

This Instrument Prepared by:

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MASTER DEED
FOR THE VILLAS AT RUSHLAND PARK

THIS MASTER DEED is made and entered into as of April 14,
2006, by RUSHLAND PARK, LLC, a Tennessee limited liability company ("Developer").

The Developer is the owner of real estate located in the County of Knox and State of Tennessee, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Parcel").

778-78 only

The Developer intends to and does hereby submit the Parcel, together with all improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto (hereinafter called the "Property") to the provisions of the Horizontal Property Act of the State of Tennessee.

The Developer further desires to establish for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereinafter acquiring any interest in the Property shall hold the interest subject to, certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residences on the Property and are established for the purpose of enhancing and effecting the value, desirability and attractiveness of the Property.

NOW, THEREFORE, the Developer as the owner of the real estate described above and as owner of the Parcel and the Property hereby declares as follows:

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

(a) "Act" means the Horizontal Property Act of the State of Tennessee as set forth at Tennessee Code Annotated §66-27-101 et seq.

(b) "Association" means the The Villas at Rushland Park Homeowners'


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Association, Inc.

(c) "Board" means the Board of Directors of the Association

(d) "Building" means the building or buildings located on the Parcel, forming part of the Property and containing the Units. The Building is delineated on the Plat. When more than one building is shown on the Plat (or an amended plat, or by incremental development), the word Building shall be used in the plural context.

(e) "By-laws" means the By-laws of the Association, attached hereto as Exhibit B and made a part hereof, as amended from time to time. For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration and maintenance of the Property shall be deemed to be a part of the By-laws.

(f) "Common Elements" means all of the Property except the Units, and, without limiting the generality of the foregoing, shall include those items defined as "General Common Elements" in the Act, including the following:

(1) The Parcel

(2) All foundations, bearing walls and columns, roofs, halls, lobbies, stairways, entrances and exits or communication ways

(3) All basements and roofs, except as otherwise herein provided or stipulated

(4) All compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, water tanks and pumps, and the like

(5) All elevators, garbage incinerators and, in general, all devices or installations existing for common use

(6) Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit)

(g) "Developer" means Saddlebrook Development, LLC, its successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

(h) "Limited Common Elements" means all Common Elements contiguous to and serving exclusively a single Unit or one or more adjoining Units as an



inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Master Deed, on the Plat or by the Board, excluding parking areas. Limited Common Elements shall include balconies, porches, decks, or patios shown on the floor plans attached hereto as Exhibit C; the finished surface of the Unit; side or exterior, perimeter or boundary walls, ceilings, and floors; all conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility service which are contained in the Unit and exclusively service the Unit; and exterior doors and windows of the Unit.

(i) "Majority" or "Majority of the Unit Owners" means the owners of more than fifty percent (50%) of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(j) "Master Deed" means this instrument, as amended from time to time, by which the Property is submitted to the provisions of the Act, as hereinafter provided.

(k) "Mortgagee" means the holder of a deed of trust.

(l) "Occupant" means a person or persons in possession of a Unit regardless of whether the person is a Unit Owner.

(m) "Parcel" means the parcel or tract of real estate, described above, as may be amended hereinafter to add additional parcels or tracts of real estate, submitted to the provisions of the Act.

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

(o) "Plat" means the survey of Cannon & Cannon, Inc., dated May 26, 2005, which includes a metes and bounds description of the Property and other property which is subject to the developmental plan set forth in Paragraph 2, and the Parcel submitted to the provisions of the Act, the number of each Unit (expressing its area, location and other data necessary for identification). A copy of the Plat is attached hereto as Exhibit D. Developer reserves the right to declare and establish Limited Common Elements and amend obvious errors and other errors on the Plat without joinder of any Unit Owner.

(p) "Property" means all the land, property and space comprising the Parcel, submitted to the provisions of the Act, including all improvements and structures erected, constructed or contained therein or thereon, including the Building 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 Unit Owners. To the extent any additional land or property is subsequently added by Developer by amendment to the Master Deed, it shall also be included in the defined term "Property."

(q) "Record" or "Recording" refers to the record or recording in the office of the Register of Deeds in Knox County, Tennessee.

(r) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is not owned in common with the Unit Owners of other Units. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be and are the interior surfaces of its perimeter walls, floor and ceilings. A Unit includes both the portion of the Building so described and the air space so encompassed, excepting Common Elements. Any Unit may be jointly or commonly owned by more than one Person. It is intended that the term "Unit" as used in this Master Deed shall have the same meaning as the term "Apartment" as used in the Act.

(s) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto and shall be deemed the same as a "co-owner" under the Act. Unless specifically provided otherwise herein, the Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit and shall be entitled to the same rights and shall assume the same duties as all other Unit Owners. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner hereunder. Each Unit Owner's interest in his or her Unit shall be fee simple ownership.

2. Developmental Plan. The Developer reserves the right to amend this Master Deed for a period of seven (7) years to add additional property adjacent to the Parcel without the joinder of Unit Owners, Mortgagees or holders of liens, encumbrances or deeds of trust. Said amendment may be made by Developer even if it holds no ownership interest in the Property described herein at the time of the amendment. The Developer shall have the right to construct improvements on all portions of the Property at any time, even after all or any portion of the Property has been conveyed to the Association and the Association shall, upon request of the Developer, cooperate in all respects with the Developer and shall, if requested by the Developer, reconvey all or any portion of the Property to the Developer or its assigns to facilitate the construction of improvements. The future improvements on the added property shall consist of more than sixty-seven (67) condominium units and shall be of substantially the same quality of construction as the improvements on the Parcel and

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shall be substantially completed before the property is added to the existing condominium project. At the time of the addition there must not be liens on the property to be added that adversely affect the rights of existing Unit Owners or the priorities of first deeds of trust on Units in the existing condominium project. The Developer must pay all taxes and assessments on the property to be added covering any period prior to the addition of the Property or otherwise provide for the payment. If property is added, the reallocation of Unit Owner's ownership interest in the Common Elements shall be calculated based on the area in square feet of each Unit then constructed in all phases of The Villas at Rushland Park. Each Unit's corresponding ownership interest in the Common Elements shall be expressed as the percentage the area in square feet of such Unit bears to the area in square feet of all Units then constructed in all phases of the condominium project. The annexation document shall be in the form of an amendment to this Master Deed.

3. Submission of Property to the Act. The Developer expressly intends to, and by recording this Master Deed does hereby, submit and subject the Parcel and the Property to the provisions of the Act.

4. Plat. The Plat, whether recorded now or incrementally, shall set forth the number, area and location of each Unit, and such other data as required by the Act.

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

6. Association of Unit Owners and Administration and Operation of the Property.

(a) There has been or will be formed an Association having the name "The Villas at Rushland Park Homeowners' Association, Inc.," a Tennessee corporation, which shall be the governing body for all of the Unit Owners, with responsibility for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Master Deed and the By-Laws. The initial By-Laws for the Association shall be the By-Laws attached hereto as Exhibit B and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of



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any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of the master Deed and By-Laws. Each Unit Owner shall be a member of the Association.

(b) The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Owners, with the exception of the Developer, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit.

CLASS B. Class B Members shall be the Developer, who shall be entitled to three votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) Four (4) months after seventy-five percent (75%) of the Units in the project have been conveyed to Unit Owners; or

(2) Three (3) years after the first Unit is conveyed to a Unit Owner.

(c) Management of Property. The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board. The cost of such services shall be a common expense, as defined in Paragraph 10 below.

(d) Use by Developer. During the period of construction and sale by the Developer of any Units, the Developer, and Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to such access and ingress to and egress from all Buildings and the Property as may be required for purposes of the construction and sale of Units. If the Developer determines to include additional property in the condominium project, Developer, its agents, licensees, invitees, subcontractors, and employees shall also be entitled to an easement over the Property for access and ingress to and egress from and over the Property during the construction and sale of the Units constructed on the property to be added. While the Developer owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Developer and its employees or agents may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may



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maintain customary signs in connection therewith. Developer shall be responsible for any additional maintenance required by the Developer's use of such access, ingress and egress as permitted herein and shall repair any and all damages resulting from such use.

(e) Non-Liability of the Directors, Board, Officers, and Developer.

Neither the directors, Board, officers of the Association, nor the Developer shall be personally liable to the Unit Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers, or Developer, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board members, officers, or Developer, and their respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

(f) Availability of Records.

The Association shall be required to make available to Unit Owners, lenders and holders, insurers and guarantors of the first deed of trust on any Unit current copies of the Master Deed, Charter of the Association, By-Laws and other rules governing the condominium project, and other books, records and financial statements of the Association. The Association shall also be required to make available to prospective purchasers current copies of the Master Deed, By-Laws, other rules governing the condominium project, and the most recent financial statement, if such is prepared. If the Association does not provide audited financial statements, any mortgage holder shall have the right to have an audited financial statement prepared at its own expense.

"Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

(g) Swimming Pool and Recreation Areas.

Each Unit Owner shall be entitled to use the Recreation Equipment, as defined in Section 10, which are a part of the Rushland Park Subdivision, subject to the terms of this Master Deed and the Declaration of Covenants and Restrictions of Rushland Park, of record as Instrument No. 200509220027223 in the Knox County Register of Deeds Office. Each Unit Owner's use of such Recreation Equipment shall be subject to all rules and regulations as may be adopted from time to time by the Rushland Park Homeowners' Association, Inc. The right to use the Recreation Equipment shall not be conveyed separate from the ownership of a Unit, and any and all rights to use the Recreation Equipment shall be deemed conveyed or encumbered with that Unit. The right of the Unit Owners to use the Recreation Equipment is subject to payment by the Association of the amounts required by Section 10 of this Master Deed to be paid to the Rushland Park Homeowners' Association, Inc. In the event of non-payment, the Rushland Park Homeowners' Association, Inc., may, at its discretion, suspend the right of the Unit Owners to use such Recreation Equipment until payment of the amounts described in



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Section 10 and to exercise any and all rights available to it in law or at equity to collect such amounts owed by the Association.

7. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Master Deed of By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

8. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set out in Exhibit E. Each Unit Owner's ownership interest in the Common Elements shall be calculated based on the ratio the area in square feet of each Unit Owner's Unit bears to the area in square feet of all Units constructed in all phases of The Villas at Rushland Park. The percentages of ownership interests shall remain constant unless hereafter changed in accordance with Paragraph 2 or by recorded amendment to this Master Deed consented to in writing by the Unit Owners in accordance with Paragraph 21 below, except for obvious scrivener's mistakes, which Developer may correct without joinder of others. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

9. Use of the Common Elements.

(a) Use. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access and ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner, and each Unit Owner shall have a non-exclusive easement for the use of the Common Elements. Such right to use the Common Elements shall extend not only to each Unit Owner, but also to his agents, servants, tenants, family members, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Master Deed, By-Laws and rules and regulations of the Association.


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(b) Rights Reserved. The Unit Owner's right of enjoyment in the Common Elements shall be subject to:

(1) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid and for such period as it considers appropriate for any infraction of its published rules and regulations; and

(2) The right of the Association to charge reasonable fees for the use of the parts of the Common Elements; and

(3) The right of the Association to diminish in any way or to dedicate or transfer all or any part of the Common Elements to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the members entitled to vote thereon, provided that no such diminution or dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless the Developer, (its successors or assigns) and members of the Association entitled to cast fifty-one percent (51%) of the total votes of all classes of members entitled to vote has been recorded, agreeing to such dedication, transfer, purpose or condition; and

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

10. Common Expenses.

(a) Payment of Common Expenses. Each Unit Owner, including the Developer, shall pay his proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in connection with the Master Deed and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair of the Common Elements and any and all replacements and additions thereto, taxes assessed against the Common Elements, procurement and maintenance of insurance, and costs of managing and supervising the Association and the Property in accordance with this Master Deed and the By-Laws of the Association. Common Expenses shall also include 35 % of the cost of maintaining the Recreation Equipment which are a part of the Rushland Park Subdivision, of which The Villas at Rushland Park are a part, even though such Recreation Equipment is not deemed to be a part of the Common Elements. The Association shall pay such amount to the Rushland Park Homeowners' Association, Inc., which shall have responsibility for maintaining the

swimming pool and recreation areas. For purposes of this Agreement, the term "recreation equipment" shall include, without limitation, any swimming pool, playground or other recreation play areas or equipment furnished by the Developer on the common area which is a part of the Rushland Park Subdivision or otherwise within or adjacent to the subdivision (collectively the "Recreation Equipment").

Except for its responsibilities as a Unit Owner, as provided herein, Developer shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Master Deed is recorded. Such proportionate share of the common expenses for each Unit Owner shall be in accordance with his percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by contract for a sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or enjoyment of the Common or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof with interest thereon at the rate of ten percent (10%) per annum, or such greater percentage as may then be permitted under the laws of the State of Tennessee, after said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property as provided in the Act.

(b) Reserve for Maintenance. There shall be established an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements, which fund shall be maintained out of regular assessments fixed by the Board. There shall also be established by the Developer a working capital fund which shall equal at least the estimated assessments for common expenses for the project for a period of two months. Each Unit Owner's share of the working capital fund may be collected at the time of the purchase of the Unit or when control of the project is transferred to the Unit Owners, whichever is earlier. Any amounts paid into the working capital fund shall not be considered as or towards payments of regular assessments. The working capital fund will be transferred by the Developer to the Association to a segregated fund when control of the Association is transferred to the Unit Owners. The Developer may not use the working capital fund to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits while the Developer is in control of the Association. When unsold Units are sold, however, the Developer may reimburse itself for funds it paid the Association for an unsold Unit's share of the working capital fund by using funds collected at closing when the Unit is sold.

(c) Assessments. Each Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in any such deed or other conveyance, is

deemed to covenant and agree to pay to the Board such assessments and charges fixed, established and collected from time to time as hereinafter provided. All Units shall be allocated full assessments no later than sixty (60) days after the first Unit is conveyed.

(d) Enforcement of Lien for Common Expenses and Other

Assessments. For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the premises contained herein, the receipt of which is hereby acknowledged, and any assumption of the obligations by transferees as required hereunder, and to secure the payment of said Common Expenses and any other assessment made by the Association or Board, principal, interest, and attorney fees, a lien is expressly retained by the Association on each and every Unit Owner's Unit and pro-rata interest in the Common Elements.

And, now, for the purpose of better and more effectually securing the payment of said lien indebtedness; rendering unnecessary court proceedings for the enforcement of said lien in the event of the non-payment of said indebtedness and payments thereof, as they become due, and for the consideration of One Dollar (\$1.00) paid in cash, receipt of which is acknowledged, the said Unit Owners, their heirs, administrators, and assigns, hereinafter referred to as trustors, hereby transfer and convey unto James W. Parris, Trustee, his successors and assigns, their respective interest in the Property and their undivided interest in the Common Elements, with the appurtenances, estate, title and interest thereto belonging upon the following uses and trusts:

Each Unit Owner agrees to pay their pro-rata share of Common Expenses when due and further agree to pay all taxes and assessments thereon, general or special, and to pay them when due, to pay all other assessments made by the Association or Board pursuant to the Master Deed and/or By-Laws, and, upon demand of said Trustee or the lawful owner and holder of said indebtedness, to pay, discharge, or remove any and all liens (except a first mortgage or deed of trust) which may be hereafter placed against said property and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; to keep the improvements on the Property in good repair and preservation, and in case the Trustee or his successors or the lawful owner and holder of said indebtedness shall hereafter be required to appear in any court or tribunal to enforce or defend the title to or possession of said Property or the lien of this instrument, or appear in any court to prove the above indebtedness, all the costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed and be payable by the Unit Owner upon demand of the Trustee or lawful owner or holder of said indebtedness, and, upon failure to do any of these things, then said Trustee or the lawful owner and holder of said indebtedness may do any or all of these things and the amounts so paid shall bear interest at the rate of ten percent (10%) per annum or at the



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then-highest contract rate of interest then legally collectible in Tennessee from the date of payment and shall be and become a part of the indebtedness secured hereby.

If said indebtedness or any payment thereof or interest thereon is not paid promptly when due, or if, failing to pay said other sums when due, as herein provided, any Unit Owner fails to reimburse the Trustee or lawful owner and holder of said indebtedness for all sums, with interest, so expended by said Trustee or lawful owner and holder of said indebtedness, within thirty (30) days from date of such payment, the Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in Knox County, Tennessee, to sell the Unit of the non-paying Unit Owner at the front door of the courthouse in Knox County, Tennessee, to the highest bidder for cash, at public outcry, in bar of the right and equity of the redemption, homestead, dower, spouse's elective share and all other exemptions of every kind, both statutory and common law, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Association may bid at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of the indebtedness, enter and take possession of the property and shall only account for the net rents actually received by him. It is further agreed that, in the event the Trustee fails, before selling the property, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the property.

In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

FIRST. To the full and complete satisfaction of the interest of the first mortgage holder, unless arrangements have been made for the assumption of the first mortgage by the subsequent purchaser or the sale is made subject to the first mortgage.

SECOND. To the payment of all costs, charges and expenses of executing this conveyance and enforcing the lien as herein provided; also reasonable attorney's fees for advice or for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of the lien; also the expenses of any such litigation.

THIRD. To the payment of all unpaid indebtedness herein secured, and any and all sums expended in the protection of the property, as herein authorized.

FOURTH. To the payment of all taxes which may be unpaid on the premises.


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FIFTH. The residue, if any, will be paid to trustors, their order, representatives or assigns.

In case of the death, absence, inability, or refusal to act of the Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the Association or any lawful owner and holder of the lien is hereby authorized and empowered to name and appoint a successor to execute this trust by an instrument in writing to be recorded in the Register's Office for Knox County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in the successor.

The word "trustors" when used herein shall apply to parties both singular and plural.

This transfer and conveyance, and the lien for common expenses payable by a Unit Owner which is secured by this transfer and conveyance shall both be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, regardless of whether the first mortgage or deed of trust was recorded before or after this instrument, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the mortgagee or beneficiary accepts a conveyance of any interest therein (other than as security) or forecloses its mortgage or deed of trust. While the lien for assessments may be extinguished, the personal indebtedness therefor shall remain and be the personal obligation of the Unit Owner who owned the Unit when the assessment came due. Any delinquent assessments (after lien extinguishment) may be reallocated and assessed among all Units as a common expense. This Subparagraph (d) shall not be amended, changed, modified or rescinded without the prior written consent of all first mortgagees and beneficiaries of record.

11. Mortgages and Deeds of Trust. Each Unit Owner shall have the right, subject to the provisions herein, to make separate mortgages and deeds of trust for his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any mortgage, deed of trust or other lien on or affecting the Property or any part thereof, except only to the extent of his own Unit and the respective percentage interest in the Common Elements corresponding thereto.

12. Separate Real Estate Taxes. Real estate taxes shall be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes for any year are not separately taxed to each Unit Owner, but rather are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance

with his respective percentage of ownership interest in the Common Elements, and, in the event, such taxes shall be a common expense.

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

In the event of damage to or destruction of one or more of the Buildings as a result of fire or other casualty covered by insurance proceeds, the Board shall without intervention of any Unit Owner arrange for the prompt repair and restoration of the damaged portions of all Units, Buildings and Common Elements substantially in accordance with the original plans and specifications therefor unless the approval of at least fifty-one percent (51%) of the existing first mortgagees is obtained or unless otherwise provided herein when two-thirds (2/3) of all Buildings or any individual Building is destroyed or damaged. Where the insurance indemnity is insufficient to cover the cost of such repairs and restoration, the deficit shall be paid by all Unit Owners directly affected by the damage, in a fair proportion and within such time as is determined by the Board in its absolute discretion. In its absolute discretion, the Board shall determine which Unit Owners are "directly affected" by the casualty, as long as its determination bears a reasonable relation to actual events. The Board shall not be responsible for the repair, replacement or restoration of any improvements, betterments, wall, ceiling or floor decorations or covering or furniture, furnishings, fixtures, appliances or equipment installed in the Unit by a Unit Owner or Occupant unless insurance therefor is specifically provided for in the insurance policy obtained by the Board.

Reconstruction shall not be compulsory where the whole or more than two-thirds (2/3) of all the Buildings is destroyed or damaged by fire or other casualty, as

determined by the Board. In such case, and upon the approval of at least sixty-seven percent (67%) of the Unit Owners and at least fifty-one percent (51%) of the first mortgagees of the Units, the insurance proceeds shall be delivered to the Unit Owners or their mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible and as agent for the Unit Owners, shall sell the Property, in its then condition free from the effect of this Master Deed, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale, and the net proceeds of all insurance policies shall thereupon be distributed to the Unit Owners or their mortgagees, as their interest may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements. If the Board fails to consummate a sale pursuant to this paragraph within twenty-four (24) months after the destruction or damage occurs, then the Board shall, or if they do not, any Unit Owner or mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Master Deed the prohibition against judicial partition provided for in this Master Deed has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Tennessee. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Master Deed shall terminate.

In the event fifty-one percent (51%) of the first mortgagees do not approve termination of the condominium regime, then the Property shall be sold subject to the Master Deed or, if agreed upon by at least sixty-seven percent (67%) of the Unit Owners affected, the Buildings shall be reconstructed and any deficit in costs shall be paid by all Unit Owners affected in accordance with the terms of the prior paragraph.

Reconstruction also shall not be compulsory where the whole or more than two-thirds (2/3) of any single Building is destroyed as determined by the Board. In such case, and upon approval of at least fifty-one percent (51%) of first mortgagees affected, the net proceeds of insurance policies shall be divided among all the Unit Owners and first mortgagees affected by the casualty in proportion to their respective interests as determined in the sole discretion of the Board, after paying from the share of each affected Unit Owner or first mortgagee, as their interest may appear, the just amount of any unpaid liens on his Unit, in the order of priority of such liens. Provided, however, that no such disbursement of the aforesaid insurance proceeds to any Unit Owner shall occur, unless simultaneously with such disbursement each affected Unit Owner delivers to the Board a recordable deed quit-claiming his interest in his Unit or affected portion thereof to the Board (as trustee for the remaining Unit Owners) and also delivers to the Board a recordable release of any liens on his Unit or affected portion thereof. Upon the recording of the aforesaid deeds and releases each such Unit or affected portion thereof shall be deemed thereafter to be Common Elements. Upon the withdrawal of any Unit or portion thereof, the percentage of interest in the Common Elements appurtenant to such Unit or portion thereof shall be reallocated

among the remaining Units on the basis of the percentage of interest of each remaining Unit. If only a portion of a Unit is withdrawn, the percentage of interest appurtenant to that Unit shall be reduced accordingly, as determined by the Board. After the Board has effected any such withdrawal, the responsibility for the payment of future assessments for any such withdrawn Unit or portion thereof shall cease.

In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a Unit will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the condominium project or regime will entitle the owner of a Unit or other party to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

The Board shall also have authority to and shall obtain comprehensive public liability insurance in such amounts as it deems desirable, but for at least One Million Dollars (\$1,000,000) for bodily injury or deaths and property damage arising out of a single occurrence, and workmen's compensation insurance required by law and other liability insurance as it deems desirable, insuring each Unit Owner, first mortgagee of record, if any, the Association, its officers, directors, Board and employees, the Developer, and the Managing Agent, if any, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. However, at the option of the Board and upon written notice to all Unit Owners, premiums for such insurance shall be separately billed to each Unit Owner for his corresponding percentage of ownership in the Common Elements and shall be paid by the Unit Owners by the due date sent forth in the billing.

The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that the person is or was director or officer of the Association, or a member of such a committee. It shall obtain blanket fidelity bond coverage on all officers, directors, employees or agents of the Association who handle or are responsible for funds administered by the Association. In the event a managing agent is acting on behalf of the Association, it shall be required as a part of its contractual arrangement with the Association to maintain fidelity bonds for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Association.

The fidelity bonds shall be for an amount at least equal to three (3) months' aggregate assessments on all units plus reserve funds and must contain a waiver of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The

premiums for such insurance shall be a common expense.

All liability policies and fidelity bonds obtained shall provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage on any Unit which is listed as a scheduled holder of a first mortgage on the insurance policy.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the Limited Common Elements serving his Unit, as well as his additions and improvements thereto, decorating, furnishings, fixtures, and personal property therein, and personal property stored elsewhere on the Property. Each Unit Owner shall obtain and maintain a "condominium policy" to insure the interior of his or her Unit and all improvements thereto. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, the Unit Owner may, at his option and expense, obtain additional insurance.

Each Unit Owner appoints the Association as an attorney in fact for the purpose of representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to the losses, awards or proceeds from the condemnation, destruction or liquidation of all or a part of the project or from the termination of the project. Notwithstanding any provisions herein respecting property or liability insurance, the Association may name an authorized representative including any trustee with whom the Association enters into an Insurance Trust Agreement, to exclusively negotiate losses under any such policy and perform such other functions as are necessary to accomplish this purpose.

14. Maintenance, Repairs and Replacements. Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. The Board may cause the same to be done at the expense of the Unit Owner. In the event the Board makes repairs and assesses a Unit Owner for the same, the Unit Owner shall pay the assessment within thirty (30) days of demand by the Board. Maintenance of, repairs to and replacements within the Common Elements, including the Limited Common Elements, shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. The Board may direct Unit Owners who stand to be benefited by maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacement in the name and for the account of such benefited Unit Owners, pay the

cost thereof with their own funds, and procure and deliver to the Board such indemnities, lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Property from all furnishers', mechanics' or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacement, as may be determined by the Association, and within such time as is determined by the Association, to the extent the cost is not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier.

The authorized representatives of the Association, Board or of the Managing Agent, with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance, repairs or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements or to make any alteration required by any governmental authority.

15. Alterations, Additions or Improvements. Except as provided in Paragraph 19 herein, no alteration of any Common Elements or any additions or improvements thereto shall be made by any Unit Owner without the prior written approval of the Board. No Owner shall make, install, place or remove any building, fence, wall, patio area, spa, swimming pool, landscaping or any other alteration, addition, improvement or change of any kind or nature to, in or upon any portion of the Common Areas, the Limited Common Areas or the exterior of any Owner's Unit, unless the Owner first obtains the written approval of the Association; provided, however, such approval shall not be required for any maintenance or repair which is such Owner's responsibility and which does not result in a material change in any improvement or a change in the color of a Unit or any improvement located on the Property. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. No Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, and such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. Decorating. Subject to the terms of Paragraph 19, each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit

and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other interior furnishings and fixtures. Drapes shall be lined to the satisfaction of the Board, and all curtain or window treatments visible from the outside of a Unit shall be of a color and material acceptable to the Board. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceilings of his Unit, and such Unit Owner shall maintain the interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit.

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

18. Transfer of a Unit--Notice to Association.

(a) Unrestricted Transfers. A Unit Owner may, without restriction under this Master Deed, sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to any person.

(b) Limit on Term of Lease. Notwithstanding the terms of Section 18(a), no Unit, or interest therein, shall be leased by a Unit Owner for less than a minimum term to be set by the Board, which term shall not be of less than one hundred eighty (180) days. Each lease shall be in writing. A copy of every such lease, as and when executed, shall be furnished to the Board. No Unit shall be leased for occupancy by more than one family unit, provided that a Unit may be leased to two, but not more than two, individuals who will occupy the Unit. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Master Deed and By-Laws, of the Unit Owner making such lease and the lease shall expressly so provide. The Unit Owner making such lease shall not be relieved thereby from any obligations under



the Master Deed or the By-Laws. The Board shall be a third party beneficiary of any such Lease and shall have the power to enforce its terms and conditions for the Association's benefit. The Board may establish a standard lease form, the terms of which shall be a prerequisite to the leasing of any Unit and shall be used exclusively by all Unit Owners.

No "for rent" sign may be used on the Property to advertise any Unit as being for rent. No "for rent" signs may be placed on or in front of any Unit, in a window in a Unit or on the Common Area.

(c) Notice to Association of Certain Transfers. Whenever a Unit Owner shall propose to lease his Unit, or any interest therein, to any person or entity, the Unit Owner shall give the Association not less than thirty (30) days' prior written notice of the proposed transaction, which notice shall briefly describe the terms of the proposed lease and shall state the name and address of the proposed tenant. The notice shall also include a copy of the proposed lease or other documents, if any, effecting the transaction. During such thirty (30) day period, the Board, or, during such period as Class B membership exists, the Developer, may require the prospective tenant to meet with the Board, the Developer and/or their representatives. Any prospective tenant shall be subject to the reasonable approval of the Board and/or the Developer. The Board shall be furnished a photocopy of the final executed lease.

(c) Association's Right to Purchase at a Foreclosure Sale. The Association shall have the right, power and authority to bid and purchase, for and on behalf of the remaining Unit Owners, any Unit, or interest therein, at a sale pursuant to a deed of trust or mortgage foreclosure, a foreclosure of the lien for common expenses or unpaid assessments, or an order or direction of a court, or at any other involuntary sale upon the consent or approval of Unit Owners owning at least fifty percent (50%) of the total ownership of the Common Elements.

(d) Financing of Purchase by Association. The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other such financing arrangements as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit or interest therein to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

(e) Miscellaneous.

(1) The provisions of this Paragraph 18 shall in no way impair the rights of the holder of a first deed of trust to any of the following:



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(i) Foreclose or take title to a Unit pursuant to the remedies provided in the deed of trust, or

(ii) Accept a deed (or assignment) in lieu of foreclosure in the event of default by the party conveying the property pursuant to the first deed of trust, or

(iii) Sell or lease a Unit acquired by the holder of the first deed of trust.

(2) All notices referred to or required under this Paragraph 18 shall be given in the manner provided in this Master Deed for the giving of notices.

(3) The provisions of this Paragraph 18 with respect to the Association's rights shall be and remain in full force and effect until the Property as a whole shall be sold or removed from the provisions of the Act, as provided therein, unless the provisions of this Paragraph 18 are sooner rescinded or amended by the Unit Owners.

(4) The Board may adopt rules and regulations from time to time, not inconsistent with the provisions of this Paragraph 18, for the purpose of implementing and effectuating the provisions.

The Association shall hold title to or lease any Unit, pursuant to the terms hereof, in the name of the Association or a nominee thereof designated by the Board, for the sole benefit of all remaining Unit Owners. The Board shall have the authority at any time to sell, lease or sublease the Unit on behalf of the Association upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold for less than the amount paid by the Association to purchase the Unit unless Unit Owners owning at least fifty percent (50%) of the total ownership of the Common Elements first authorize the sale for such lesser amount.

(5) If any transfer or lease of a Unit is made or attempted without complying with the provisions of this Paragraph 18, such transfer or lease shall be subject to each and all of the rights of, and remedies and actions available to, the Association hereunder and otherwise.

19. Use and Occupancy Restrictions.

(a) Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed and as allowed by municipal zoning laws. Each Unit

or any two or more adjoining Units used together shall be used as a residence or for such other use permitted by this Master Deed, and for no other purpose.

(b) With the Board's written permission, that part of the Common Elements separating and located between and exclusively serving two or more adjacent Units used together, (including, without limitation, portions of any hallway and any walls) or any Common Elements serving only one Unit and adjacent to that Unit (such as, without limitation, the portion of the Parcel adjacent to any Unit) may be altered to afford ingress to and egress from such Units or to afford privacy to the occupants of such Units when using such Common Elements, and that part of the Common Elements so altered may be used by the Unit Owner or Owners of such Units as a licensee pursuant to a license agreement with the Association, provided (i) the expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alteration; (ii) such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; and (iii) such alteration shall not interfere with use and enjoyment of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent Units).

(c) No Unit may be partitioned or subdivided without amendment of this Master Deed and the prior written approval of the holder of any first deed of trust or mortgage lien on such Unit.

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

(e) No Unit shall be used except for residential purposes, provided that Developer may use a Unit for a sales office until all Units in the Property have been sold.

(f) No noxious, loud or offensive activity shall be conducted in any Unit nor shall anything be done thereon which may be or become an annoyance or nuisance to the remaining Unit Owners.

(g) No animals, livestock or poultry of any kind shall be kept or maintained in any Unit except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and

provided further that the Association may regulate the keeping and maintaining of household pets. All pets must be carried or kept on a leash when outside a Unit and no pet shall be allowed outside a Unit unless someone is present in the Unit.

(h) No outside radio or television antennas or satellite dishes shall be erected on any Unit within the Property unless and until permission for the same has been granted by the Board of Directors of the Association.

(i) No sign of any kind shall be displayed to the public view on any Unit, except one sign of not more than five square feet advertising the property for sale or rent, or signs used by Developer or its sales agents to advertise the Property during the construction and sales period.

(j) No immoral, improper, offensive, or unlawful use shall be made of the Common Elements or Units, or any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(k) No commercial businesses may be maintained on the Common Elements or in the Units.

(l) Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Association.

(m) The Association is authorized to adopt rules for the use of the Common Elements and such rules shall be furnished in writing to the Owners. There will be no violation of these rules.

(n) The personal property of any resident of a Unit shall be kept inside the resident's Unit, except for tasteful patio furniture and other personal property commonly kept outside.

(o) Garbage service for each Unit shall be provided either by the Association or by a governmental authority having jurisdiction over each Unit, provided, that the Board in its absolute discretion, determine that the Association shall provide garbage service for all Units, including those Units that otherwise would be entitled to such service from a governmental authority. When applicable, garbage service provided by a governmental authority will be billed by such governmental authority directly to the Unit Owner. Garbage service provided by the Association shall be on such reasonable terms as the Association determines and each Unit receiving such garbage service shall be billed separately by the Association for the cost of such service, on an equal basis, including those that would otherwise be entitled to such service from a governmental authority. All billing for garbage service provided by the

Association shall be added to the regular monthly assessment for the Units receiving such service, provided that any Unit that receives garbage service in excess of the garbage service regularly provided by the Association shall be billed and assessed for the cost of such additional service.

(p) No clothesline or clothes pole shall be erected and no outside clothes drying shall be permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Association shall have the right to approve the portions of any Unit or the Property used for outdoor clothes-drying purposes and the types of devices to be employed in this regard, which approval must be in writing.

20. Remedies. In the event of any violation of the provisions of the Act, the Master Deed, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit or any invitee), the Association or its successors or assigns, or the Board or its agent, or any Unit Owner shall have each and all of the rights and remedies which may be provided for in the Act, Master Deed, By-Laws or the rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided in Paragraph 10(d) and as provided hereinafter in this Paragraph 20, or for any combination of remedies, or for any other relief. All expenses of the Association and/or Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of ten percent (10%) per annum, or at the then-highest contract rate of interest then legally collectible in Tennessee, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of the common expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder accepts a conveyance of any interest therein (other than as a security) or forecloses the lien of its mortgage or deed of trust. In the event of any such default by any Unit Owner, the Board and the manager or managing agent, if so authorized by the Board, shall have the authority to correct such default and to do whatever may be necessary for such

purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against Units in the Building.

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

If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit or any invitee) shall violate the Act, or any of the covenants or restrictions or provisions of this Master Deed or the regulations adopted by the Board, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board, or shall occur repeatedly during any period after such written notice or request to cure such violation from the Board, then the Board shall have the power to issue to the defaulting Owner a notice in writing terminating the rights of the said defaulting Owner to continue as a Unit Owner or to continue to occupy, use or control his Unit, and thereupon an action in equity may be filed by the Board against the defaulting owner for a decree or mandatory injunction against such defaulting Owner for occupancy, or in the alternative, for a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by him on account of the violation, and ordering that all the right, title and interest of the defaulting Owner in the Property shall be sold (subject to the lien of any existing deed of trust or mortgage) at a judicial sale upon such notice and terms as the court shall determine, except that the court shall enjoin and restrain the said defaulting owner from reacquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney's fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in the decree. Any balance of proceeds, after satisfaction of such



charges and any unpaid assessments hereunder or any liens, shall be paid to the defaulting Owner. Upon the confirmation of such sale, the purchasers shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit Ownership sold subject to this Master Deed. An aggrieved Unit Owner (subject to the grievance procedures established in the By-Laws of the Association or any Rules or Regulations promulgated by the Association in accordance therewith) or the holder of a first deed of trust may bring an action in law or equity to require the enforcement of this Master Deed and the By-Laws by the Board, or may bring an action to enjoin or specifically require a party to perform what is required of him or it hereunder.

As one of its remedies in the event the Board finds that there is excessive noise in one Unit which it characterizes as a nuisance, the Board may require that walls and/or floors between the Unit wherein the excessive noise originates and adjacent Units be insulated at the sole cost of the Unit Owner of the Unit wherein the excessive noise originates and the cost thereof shall be deemed to be a maintenance expense allocable solely to the Unit Owner of the Unit wherein the excessive noise originates, and shall be assessed against the Unit Owner. The Board may cause such insulation to be installed without the consent of the said Unit Owner and work may be done on or about such Unit wherein the excessive noise has originated.

21. Amendment to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the condominium regime made as a result of destruction, damage or condemnation, or to a reallocation of interests in the Common Elements which might occur pursuant to any plan of expansion or phased development.

(a) The consent of Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of the eligible holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a mortgage appertain, shall be required to terminate the condominium regime.

(b) Except to the extent otherwise set forth in this Master Deed, the consent of Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a mortgage appertain, shall be required to materially amend any provisions of this Master Deed or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such
liens;
- (3) Reserves for maintenance, repair and replacement of the
Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Elements;
- (6) Responsibility for maintenance and repair of the several
portions of the condominium;
- (7) Expansion or contraction of the condominium regime or the
addition, annexation or withdrawal of property to or from the regime, except as
described in Paragraph 2 above; - NO ~ N/A
- (8) Boundaries of any Unit;
- (9) The interests in the general or limited Common Elements;
- (10) Convertibility of Units into Common Elements or of Common
Elements into Units;
- (11) Leasing of Units;
- (12) Imposition of any right of first refusal or similar restriction on
the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (13) Establishment of self-management by the Association where
professional management has been required by any of the agencies or corporations; or
- (14) Restoration or repair of the project for damage or partial
condemnation in a manner other than that specified in this Master Deed.

(c) The consent of Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to a mortgage appertain shall be required to amend any provisions included in the Master Deed, By-Laws or equivalent documents of the condominium which are for



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the express benefit of holders of or insurers of first mortgages on Units.

(d) For first mortgagees to be "eligible holders" they must request notice in accordance with the provisions of Paragraph 22.

(e) All other amendments shall be by consent of sixty-seven percent (67%) of the Unit Owners, except to the extent otherwise set forth in this Master Deed.

(f) An amendment shall be effective with the recording on an instrument in the Register's Office for Knox County, Tennessee, containing the signatures of at least the required number of approvals by Unit Owners and/or first mortgagees.

22. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed to any Unit Owner, at the street address for the Unit Owners Unit in Knoxville, Tennessee, or at such other address as hereinafter provided. Notices to the Association or Board shall be in writing and addressed to the Association or Board at 10627 Deerbrook Drive, Knoxville, Tennessee 37922. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him (other than to his or her Unit) by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Master Deed to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any such eligible holder of a deed or trust or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the General or Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit, or (iv) the purposes to which any Unit or the Common Elements are restricted;

(b) Any proposed termination of the condominium regime;



(c) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(d) Any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the owners association covering fire or other hazard or general liability; or

(f) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

23. Severability. If any provision of the Master Deed or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Master Deed and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Master Deed or the By-Laws shall be construed as if such invalid part was never included therein.

24. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Master Deed shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now-living descendant(s) of any member of the Developer.

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



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1

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

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

26. Condemnation. The taking of all or a portion of the Units and/or Common Elements by eminent domain shall be deemed to be a casualty for the purpose of decisions relating to repair and reconstruction, distribution of funds and assessment of costs and proceeds received on account of the taking shall be deemed to be insurance proceeds. All matters relating to the taking shall, therefore, be governed by those provisions of Paragraph 13 of this Master Deed relating to casualty damage.

27. Access Easement. Notwithstanding anything herein or in the Exhibits hereto to the contrary, the Developer, its agents, successors, assigns and contractors shall at all times have and be entitled to access over and across the Property for purposes of providing access to the Property and/or any other property owned by Developer, and Developer hereby reserves an easement over and across the Property for such purposes. Each Unit Owner shall have an unrestricted right of ingress and egress to his or her Unit. This right is perpetual and passes with the Unit estate as transfers of ownership of the Units occur. Any conveyance, encumbrance, individual sale or other transfer, voluntary or involuntary, of an individual interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred.



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IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its duly authorized officer as of the date set forth above.

RUSHLAND PARK, LLC

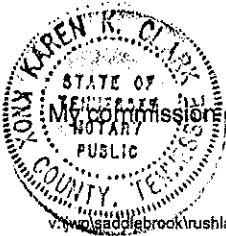
By: [Signature]

Title: Chief manager

STATE OF TENNESSEE
COUNTY OF KNOX

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared Robert L. Mohney, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of RUSHLAND PARK, LLC, the within-named bargainor, a Tennessee limited liability company, and that he, as Chief Manager executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Chief manager.

Witness my hand and official seal in Knox County, Tennessee on
April 14, 2006.



Karen K. Clark
NOTARY PUBLIC

My commission expires: 12-5-09

v:\two saddlebrook\rushland park\masterdeed - the villas at rushland park



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LIST OF EXHIBITS

EXHIBIT A: DESCRIPTION OF THE PARCEL

EXHIBIT B: BYLAWS

EXHIBIT C: FLOORPLANS

EXHIBIT D: PLAT

EXHIBIT E: OWNERSHIP INTEREST IN COMMON ELEMENTS



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EXHIBIT A

SITUATED in the 8th Civil District of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee, and being known and designated as Lot 77 and Lot 78 of Rushland Park Subdivision - Phase 2, as shown on the plat of record as Instrument #200601240062282 in the Register's Office for Knox County, Tennessee, to which plat specific reference is hereby made for a more particular description.

BEING part of the same property conveyed to Party of the First Part by Warranty Deed of record as Instrument #200407270007937 in the aforesaid Register's Office.

THIS CONVEYANCE is made subject to any and all other applicable easements and restrictions of record in Knox County, Tennessee.



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BYLAWS
OF
THE VILLAS AT RUSHLAND PARK HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I.

NAME AND LOCATION

The name of the corporation is THE VILLAS AT RUSHLAND PARK HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be at such location in Knoxville, Tennessee as may be designated by the Board of Directors. Meetings of members and directors may be held at such places within or without the State of Tennessee as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" shall mean and refer to The Villas at Rushland Park Homeowners' Association, Inc., its successors and assigns.

Section 2. "Common Elements" means all of the Property except for the Units, and, without limiting the generality of the foregoing, shall include those items defined as "General Common Elements" in the Act, including the following:

- (a) The Parcel;
- (b) All foundations, bearing walls and columns, roofs, halls, lobbies, stairways, entrances and exits or communication ways;
- (c) All basements and roofs, except as otherwise herein provided or stipulated;
- (d) All compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, water tanks and pumps, and the like
- (e) All elevators, garbage incinerators and, in general, all devices or installations existing for common use
- (f) Pipes, ducts, electrical wiring and conduits (except pipes, ducts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit)



Section 3. "Developer" means Rushland Park, LLC, its successors and assigns, provided such successors or assigns are designated in writing by Developer as a successor or assign of the rights of Developer set forth herein.

Section 4. "Master Deed" shall mean the Master Deed for The Villas at Rushland Park of record or to be recorded in the office of the Knox County Register of Deeds.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Parcel" means the parcel or tract of real estate described in the Master Deed, as may be amended hereinafter to add additional parcels or tracts of real estate.

Section 7. "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Building (as defined in the Master Deed) 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 Unit Owners, submitted to the provisions of the Act. To the extent any additional land or property is subsequently added by Developer by amendment to the Master Deed, it shall also be included in the defined term "Property".

Section 8. "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Building, which enclosed space is not owned in common with the Unit Owners or other Units. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be and are the interior surfaces of its perimeter walls, floor and ceilings and a Unit includes both the portion of the Building so described and the air space so encompassed, excepting Common Elements. Any Unit may be jointly or commonly owned by more than one Person. It is intended that the term "Unit" as used in this Master Deed shall have the same meaning as the term "Apartment" as used in the Act.

Section 9. "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto and shall be deemed the same as a "co-owner" under the Act. Unless specifically provided otherwise herein, the Developer shall be deemed a Unit Owner so long as it is the legal title holder of any Unit. No person or persons who hold an interest in a Unit solely for the purpose of securing an obligation shall be deemed to be a Unit Owner hereunder.

ARTICLE III.

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. or at such other date and time as determined by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to cast ten percent (10%) of all the votes entitled to be cast on any issue to be considered at the proposed special meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but no more than two (2) months before such meeting to each Member entitled to vote thereat, addressed to each Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver by a Member of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at an Annual or Special Meeting of Members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Master Deed, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 6. Voting Rights. Members shall have such voting rights as are set forth in the Master Deed.



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Section 7. Votes Required for Action. Except as otherwise provided herein or in the Master Deed, all action of the Members shall require the affirmative vote of a majority of the votes entitled to vote at a meeting at which a quorum is present.

Section 8. Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Members to the taking of action without a meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE IV.

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than one (1) or more than five (5) Directors, who must be Members of the Association or an agent or representative of Developer. The Board may consist of fewer Directors until there are a sufficient number of members of the Association who are willing to serve as Directors.

Section 2. Term of Office. At the first annual meeting, the Members shall elect two (2) Directors for a term of one (1) year and, if more than two (2) Directors are required by these Bylaws or a vote of the Members, all additional Directors for a term of two (2) years. At each annual meeting thereafter the Members shall elect two (2) Directors for a term of two (2) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more other persons, one of whom shall be a Member of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, or at such other periodic intervals as may be established by the Board of Directors from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.



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ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members or non-voting Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to the use of the recreational facilities of a Member or non-voting Member during any period in which such Member or non-voting Member shall be in default under the provisions of the Master Deed or these Bylaws in the payment of any assessment, dues or charge levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction or published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Master Deed;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (f) employ attorneys to represent the Association when deemed necessary.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Master Deed, to:

(i) fix the amount of assessments against each Unit at least thirty (30) days in advance of the due date for each assessment;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date for each assessment;

(iii) fix special assessments at any time that the Board determines that the annual assessments will not be sufficient to pay Common Expenses and other expenses provided for in the Master Deed or as otherwise allowed in the Master Deed. The Board shall send written notice of the assessment and the due date thereof (as determined by the Board) to each Unit Holder subject to the assessment; and

(iv) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the Common Area and such other real and personal property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained in accordance with the terms of the Master Deed;

(h) enforce the terms and conditions of the Master Deed; and

(i) adopt Rules and Regulations which are consistent with the terms of the Master Deed and these By-Laws.

Section 3. Professional Management. In performing the foregoing duties outlined in Section 2, the Board of Directors may engage a professional manager to provide management services.

ARTICLE VIII.

OFFICERS AND DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and a vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date or receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.



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(b) Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of the meetings of the Board and of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion for each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX.

COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X.

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Master Deed, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI.

ASSESSMENTS

As more fully provided in the Master Deed, each Member is obligated to pay to



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the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

ARTICLE XII.

CORPORATE SEAL

The Association shall not have a seal.

ARTICLE XIII.

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote or a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Master Deed and these Bylaws, the Master Deed shall control.

ARTICLE XIV.

GRIEVANCE PROCEDURE

Section 1. Any grievance or complaint which an Owner or Owners shall have against any other Owner or Owners for violation of the provisions of the Master Deed, these Bylaws, other Rules and Regulations of the Association, or for any other reason shall be submitted to the Board of Directors of the Association for arbitration.

Section 2. All such grievances shall be submitted in writing to the Board outlining the Owner or Owners complaining, the Owner or Owners complained against, the nature of the violations, the date of all relevant facts, and the specific violations, if



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any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days. If the Board decides adversely to the complaining party, or fails to act within thirty (30) days of submission of the complaint, then the complaining party shall have the right to resort to any other legal remedies which may be available to them.

Section 3. The grievance procedure set out herein shall be the exclusive remedy for all grievances and complaints, and no Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.

ARTICLE XV.

ANNEXATION

Additional property and Common Area outside the boundary of the Property may be annexed to the Property as provided in the Master Deed.

ARTICLE XVI.

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January, and end on the 31st day of December, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

The undersigned, Georgia Sadlowe, does hereby certify that she is the duly elected and acting secretary of The Villas at Rushland Park Homeowners' Association, Inc. a Tennessee corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on April 14, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed by name as of
April 14, 2006.



v:\wp\Saddlebrook\Rushland Park\Bylaws-The Villas at Rushland Park



SADDLEBROOK
HOMEBUILDER, LLC

RUSHLAND PARK

THE RAMSEY "A"

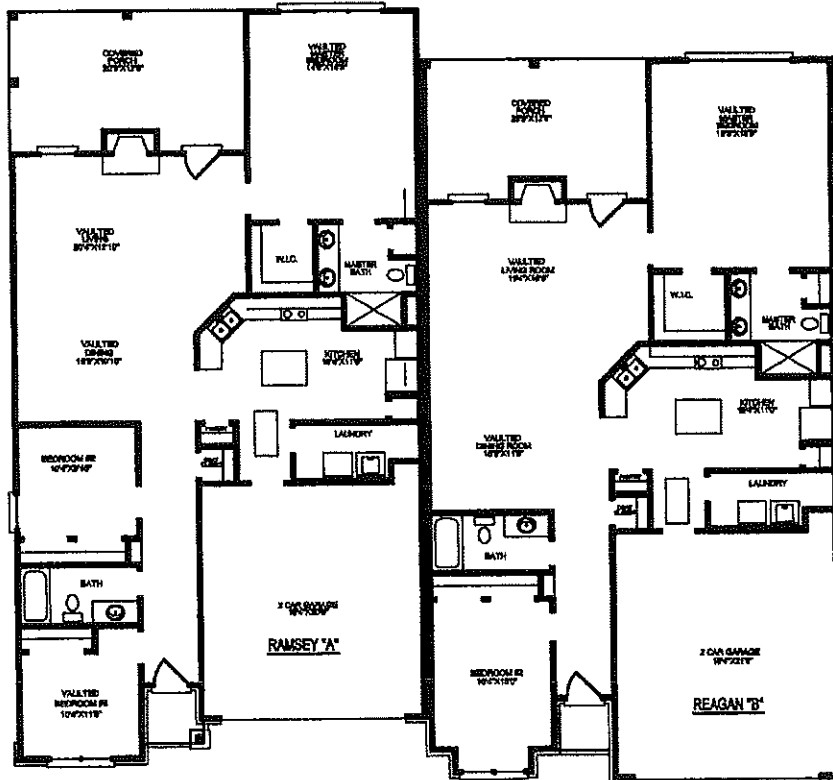
Total Living Area - 1,628 SQ. FT.
Garage - 415 SQ. FT.

THE REAGAN "B"

Total Living Area - 1,582 SQ. FT.
Garage - 437 SQ. FT.

THE RAMSEY "A"

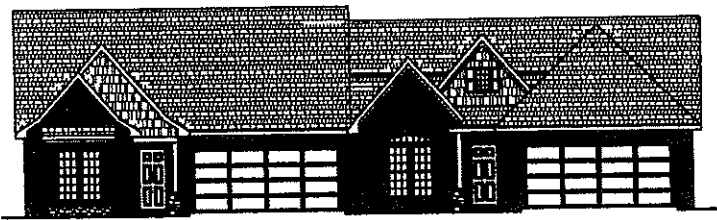
THE REAGAN "B"



Saddlebrook Inc. uses pictures, elevations, and floor plans for illustrative purposes only. Saddlebrook's working construction drawings take precedent in guiding the construction of each home. Measurements taken from plans and subject to change. Prices and specifications are subject to change without notice. Offerings subject to errors and omissions. 03/10/06



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FRONT ELEVATION RAMSEY "B"

FRONT ELEVATION REAGAN "A"



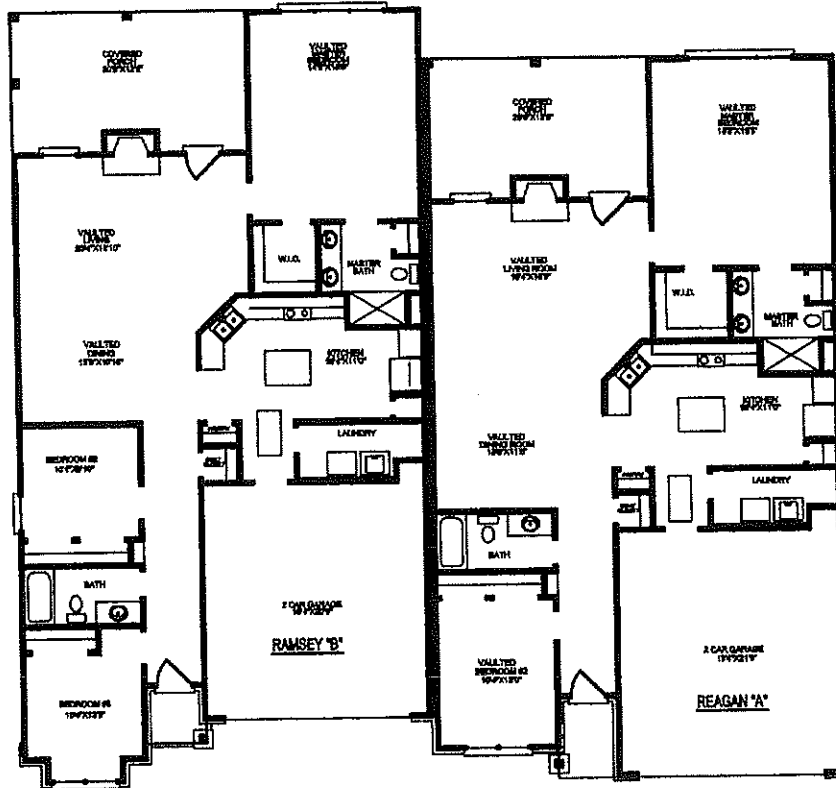
RUSHLAND PARK

THE RAMSEY "B"

Total Living Area - 1,641 SQ. FT.
Garage - 415 SQ. FT.

THE REAGAN "A"

Total Living Area - 1,588 SQ. FT.
Garage - 437 SQ. FT.



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Saddlebrook Inc. uses pictures, elevations, and floor plans for illustrative purposes only. Saddlebrook's working construction drawings take precedence in guiding the construction of each home. Measurements taken from plans and subject to change. Prices and specifications are subject to change without notice. Offerings subject to errors and omissions. 03/10/06

EXHIBIT E
Ownership Interest in Common Elements

Units 81-146 will have a 1.52% ownership interest in the Common Elements.



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