that provided by the Association pursuant hereto as that Owner or occupant may determine, subject to the provisions hereof, and provided that no Owner or occupant may at any time purchase individual policies of insurance against loss by fire or other casualty covered by the insurance carried pursuant hereto by the Association. In the event any Owner or occupant violates this provision, any diminution in insurance proceeds resulting from the existence of such other insurance shall be chargeable to the Owner who acquired or whose occupant acquired such other insurance, who shall be liable to the Association to the extent of any diminution and/or loss of proceeds. Without limiting the foregoing, an Owner or occupant shall obtain insurance against liability for events occurring within a Unit, losses with respect to personal property and furnishings provided by the Owner, and losses to improvements owned by the Owner or occupant, provided that if the Association obtains insurance for permanent improvements and built-in fixtures and equipment, then the insurance obtained by the Owner with respect to improvements within the Unit shall be limited to the type and nature of coverage commonly referred to as "tenants' improvements and betterments." All such insurance separately carried shall contain a waiver of subrogation rights by the carrier as to the Association, its officers and Board of Directors, and all other Owners and occupants.

(c) In the event the improvements forming a part of the Common Elements or any portion thereof shall suffer damage or destruction from any cause or peril insured against and the proceeds of any policy or policies insuring against such loss or damage and payable by reason thereof shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken by the Association and the insurance proceeds shall be used in payment therefor; provided, however, that in the event that within sixty (60) days after such damage or destruction the Owners and eligible mortgagees, if they are entitled to do so pursuant to the provisions of this Master Deed, shall elect to terminate the Condominium Project, then such repair, restoration or reconstruction shall not be undertaken.

(d) In the event the improvements forming a part of the Common Elements or any portion thereof shall suffer damage or destruction from any cause or peril which is not insured

against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, unless the Owners and eligible mortgagees, if they are entitled to do so pursuant to the provisions of this Master Deed, shall elect within sixty (60) days after such damage or destruction not to make such repair, restoration or reconstruction, the Association shall make repairs, restoration or reconstruction of the Common Elements so damaged or destroyed at the expense (to the extent not covered by insurance) of all Owners in proportion to their respective undivided interests in the Common Elements. Should any Owner refuse or fail after reasonable notice to pay that Owner's share of such cost in excess of available insurance proceeds, the amount so advanced by the Association shall be assessed against the Unit of such Owner and that assessment shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the nonpayment of assessments.

ARTICLE XI CONDEMNATION

(a) Except as hereinafter provided, the Association, or its designated representative, or authorized successor, as trustee, shall represent the Owners in any condemnation or eminent domain proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of all or any part of the Project, and shall have the sole and exclusive right to settle losses with the condemning authority and to receive the award or proceeds of settlement, for the use and benefit of the Owners and their mortgagees as their interests may appear. Notwithstanding the foregoing, in the event that an Owner may lawfully separately pursue and realize upon a claim for incidental and consequential losses or damage to that Owner resulting from a taking under the power of eminent domain, such as for relocation and moving expenses, loss of favorable mortgage terms, and other such individual incidental or consequential losses, that Owner may, at his, her or its election, separately pursue such claim, provided, that the pursuing of the same, or the realization of an award thereof, neither jeopardizes, in any way, an action by the Association to recoup the losses incurred by it, or any other Owner, or the direct loss with respect to the Unit itself, or with regard to the usability thereof, nor diminishes any award for any such loss.

(b) The award or proceeds of settlement in any actual or threatened condemnation or eminent domain proceedings, after reduction by the costs, if any, incurred in obtaining the same, shall be applied first to the cost of restoring or replacing all damaged or taken improvements on the remaining Land in accordance with the Plat and condominium site plan, or in accordance with any new site plan and specifications therefor approved by Owners exercising not less than seventy-five percent (75%) of the voting power of Owners, and the consent of eligible mortgagees.

(c) If the award or proceeds are insufficient for such purpose, the excess cost shall be paid by the Association and, to the extent funds of the Association are insufficient therefor, in the judgment of the Board of Directors, such excess cost shall be a General Common Expense and assessed among the Units. Except as hereinafter provided, the balance of any such award or proceeds of settlement, if there is an excess, shall be allocated and disbursed to the Owners, and their first mortgagees, as their interests may appear, in proportion to the relative undivided interests of the Units in the Common Elements.

(d) Notwithstanding the foregoing, in the event that as a result of any such taking, and consequent restoration or replacement, any Unit could not reasonably be restored to a condition comparable to that which existed prior to the taking, or could not be replaced, prior to the allocation and disbursement of any sum to any other Owner or his, her or its mortgagee, there shall be allocated and disbursed from such award or proceeds, to each Owner whose Unit cannot be so restored or replaced, and his, her or its respective first mortgagee, as their interests may appear, such amount as is equal to the then fair market value of the Unit that cannot be so restored or replaced. Thereupon, such Unit or Units, and the Owners thereof, shall be immediately and automatically divested of any interest in the Condominium Project, the Land, and the Association, including, without limiting the generality of the foregoing, divestment of an undivided interest, vote, membership in the Association, and liability for General Common Expenses. All such rights and interests shall be reallocated among all other Units and Owners in the same relative proportions as those rights and interests were prior to such taking. To illustrate, upon a Unit being divested from the Condominium Project, (a) the voting right of that Unit will be equally allocated among all other Units, since each Unit prior thereto had an equal vote, and (b) the undivided interest of that Unit will be reallocated among all other Units in the proportions of their relative undivided interests prior to such taking.

(e) Each Owner, by acceptance of a deed to a Unit, appoints the Association, or its designated representative, as his, her or its attorney-in-fact to represent that Owner, settle losses, receive and utilize the award or proceeds of settlement, and do all things necessary or desirable for such attorney-in-fact to exercise the rights and fulfill the responsibilities of the Association set forth in this Article XI with respect to condemnation or eminent domain proceedings. This power is for the benefit of each and every Owner, each holder of a first mortgage on a Unit, the Association, and the Land to which it is applicable, runs with land, is coupled with an interest, and is irrevocable.

ARTICLE XII UNITS TO BE SEPARATELY TAXED AS ENTITIES

Each Unit shall be taxed as an entity with such Unit's percentage interest in the Common Elements to be assessed proportionately and paid by the Owner of such Unit as provided in T.C.A. Section 66-27-120.

The above provision shall become effective with all taxes, assessments and other charges of any taxing authority with the calendar year within which this Master Deed is recorded. The Developer (for the year when this Master Deed is recorded) shall pay all such taxes, assessments and other charges when due and shall be entitled to an apportionment and proration of such taxes with respect to the sale of any Unit in the manner agreed upon in the contract of sale, or as otherwise determined by Developer.

Each Owner covenants and agrees to the above basis of taxation, and all Owners, both present and future, irrevocably instruct and empower the Board of Directors to take all steps necessary to insure that the above method and basis of taxation is applied by and respected by any

and all taxing units of this state and of any political subdivisions or any other taxing or assessing authority thereof.

ARTICLE XIII APPURTENANCES TO UNITS

Each Unit shall include, without limitation by reason of enumeration, and the same shall pass with each Unit as an inseparable appurtenance thereto, whether or not separately described, conveyed or encumbered, the following rights, privileges and interests;

(a) An undivided share of the Common Elements, such undivided share to be that percentage interest set forth in Exhibit D hereto;

(b) The right to use such of the Limited Common Elements as is specifically provided for herein, subject always to the rules and regulations made by the Board of Directors;

(c) Easements for the benefit of the Unit;

(d) The same percentage interest as provided in Section (a) hereof in funds, reserves and assets held by the Board of Directors for the benefit of the Owners;

(e) All such appurtenances, however, shall be and continue to be subject to the easements for the benefit of other Units;

(f) The following easements from each Owner to each other Owner;

(1) Ingress and Egress. Easements through the General Common Elements for ingress and egress for all persons making use of such Common Elements in accordance with the terms of the Master Deed.

(2) Maintenance, Repair and Replacement. Easements through the Units and Common Elements for maintenance, repair and replacement of the Units and Common Elements. Use of these easements for access to the Units shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

Page: 13 OF 51
200812290040057

(3) Structural Support. Every portion of a Unit which contributes to the structural support of another Unit shall be burdened with an easement of structural support for the benefit of that Unit.

(4) Utilities. Easements through the Units and Common Elements for all facilities for the furnishings of utility services within the Units and to the Common Elements, which facilities shall include but not be limited to conduits, ducts, plumbing and wiring; provided, however, that a Unit shall be substantially in accordance with the condominium site plan and specifications of the Units.

(g) The right to use and enjoy, in common with the other Owners and subject to the rules and regulations contained herein or made by the Board of Directors, the Land, parking areas, the driveways and all other General Common Elements.

ARTICLE XIV RESTRICTIVE COVENANTS

(a) Except as otherwise specifically provided in this Master Deed, the Project is hereby restricted to single family residential use and uses customarily incidental thereto, provided, however, that no Unit may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility. Notwithstanding the foregoing: (i) an occupant maintaining a personal or professional library, keeping personal business or professional records or accounts, conducting personal business (provided that such use does not involve customers, employees, licensees or invitees coming to the Unit), making professional telephone calls or corresponding, in or from a Unit, is engaging in a use expressly declared customarily incidental to residential use and is not in violation of these restrictions; (ii) it shall be permissible for the Declarant to maintain, during the period of its sale or rental of Units, but for no longer than a five (5) year period of time from the time of the closing of the first sale of a Unit to a bona fide purchaser, one or more Units and/or a portion or portions of the Common Elements, as sales and rental models and offices, and for storage and maintenance purposes, and (iii) one or more Units or a portion thereof, or a portion or portions of the Common Elements, may be maintained for the use of the Association in fulfilling its responsibilities. Except as otherwise provided in Article XXI, no subsequent buildings or structures, other than the Condominium Buildings shown on the Plat, shall be built on the Project except as approved by the Board of Directors.

(b) No animals, livestock or poultry of any kind shall be raised, bred or kept in or around a Unit. Notwithstanding the foregoing, household domestic pets, not bred or maintained for commercial purposes, may be maintained in a Unit, provided that: (i) the maintaining of animals shall be subject to such rules and regulations as the Board of Directors may from time to time promulgate, including, without limitation, the right to place limitations on the size, number and type of such pets, and the right to levy enforcement charges against persons who do not clean up after their pets; and (ii) the right of an occupant to maintain an animal in a Unit shall be subject to

termination if the Board of Directors, in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Condominium Project or other Units or occupants.

(c) No sign of any kind shall be displayed to the public view on the Land except: (i) on the General Common Elements, signs regarding and regulating the use of the General Common Elements, provided they are approved by the Board of Directors; (ii) on the interior side of the window of a Unit, one professionally prepared sign not in excess of five (5) square feet (i.e., 2 feet, 6 inches in height, by 2 feet, 6 inches in width) in size, advertising the Unit for sale; and (iii) on the General Common Elements and model Units, signs advertising the sale of Units by the Declarant during the period of its initial sale of Units, provided, if these limitations on use of signs, or any part thereof, are determined to be unlawful, only the signs described in subitem (i), above, shall be permitted after Declarant's period of initial sales and rental of Units.

(d) All equipment and garbage cans serving a Unit shall be kept entirely within the Unit or appropriately hidden from sight. All rubbish, trash or garbage shall be regularly removed from the Unit, shall not be allowed to accumulate therein, and shall be placed in containers approved by the Association. Nothing shall be stored in places outside of a Unit without prior written approval of the Board of Directors.

(e) The Owners of Units are hereby prohibited and restricted from using any Land or air space outside the exterior Unit boundaries and Limited Common Elements, except in accordance with rules established by the Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners and is necessary for the protection of said Owners.

(f) Any action necessary or appropriate to the proper maintenance and upkeep of the Common Elements (with the exception of the Limited Common Elements in any Unit, which maintenance responsibilities and expenses shall be borne by the Owners of said Unit or Units in the manner set forth in subparagraph (m) below) shall be taken by the Board of Directors.

(g) The Board of Directors or its duly designated representatives shall maintain, manage and landscape all parking areas (including, if deemed desirable by the Board of Directors, reserving parking places for individual Units), undedicated streets, and all grounds, roofs, dormers, General Common Elements (except as provided in subparagraph (j) below) and exteriors of all buildings located upon the above-described properties (excluding the panes of glass in the windows and the exterior and interior of all exit doors belonging to a Unit as set forth above and excluding washing windows of individual Units unless the Board of Directors shall undertake to so do) and shall be responsible for the rubbish and garbage removal in all Common Elements within the described property. It is expressly agreed and understood that each individual Owner shall bear the expense of maintaining and repairing the sewer line that serves only that Owner's Unit.

(h) Except as set forth in Article XXI, no exterior additions or alterations to any Unit or building, nor construction of, changes in or work on, any part of the exterior of any Unit or building, exterior, roofs, and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost shall have been submitted to, and approved in writing as to conformity and harmony of external design and location with existing structures on the property by, the Board of Directors. Such approval may be withheld in the sole discretion of the Board of Directors or a committee appointed by the Board. The members of such committee shall not be entitled to compensation for services performed pursuant to this paragraph.

(i) The Board of Directors shall have the right and power to recommend to the Association the construction of additional and other common facilities, from time to time, as in its discretion appears to be in the best interest of the Project. Any such construction, improvement or addition shall be authorized by an affirmative vote of two-thirds (2/3) of the total votes of Owners at a duly called meeting at which a quorum is present.

(j) In the event any General Common Element, Unit or improvement of the Project is damaged or destroyed through the negligent or culpable act of an Owner or any of his agents or employees, such Owner does hereby irrevocably authorize the Board of Directors to repair said damaged element, building or improvement, and the Board of Directors shall so repair said damaged General Common Element, building or improvement. The Owner shall then repay the Board of Directors in the amount actually expended for said repairs less any insurance proceeds received.

Each Owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall become a lien upon said Owner's condominium interest and shall continue to be such lien until fully paid, which lien shall be enforceable as provided in Section XVIII(e) hereof.

(k) No exterior door (including garage doors) of a Unit, or the type or style of hardware, lock or glass thereon, may be changed, removed or altered without the prior written approval of the Board of Directors, nor may the color or type of paint on any exterior door, or the exterior appearance thereof, be changed or altered without the prior written approval of the Board of Directors.

(l) An Owner shall maintain and keep in repair at his own expense the interior of his own Unit, including without limitation the fixtures thereof, the heating and air conditioning equipment and all improvements made to the Unit by the Owner, whether contained inside or outside said Unit. All fixtures and equipment installed within a Unit, commencing at a point where the sewer and utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit, shall be maintained and kept in repair by the Owner thereof.



(m) An Owner shall do no act nor any work that will impair the structural soundness or integrity of the buildings or impair any easement or hereditament.

(n) The Board of Directors may promulgate rules and regulations restricting or prohibiting the parking of automobiles, vans, buses, inoperable vehicles, trucks, trailers, boats and recreational vehicles on the Common Elements, including the Limited Common Elements, or parts thereof, and may enforce such regulations or restrictions by levying enforcement charges, having such vehicles towed away, or taking such other lawful actions as it, in its sole discretion, deems appropriate.

(o) No Unit may be subdivided into additional Units unless such subdivision is approved by the Board of Directors. With the prior written consent of the Board of Directors, two or more adjoining Units may be combined to form a single Unit and the percentage of ownership of the Common Elements attributable to the resulting Unit will be the total of the percentage of the combined Units.

(p) Nothing shall be caused or permitted to be hung or displayed on the outside or inside of windows (except interior inoffensive drapes, curtains, or louvered blinds which, from exterior observation, must be white, beige or gray, or as otherwise authorized by the Board of Directors) or placed on the outside walls of a building or otherwise outside of a Unit, or any part thereof. No awning, canopy, shutter or television or citizens' band or other radio antenna or transmitter, or any other device or ornament, shall be affixed to or placed upon an exterior wall or roof or any part thereof, or the exterior of any door or window, or in, on, or over a patio, porch or balcony, visible to the exterior, unless authorized by the Board of Directors or required by applicable law to be permitted, but, in such case, subject to such lawful rules and regulations as the Board of Directors may adopt from time to time.

(q) No noxious or offensive activity shall be conducted in any Unit or the Common Elements, or parts thereof, nor shall anything be done thereon that may be or become an annoyance or nuisance to other Owners of the Project, nor shall any activity be permitted thereon which violates any statute or ordinance of any governmental authority or which may endanger the health of or unreasonably disturb any occupant.

(r) No business or trade activity shall be conducted or carried on in the Common Elements. There shall be no sales, displays of wares, goods or products and there shall be no signs other than an identification of the total Project permitted in the Common Elements, except signs approved by the Developer or Board of Directors.


Page: 17 OF 51
200812290040057

(s) No Unit or part thereof shall be rented or used for transient or hotel purposes, which is defined as: (i) rental under which occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (ii) rental to roomers or boarders, that is, rental to one or more persons of a portion of a Unit only. No lease may be of less than an entire Unit. Any lease agreement shall be in writing, shall provide that the lease shall be subject in all respects to the provisions hereof, and to the rules and regulations promulgated from time to time by the Board of Directors, and shall provide that the failure by the tenant to comply with the terms of the Bylaws and lawful rules and regulations shall be a default under the lease. Prior to the commencement of the term of a lease the Owner shall notify the Board of Directors, in writing, the name or names of the tenant or tenants and the time during which the lease term shall be in effect. In addition, in order to assure that the Project, from time to time, meets the requirements of institutional first mortgagees and institutional and governmental agency guarantors and mortgage insurers necessary to qualify buyers and owners and/or the Project for owner-occupant residential financing, and to maintain the character of the Project as primarily a housing community for owner-occupants, the Board of Directors, from time to time, may adopt rules limiting or restricting the number of Units in the Project that may be rented, provided, that no such rule shall limit or restrict the right of (i) an institutional first mortgagee, insurer, or guarantor which takes title to a Unit by deed in lieu of foreclosure, or a purchaser at a foreclosure sale, or the immediate successor in title to the Unit of that institutional, first mortgagee, insurer, guarantor or purchaser, to rent the Unit(s) so acquired, or (ii) Declarant, or Declarant's assignee who becomes a successor developer of the Condominium Project, to rent a Unit or Units owned by Declarant or such successor.

(t) No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner in favor of another. In addition, notwithstanding any provision hereof, or any rule or regulation, the Board of Directors shall make reasonable accommodation if necessary to afford a handicapped person equal opportunity to use and enjoy the Land, provided, that nothing contained herein shall be construed to mean or imply that any such accommodation be at the cost of the Association.

(u) Invalidity of any one or more of the covenants and restrictions or other provisions herein or hereafter contained, by judgment or court order, shall in no way affect any of the other covenants and restrictions herein or hereafter contained which shall remain in full force and effect.

(v) Each Owner shall comply with the provisions and requirements of this Master Deed, including the administrative Bylaws attached hereto, the decisions and resolutions of the Board of Directors and with the Community Policies and Guidelines and other reasonable rules and regulations adopted from time to time by the Board of Directors for the common comfort, safety, convenience and protection of the Owners in their use and enjoyment of their Units and of the Common Elements as adopted for the orderly administration of the Project and of the Condominium Buildings, and with all amendments thereof. Without in any manner intending to limit the generality of the foregoing, the Board of Directors shall have the right, but not the obligation, to promulgate

rules and regulations regarding the use of the Common Elements by Owners and their guests, invitees, servants and lessees' employees and customers.

(w) Notwithstanding any of the provisions herein, the Association shall maintain full control of all of the Common Elements including the use, prohibition of use, and manner in which the same shall be maintained, landscaped or otherwise employed.

(x) Neither the Association nor the Owners may lease any portion of the amenities and facilities of the Project (including, without limitation, parking and recreational facilities) to any other party.

ARTICLE XV PROVISIONS FOR PROTECTION OF MORTGAGEES

(a) As the operating fund is essential to the repair, replacement, upkeep, operation and administration of the Condominium Buildings and Common Elements and, accordingly, is essential to the safety, value and enjoyment of each individual Unit, any Unit's pro rata share of maintenance assessments, which is unpaid, shall become a first lien on such Unit except for any prior recorded mortgage or deed of trust.

(b) No mortgagee and no beneficiary or trustee under a deed of trust shall become personally liable for, or obligated for, any unpaid operating fund assessment; the Board of Directors, however, may enforce the lien of the unpaid assessment against the encumbered Unit, notwithstanding that the mortgagee is not personally liable therefor.

(c) In the event the monthly assessment of an Owner becomes delinquent for as much as sixty (60) days, the Board of Directors shall give written notice of such delinquency to the holder of any recorded mortgage on said Unit.

(d) A mortgagee, beneficiary, trustee, insurer, and guarantor of a recorded deed of trust on a Unit or Units within the Project shall be entitled to written notification from the Board of Directors of the following: (i) any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing its mortgage; (ii) any default in the performance of obligations imposed by this Master Deed on the Owner of any such Unit or Units to which said mortgage or deed of trust relates, provided said default is not cured within thirty (30) days; (iii) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (iv) any proposed action that requires the consent of a specified percentage of eligible mortgage holders. Notwithstanding anything in this Article XV to the contrary, a mortgagee, trustee, beneficiary, insurer, or guarantor of a recorded deed of trust on a Unit or Units within the Project shall only be entitled to the notices provided for herein if such mortgagee, trustee, beneficiary, insurer, or



guarantor delivers prior written notice to the Association of its name, address, and the Unit number or the address of the Unit on which it holds (or insures or guarantees) the deed of trust.

(e) Any holder of a mortgage or deed of trust which comes into the possession of a Unit or Units pursuant to the remedies provided in said mortgage or deed of trust, or foreclosure of the mortgage or deed of trust, or deed (or assignment) in lieu of foreclosure, shall be exempt from any restriction on the rental of the mortgaged Unit.

(f) Any holder of a mortgage or deed of trust which comes into possession of a Unit or Units pursuant to the remedies provided in the mortgage or deed of trust, by foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such holder comes into possession of the Unit or Units.

(g) Unless all holders of first mortgage or deed of trust liens on individual Units have given their prior written approval, or unless otherwise provided herein, the Board of Directors shall not be entitled to (i) change the pro rata interest or obligations of a Unit for purposes of levying assignments and charges and determining shares without the consent of the holder of the first mortgage lien on that Unit; (ii) partition or subdivide any Unit without the consent of the holder of the first mortgage lien on that Unit; nor (iii) by act or omission seek to abandon the condominium status of the Project except as provided by statute in case of substantial loss in the Units and Common Elements of the Project.

(h) All taxes, assessments and charges which may become liens prior to the recording of any mortgage or deed of trust shall relate only to the individual Unit, and not the Project as a whole.

(i) The failure to give any notice provided herein shall not prejudice any right, or give rise to any liability, of the Board of Directors.

ARTICLE XVI ASSESSMENTS - OPERATING FUND

(a) Each year, on or about October 15, the Board of Directors shall estimate for the next calendar year, and in each case, prorate among all the Units on the basis of each Unit's percentage share set forth on Exhibit D, the common expenses of the Association, consisting of the following:

- (1) that period's estimated costs of all General Common Expenses;

(2) that period's estimated costs for the making of any and all necessary repairs, replacements, alterations to the Project;

(3) that period's estimated costs for the operation, management and administration of the Association, including, but not limited to, fees for property management, fees for legal and accounting services, costs of mailing, postage, supplies and materials for operating the Association, and salaries, wages, payroll charges and other costs to perform these services, and any other costs constituting common expenses not otherwise herein specifically excluded;

(4) that period's estimated costs of any utility usage benefiting the Project and not separately metered to individual Unit(s) (utilities serving individual Unit(s) shall be separately metered to each such Unit);

(5) a reasonable maintenance reserve amount considered by the Board of Directors to be necessary for a reserve for maintenance, repairs, contingencies and replacements; and

(6) a reasonable operating reserve amount considered by the Board of Directors to be necessary for a reserve for working capital, to assure the availability of funds for normal operations of the Association.

(b) All of the foregoing items are hereinafter referred to as, and included with the terms, operating fund, operating fund requirements, operating fund assessment or assessment. The Board of Directors shall, on or before November 1 of each year notify each Owner, in writing, as to the amount of such estimate of operating fund requirements with reasonable itemization thereof. Said operating fund requirements shall be assessed to the Owners according to each Unit's pro rata share of expenses and assessments as set forth in Exhibit D hereto. On or before the first of each and every month of each year, the Owner of each Unit shall be obligated to pay the Board of Directors, or as it may direct, 1/12 of the assessment (herein referred to as the monthly installment) made pursuant to this paragraph.

(c) If, for any reason, the Board of Directors fails, within the times aforesaid, to make the estimate of the operating fund requirements or to give notice thereof to each Owner, then monthly installments of operating fund assessments for the ensuing year shall continue to be in the same monthly amount as the preceding year, until the Board of Directors actually makes the new estimate of operating fund requirements and gives notice thereof to the Owners.



(d) On or before the date of the annual meeting of each calendar year, the Board of Directors shall supply all Owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with an itemization of the amounts collected pursuant to the estimates provided and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each Owner's percentage ownership in the current year's estimate, until exhausted, and any net shortage shall be added according to each Owner's percentage of ownership in the Common Elements to the installment next due.

(e) The Board of Directors shall establish and maintain reasonable reserves for items (vi) and (vii) set forth above in Article XVI(a). Extraordinary expenditures not originally included in the annual estimate, which may become necessary during the year, shall be charged first against such reserves. If said operating fund requirements prove inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may, at any time, levy a further assessment, which shall be assessed to the Owners according to each Owner's percentage of common expenses set forth on Exhibit D. The Board of Directors shall serve notice of such further operating fund assessment on all Owners by a statement in writing giving the amount and reasons therefor and the amount of the monthly installments, and such further assessment shall become effective with the monthly operating fund payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted amount.

(f) If assessments collected are in excess of the funds necessary to meet the anticipated expenses for which the same have been collected, the excess shall be retained as reserves, or as reductions in future assessments, as determined by the Board of Directors, in its sole discretion, and shall in no event be deemed profits nor available, except on dissolution of the Association, for distribution to the Owners.

(g) The initial monthly assessment (year 2008) shall not exceed Four Hundred and No/100 Dollars (\$400.00) per Unit (to be paid on a monthly basis for balance of year) and shall commence on the first day of the first full calendar month commencing after the date of the closing of the sale of the Unit. Prorations shall be collected at closing for partial months. Prorations for hazard insurance shall also be made at closing. Notwithstanding the foregoing, each Owner, upon the closing of the purchase of his or her Unit, shall pay the Association an amount equal to the then current two (2) month's assessment which shall be used to fund one-half (1/2) of the maintenance reserve and one-half (1/2) of which shall be used to fund the operating reserve.

(h) The failure or delay of the Board of Directors to prepare or serve the annual or adjusted estimate on the Owner shall not constitute a waiver or release of such Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual estimate or adjusted estimate, the Owner shall continue to pay the monthly operating fund assessment, as above provided, at the then existing monthly rate established for the previous period until the monthly maintenance payment which is

next due more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

(i) The Developer shall not owe any operating, reserve fund assessments or other assessments on any Unit(s) which it is constructing, rehabilitating, restoring or holding for sale.

ARTICLE XVII LIEN OF UNPAID ASSESSMENTS

Each Unit's pro rata share of expenses and of the operating fund assessments, payable in monthly installments as above provided, shall be due and payable on the first of the month for which assessed, and shall become delinquent if not paid by the twentieth of the month in which payable. If not paid by the twentieth of the month, the assessment shall earn interest from the date of delinquency at the maximum legal interest rate. Any delinquent installment of a Unit's operating fund assessment, plus interest referred to in the preceding sentence, and all expenses incurred with collecting the same (including, without limitation, reasonable attorney's fees) shall immediately and without further demand or notice, become a lien on that Unit, and all incidents and appurtenances thereto. Such lien shall have priority over any subsequently recorded mortgage or deed of trust as provided in Article XV. Any mortgagee shall be entitled, however, to the provisions for the protection of mortgagees as set out in Article XV above, and such delinquent installment shall not take precedence over an earlier recorded mortgage or deed of trust.

In any and all events, the lien of any delinquent and unpaid assessment against a Unit shall take precedence over the lien of any judgment or attachment and shall take precedence over the title of any trustee in bankruptcy. The lien of any delinquent and unpaid assessment which remains unpaid for a period of ten (10) years from date of assessment shall be declared extinguished and paid in full.

ARTICLE XVIII REMEDIES FOR DEFAULT AND FOR BREACH OF COVENANTS, RESTRICTIONS AND REGULATIONS

Each Owner, tenant, occupant or invitee shall be governed by and shall comply with the provisions of this Master Deed, the Bylaws, the Community Policies and Guidelines and the decisions, resolutions and regulations from time to time adopted by the Board of Directors; and failure to comply with the same or any default shall entitle the Board of Directors or other Owners to the following relief:

(a) Any such default shall be grounds for an action by the Board of Directors on behalf of the other Owners or by the Owners to recover any sums or amounts due, to recover damages or to secure injunctive relief, foreclosures of any lien, or any combination thereof.


Page: 23 OF 51
200812290040057

(b) All Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of his or their invitees, employees, agents or lessees, but only to the extent that such expenses are not met by the proceeds of insurance carried by the Board of Directors, or by insurance carried by any injured or damaged Owner. (Where insurance is carried, it is agreed and intended that no insurer shall have any right of subrogation or any right of action, against the Developer, any Owner, his lessees, invitees, employees or agents.)

(c) In any proceeding arising because of an alleged default by an Owner, the Board of Directors or Co-Owners bringing such suit shall be entitled to recover from the Owner the costs of the proceeding and reasonable attorney's fees.

(d) The failure of the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Master Deed and Bylaws shall not constitute a waiver of the right of the Board of Directors or Owner to enforce such right, provisions, covenant or condition in the future.

(e) By the acceptance and recordation of a deed to a Unit or Units, for the purpose of enforcing the lien of any unpaid and delinquent assessment, or any other amount due, by an Owner to the Association or Board of Directors hereunder, each Owner grants unto the Board of Directors irrevocably the power to sell his Unit at public outcry to the highest and best bidder for cash as provided herein. The Board of Directors is also authorized to elect to enforce any lien by action in court. Any such sale shall be made after first advertising the sale of said property by not less than three (3) weekly publications in some newspaper published in Knox County, Tennessee, giving notice of the time and place of such sale, and by written notice of the time and place of such sale delivered to the Owner's Unit. Any sale of a Unit to enforce a lien for delinquent and unpaid assessments shall be free from equity of redemption, homestead and all other exemptions including without limitation any statutory, equitable or other common law right of redemption, all of which are expressly waived by the Owners; and any such sale and the lien enforced thereby shall take precedence over and have priority over any and all other liens of every nature against the Unit, except real estate and ad valorem taxes assessed against the Unit and any superior recorded deed of trust. The proceeds of any such sale, whether under the power of sale or by foreclosure suit, shall be applied first to the payment of the expenses of protecting the property and the expenses of litigation, attorney's fees and sales commission; and second, to the payment of real estate and ad valorem taxes assessed against the Unit and any superior recorded deeds of trust (unless such sale is made subordinate to such deeds of trust); and third, to the payments of all amounts due the Board of Directors and the other Owners under the terms of the Master Deed and Bylaws, and the balance, if any, to the Owner whose Unit is sold and his assigns. Upon any default in the payment of any assessment, the Board of Directors shall have the right to all rents, issues and profits from the Unit in default and shall have the right to secure the payment through notice to those in possession of the Unit or by entry into possession in the same manner as a mortgagee entering into possession following default, or to have a court appointed receiver take possession of the Unit.

(f) All rights, remedies and privileges granted to the Board of Directors or an Owner, pursuant to any terms, provisions, covenants or conditions of the Master Deed and Bylaws shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Master Deed and Bylaws or at law or in equity.

(g) Each Owner shall have a right of action against any other Owner or the Association for any failure to comply with their respective obligations under this Master Deed, the Association's Charter and Bylaws, and any other document governing the Association, including any decisions of the Association.

ARTICLE XIX TERMINATION OF HORIZONTAL PROPERTY REGIME

(a) All of the Owners of Units constituted into a horizontal property regime may by deed waive this regime and regroup or merge the filial estates with the Land, provided that the filial estates are unencumbered or, if encumbered, that the creditors in whose behalf the encumbrances are recorded accept as security the undivided portions of the Land owned by the debtors.

(b) The merger provided for in the preceding section shall in no way bar the subsequent constitution of the Land into another horizontal property regime whenever so desired and upon observance of the provisions of the Horizontal Property Act.

(c) Alternatively, the horizontal property regime herein created may be terminated at any time and in such manner and upon such terms as are mutually agreeable by the unanimous agreement, consent and act, expressed in writing and duly acknowledged and recorded, of all Owners, and of all mortgagees who have liens upon Units.

(d) In the event of any liquidation or termination of the legal status of the Project (including without limitation, as a result of casualty, condemnation or any other reason), after payment of all debts and expenses of the Association, all sums, losses, awards and proceeds held by the Association and/or its Board of Directors (including without limitation operating and reserve funds and insurance or condemnation proceeds) shall be distributed among the Owners of the Units in proportion to their undivided interests in the Common Elements.


Page: 26 OF 51
200812290040057

ARTICLE XX COVENANTS RUNNING WITH THE LAND

All provisions, conditions, restrictions, options, benefits and burdens contained in this Master Deed and the Bylaws attached hereto and forming a part hereof shall be construed as covenants running with the land and with every part thereof and every interest therein, including, but not limited to, every Unit and the incidents and appurtenances of every Unit; and every Owner and every claimant of any interest of any nature at any time in the Land, or any Unit, either present or future, and his heirs, executors, administrators, successors and assigns shall be bound by and entitled to the benefits of the same.

ARTICLE XXI RIGHT TO EXPAND

The Developer expressly reserves the right to expand the Condominium Project by adding up to fifty-six (56) additional Units on the adjacent eighteen (18) acres of land located to the west of the Land and, in the event of such expansion, all Units constructed thereon shall be subject to the provision of this Master Deed, the Community Policies and Guidelines and the Bylaws. In the event additional Units are added to the Condominium Project, the percentage ownership of each Owner is the Common Elements and such Owner's prorata share of Common Expenses shall be restated.

ARTICLE XXII GENERAL PROVISIONS AND SEVERABILITY

(a) The Developer, as Owner of all of the Units at the time of execution of the Master Deed, shall name the original Board of Directors, who shall serve for a term as provided in Article V, Section 5, of the Bylaws of the Association and until their successors are appointed or elected. The original members of the Board of Directors need not be Owners, notwithstanding any provision of the Bylaws to the contrary.

(b) If any term, covenant, restriction, provision, phrase or other element of the Master Deed, Plat or Bylaws is held to be invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, restriction, covenant or element of the said documents.

(c) Captions used in the Master Deed and Bylaws are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Master Deed and Bylaws.

(d) If any provision of this Master Deed or any section, sentence, clause, phrase or word or the application thereof in circumstance be judicially held in conflict with the laws of the State of Tennessee, including without limitation the Horizontal Property Act, then the said laws shall be deemed controlling, and the validity of the remainder of this Master Deed and the application of any provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

(e) The contents of this Master Deed and/or the Bylaws may be amended by the Developer as hereinafter provided; or alternatively by recording an amendment bearing the signature of the Owners of record of at least two-thirds (2/3) of the total votes of the Owners and, for so long as Developer owns at least one (1) Unit, the Developer. Nothing herein contained shall require the holder of a security interest in a Unit to join in an amendment unless the amendment changes the size of said Unit or the pro rata interest of said Unit in Common Elements, but no such joinder shall be required if the amendment is specifically provided for herein.

(f) Owners shall be entitled to cast one (1) vote for each Unit owned. The number of votes to which each Unit is entitled is set out in Exhibit D hereto.

(g) The percentage of undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

(h) Notwithstanding anything herein to the contrary, the Developer reserves the right to unilaterally amend this Master Deed and the Bylaws attached hereto as Exhibit E until such time as Developer has sold and conveyed seventy-five percent (75%) of the total number of Units or until five (5) years from the date of recording this Master Deed, whichever shall last occur. However, no such amendment may change the percentage of ownership interest of a Unit (except as set forth in Article XXI) without the consent of the affected Owner or applicable mortgagee(s). Any amendment by the Developer shall be effective on recording same in the Knox County Register's Office and delivering a copy thereof by certified mail to the Board of Directors of the Association.

(i) Developer shall have the right to assign its rights and obligations under this Master Deed without the prior consent, permission or approval of any other party. After such assignment, Developer shall have no further liability under or in connection with this Master Deed to any party.

IN WITNESS WHEREOF, the Developer has caused this Master Deed to be executed effective the 29th day of December, 2008.

[Signatures on Following Page]


Page: 27 OF 51
200812290040057

**HOLROB-HOWARD NORTHSHORE
PARTNERSHIP,**

a Tennessee general partnership

By: **HOWARD INVESTMENTS, LLC,**

a Tennessee limited liability company

Its: General Partner

By: 

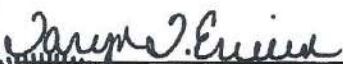
Its: President

STATE OF TENNESSEE

COUNTY OF KNOX

Before me, the undersigned Notary Public in the State and County aforesaid, personally appeared **LEWIS S. HOWARD, JR.** with whom I am personally acquainted and who, upon oath, acknowledged himself to be the President of Howard Investments, LLC, a Tennessee limited liability company and a General Partner of Holrob-Howard Northshore Partnership, the within named bargainer, a Tennessee general partnership, and that he as such President of Howard Investments, LLC, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by personally signing the name of Howard Investments, LLC, a General Partner of Holrob-Howard Northshore Partnership by himself as such President of Howard Investments, LLC.

Witness my hand and official seal at office this 29th day of December, 2008.

Notary Public: 

My commission expires: May 9, 2012



JOINDER OF MORTGAGE

FIFTH THIRD BANK, herein called the mortgagee, the holder of a Deed of Trust on the Land described on page 1 of the Master Deed, which Deed of Trust is recorded under Register's Number 20070514009283 in the Register's Office of Knox County, Tennessee, joins in submitting the Land to the horizontal property regime created hereby, as allowed and permitted by Section 66-27-101, et seq., of the Tennessee Code Annotated. Said Deed of Trust remains prior to any liens created by said Master Deed.

FIFTH THIRD BANK

By: *Nancy Bowen*
Its: VICE-PRESIDENT

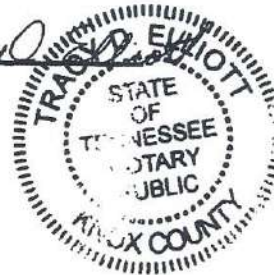
STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, a Notary Public in and for said State and County, duly commissioned and qualified, Nancy Bowen, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained and who further acknowledged that he is the Vice President of Fifth Third Bank (the "Maker") and is authorized by the Maker to execute this instrument on behalf of the Maker.

WITNESS my hand at office this 23rd day of December 2008.

Notary Public: *Tracy D. Elliott*

My commission expires: 3-14-2010



LEGAL DESCRIPTION

SITUATED AND LYING IN THE SIXTH (6TH) CIVIL DISTRICT OF KNOX COUNTY, TENNESSEE ALSO A PORTION LYING IN THE WARD 51, BLOCK 51372 OF THE CITY OF KNOXVILLE, TENNESSEE AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON ROD, SAID IRON ROD BEING LOCATED SOUTH 75DEG 35MIN 09SEC WEST 35 FEET +/- FROM THE CENTER LINE INTERSECTION OF VILLA FOREST WAY (PRIVATE) AND THE SOUTHERN RIGHT OF WAY LINE FOR SOUTH NORTHSORE DRIVE: THENCE, WITH THE VILLAS AT FOREST BROOK, INSTRUMENT NUMBER 200410190032999 THE FOLLOWING SEVEN CALLS SOUTH 17DEG 31MIN 27SEC WEST 348.48 FEET TO AN IRON PIPE; THENCE, SOUTH 17DEG 26MIN 32SEC WEST 6.72 FEET TO AN IRON ROD; THENCE, SOUTH 02DEG 39MIN 58SEC WEST 99.55 FEET TO AN IRON ROD; THENCE, SOUTH 59DEG 04MIN 41SEC WEST 76.53 FEET TO AN IRON ROD; THENCE, SOUTH 61DEG 05MIN 09SEC WEST 161.37 FEET TO AN IRON PIPE; THENCE, SOUTH 60DEG 38MIN 02SEC WEST 124.84 FEET TO AN IRON ROD; THENCE, SOUTH 60DEG 10MIN 11SEC WEST 173.30 FEET TO AN IRON ROD, SAID IRON ROD BEING IN THE LINE OF NANCY TOOLE ELY AND R.M ELY, WARRANTY DEED 742, PAGE 100; THENCE, WITH THE LINE OF NANCY TOOLE ELY AND R.M ELY, WARRANTY DEED 742, PAGE 100 NORTH 20DEG 51MIN 08SEC WEST 431.27 FEET TO AN IRON ROD, SAID IRON ROD BEING IN THE SOUTHERN RIGHT OF WAY LINE FOR SOUTH NORTHSORE DRIVE; THENCE, WITH THE SOUTHERN RIGHT OF WAY LINE FOR SOUTH NORTHSORE DRIVE THE FOLLOWING THREE CALLS, NORTH 59DEG 36MIN 38SEC EAST 225.71 FEET TO A POINT; THENCE, WITH A CURVE TO THE RIGHT HAVING A RADIUS OF 1200.00 FEET, AN ARC LENGTH OF 334.59 FEET, ALSO HAVING A CHORD BEARING AND DISTANCE OF NORTH 67DEG 35MIN 53SEC EAST 333.50 FEET TO A POINT; THENCE, NORTH 75DEG 35MIN 09SEC EAST 235.51 FEET TO THE POINT OF BEGINNING CONTAINING 6.29 ACRES OR 273,820 SQUARE FEET AS SHOWN ON A SURVEY BY VISION ENGINEERING AND DEVELOPMENT SERVICES, MARYVILLE, TENNESSEE BEARING PROJECT NUMBER 060916-10, DATED MARCH 13, 2007.



Page: 30 OF 51

200812290040057

EXHIBIT A

EXHIBIT B

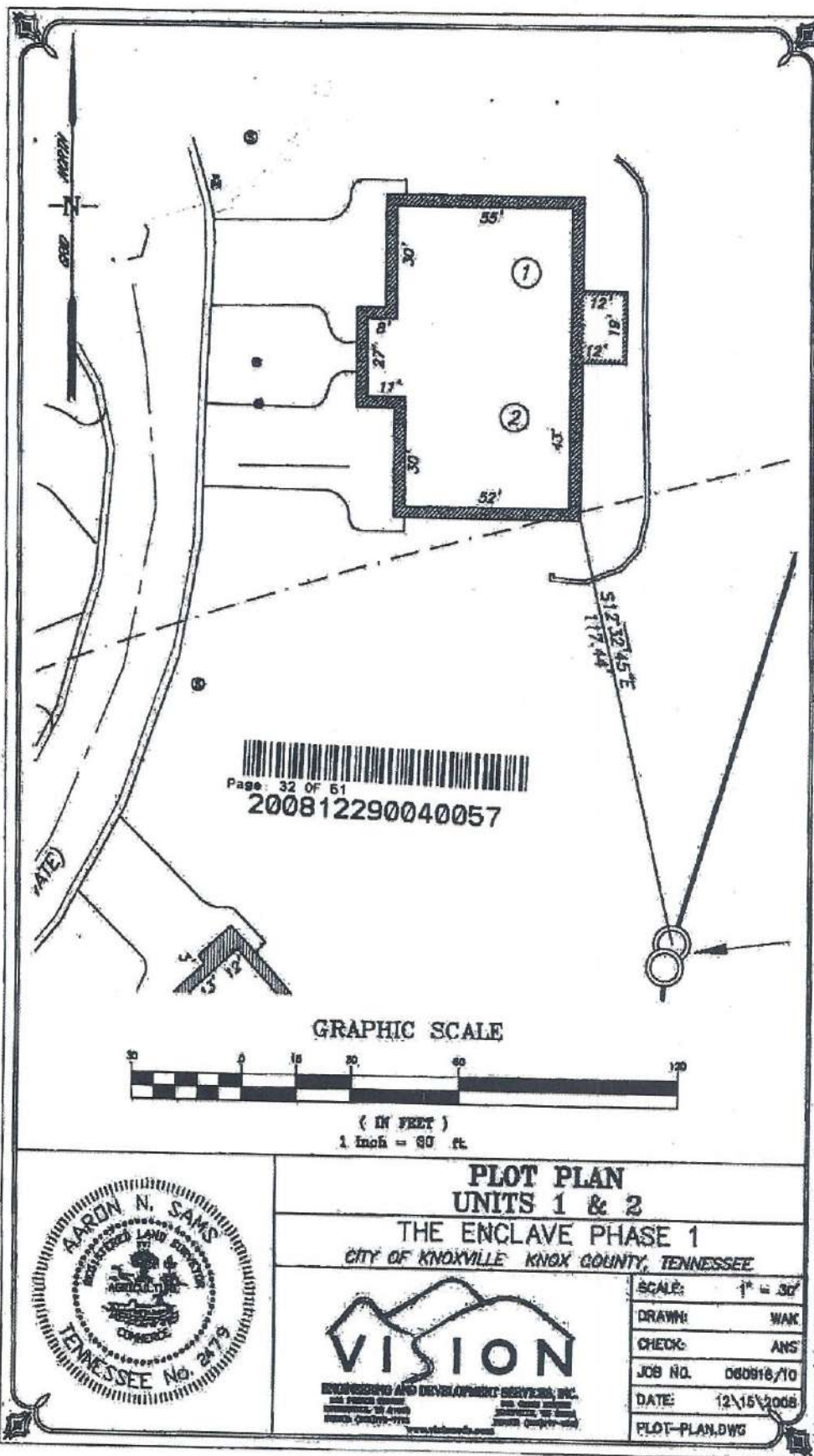
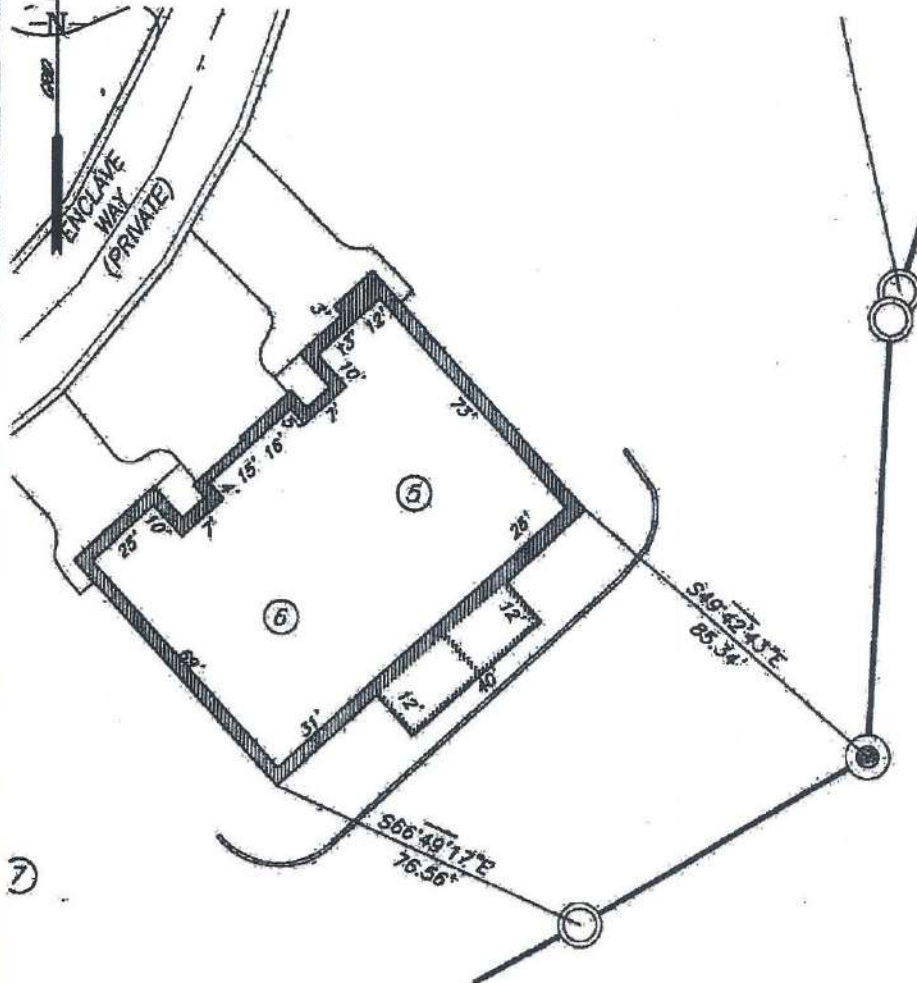


EXHIBIT C



Page: 33 OF 51

200812290040057



GRAPHIC SCALE



(IN FEET)

1 inch = 30 ft.



PLOT PLAN UNITS 5 & 6

THE ENCLAVE PHASE 2
CITY OF KNOXVILLE KNOX COUNTY, TENNESSEE



ENGINEERING AND DEVELOPMENT SERVICES, INC.
2000 KNOX AVENUE
KNOXVILLE, TN 37912
TEL: 615-522-1111
WWW.VISION-ENGINEERS.COM

SCALE:	1" = 30'
DRAWN:	WAK
CHECK:	ANS
JOB NO.	080818/10
DATE:	12/15/2008
FILE:	PLOT-PLAN.DWG

EXHIBIT D

<u>Unit Number</u>	<u>Unit Pro Rata Interest in Common Elements</u>	<u>Number of Votes Per Unit</u>	<u>Unit Pro Rata Share of Expenses and Assessments*</u>
1	1/20 th	1	4%
2	1/20 th	1	4%
3	1/20 th	1	
4	1/20 th	1	
5	1/20 th	1	
6	1/20 th	1	6%
7	1/20 th	1	6%
8	1/20 th	1	
9	1/20 th	1	
10	1/20 th	1	
11	1/20 th	1	
12	1/20 th	1	
13	1/20 th	1	
14	1/20 th	1	
15	1/20 th	1	
16	1/20 th	1	
17	1/20 th	1	
18	1/20 th	1	
19	1/20 th	1	
20	1/20 th	1	


 Page: 34 OF 51
 200812290040057

*Unit pro rata share of expenses is preliminarily calculated on the assumption of the Project will consist of ten (10) units of 2,905 sf each and ten (10) units of 3,805 sf each. The final unit pro rata expenses shall be recomputed upon completion and sale of 50% of the units and again upon final completion of the Project.