

**MASTER DEED ESTABLISHING THE PIE FACTORY CONDOMINIUMS
AND SUBMITTING THE PIE FACTORY CONDOMINIUMS
TO THE HORIZONTAL PROPERTY ACT**

THIS MASTER DEED made effective in the City of Memphis, County of Shelby, State of Tennessee, this 1st day of July, 2006, by NY & Y DEVELOPMENT CORP., a Tennessee Sub Chapter S Corporation, (herein "Developer"), pursuant to the provisions of the Horizontal Property Act of the State of Tennessee as set forth in Tennessee Code Annotated, Sections 66-27-101 et seq., as amended.

RECITALS:

1. Developer is the fee simple owner of certain real property located in the City of Memphis, County of Shelby, State of Tennessee, more particularly described in Exhibit "A" attached hereto (herein the "Land").

2. Developer is in the process of constructing a single-story building which will contain residential and commercial Condominium Units upon the Land, together with related facilities to be known as The PIE FACTORY and located at Young & New York, Memphis, Tennessee (herein "Condominium Project"). It is the desire and intention of the Developer to divide the Condominium Project into Condominium Units and to sell and convey the Units to purchasers, subject to the covenants, restrictions and conditions herein reserved to be kept and observed.

NOW, THEREFORE, the Developer does hereby declare that all of the Land described in Exhibit "A" hereto is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in the furtherance of the plan for the improvement of the Land and a division thereof into Condominium Units, and shall be deemed to run with the Land and shall be a burden and a benefit to the Developer, its successors and assigns, and any person acquiring or owning an interest in the Land and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I
DEFINITIONS

When used herein, the following terms shall be defined as follows, unless the context clearly indicates a different meaning:

Section 1.01. "Act" means the Horizontal Property Act of the State of Tennessee, as set forth in Tennessee Code Annotated, Sections 66-27-101 et seq., as amended.

Section 1.02. "Association" or "Owners' Association" means The PIE FACTORY Condominium Owners' Association, Inc., a Tennessee not-for-profit corporation, which shall have as its members all of the Owners of Units within the Condominium Project and which shall be responsible for the care, management and supervision of the Condominium Project.

Section 1.03. "Assessments" shall mean that portion of the cost of maintaining, repairing and managing the Condominiums which is to be paid by each Owner in accordance with Exhibit "D" and as may be set forth in the Bylaws attached hereto as Exhibit "B".

Section 1.04. "Board of Directors" or "Board" means the Board of Directors of the Association.

Section 1.05. "Building" means the entire structure to be located upon the Land which will be constructed substantially in accordance with the Plans and Specifications therefore prepared by Molenaar Architecture PC.

Section 1.06. "Bylaws" shall mean the Bylaws of the Owners' Association which are attached hereto and hereby made a part hereof and marked as Exhibit "B", as they may be amended from time to time. The Bylaws are adopted and recorded pursuant to the provisions of this Master Deed and the Act.

Section 1.07. "Commercial Unit" means a condominium unit as more particularly described herein which is not to be used for residential purposes, but shall be used for commercial and retail uses in accordance with the rules and requirements hereof and in those other certain agreements of Developer restricting certain uses therein.

Section 1.08. "Common Elements" means the General Common Elements and Limited Common Elements as defined herein.

Section 1.09. "Common Expenses" means those expenses set forth in the Bylaws.

Section 1.10. "Co-Owner", "Owner" or "Unit Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, including the Developer, who owns a Unit within the Condominium Project, but excluding any person, firm, corporation, partnership, association, trust or other legal entity having any interest in any Unit solely as security for the performance of an obligation, and as further defined in the Act.

Section 1.11. "Condominium Project" shall mean the Land, as divided into Condominium Units, including all structures thereon.

Section 1.12. "Condominium Unit" or "Unit" shall have the same meaning herein as the term "apartment" has in the Act, and shall mean the Units (including the Commercial Units) as described in Exhibit "C" attached hereto.

Section 1.13. "Developer" shall mean NY & Y Development Corporation and its successors and assigns.

Section 1.14. "General Common Elements" shall include:

- (a) The Land;
- (b) The foundations, main exterior walls, roofs, halls, lobbies, stairways, entrances and exits or communication ways, sidewalks, balcony decks, balcony roofs, and railings and exterior stairs and stair railings;
- (c) The basements, yards and gardens, if any, except as otherwise herein provided or stipulated;
- (d) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, heating, air conditioning and the like including that portion of the roof whereon the air conditioning units are located, if any, that support the common areas of the project;

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

(f) The elevators, elevator shafts and appurtenant installations and apparatus, rooms or enclosures for refuse, trash disposal and janitorial services, lobby, reception area, area for distribution of mail, ramps and driveways and parking areas (except parking spaces assigned pursuant to Section 5.01);

(g) Any recreational facilities located upon or in the Condominium Project which are not located in an individual Unit or Units or specified as or located within a Limited Common Element to a Unit or Units;

(h) In general, all devices, installations, elements, fixtures and equipment existing or located upon or in the Condominium Project for common use or desirable or rationally for common use or necessary to the existence, upkeep and safety of the Condominium Project established by this Master Deed or as shown on the Plans or by virtue of an easement created in this Declaration.

Section 1.15. "Land" is the real estate described in Exhibit "A" attached hereto and made a part hereof.

Section 1.16. "Limited Common Elements" mean all elements contiguous to and/or 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, in the Plans or by the Board of Directors. Such Limited Common Elements shall include, but shall not be limited to, balconies, porches and patios and, where applicable, the stairs which are a part thereof adjacent to Units, storage closets and parking spaces, if any, assigned pursuant to Section 5.01. To the contrary herein notwithstanding, the maintenance, upkeep and repair of the exterior balconies, porches and patios, including the roofs, railings, ceilings and floors thereof and where applicable, the exterior stairs and stair railings leading thereto shall be the responsibility of the Owners' Association.

Section 1.18. “Majority of Unit Owners” means the Owners of more than fifty percent (50%) of the undivided ownership of the General Common Elements as set forth in Exhibit “C”.

Section 1.19. “Managing Agent” means a professional management company or property manager which is responsible for providing property management services to the Owners’ Association.

Section 1.20. “Master Deed” means this instrument, by which the Condominium Project is submitted to the provisions of the Act, as this instrument may from time to time be amended.

Section 1.21. “Occupant” means a person or persons in lawful possession of a Unit, regardless of whether such person is a Unit Owner.

Section 1.22. “Person” means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

Section 1.23. “Plans” mean the plat of site plan, floor plans, and other plans of the Condominium Project recorded simultaneously herewith as Exhibit “E” hereto and which is hereby made a part hereof.

Section 1.24. “Unit” means a single family living space within the Building and being more particularly described in Article 3.

ARTICLE 2

LAND SUBMITTED BY DEVELOPER TO HORIZONTAL PROPERTY REGIME - PROPERTY RIGHTS

Section 2.01. Land. Developer is the fee simple owner of the Land described in Exhibit “A.”

Section 2.02. Declaration of Developer. Developer does hereby declare its intention to establish a Condominium Project on the Land and does hereby submit the Land together with all buildings, improvements and structures located or to be constructed on the Land now or in the future, and all easements, rights and appurtenances belonging thereto to a horizontal property

regime as authorized by the Act, and which shall continue as such forever unless terminated in the manner hereinafter provided.

Section 2.03. Ownership of Units. Each Unit shall be held by a Unit Owner(s) in fee simple. Each Unit may be individually transferred, conveyed and encumbered, and may be the subject of ownership, possession, mortgage or sale and all other types of juridic acts inter vivos or mortis causa, as if it were solely and entirely independent of the other Units in the Condominium Project subject only to this Declaration, and the corresponding individual titles and interest shall be recordable.

Section 2.04. Exclusive Ownership. An Owner of a Unit shall have an exclusive ownership of his Unit and any Limited Common Area appurtenant thereto and shall have a common right to share with other Owners in the General Common Elements of the Condominium Project as the same shall be herein defined and described. Each Unit Owner may use the General Common Elements in accordance with the purposes for which they are intended, subject to such reasonable rules and regulations as may be promulgated by the Owners' Association and so as not to restrict, interfere or impede the use thereof by other Unit Owners.

ARTICLE 3

DESCRIPTION OF CONDOMINIUM PROJECT AND INDIVIDUAL UNITS

Section 3.01. Name of Condominium Project. The name of the Condominium Project established upon the Land shall be PIE FACTORY Condominiums.

Section 3.02. Description of Condominium Project. The Plans, including the floor plans of individual Units within the Condominium Project, are as set forth in Exhibit "E" attached hereto.

Section 3.03. Unit Boundaries. Each Unit shall have the following boundaries:

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

(1) Upper Boundary: The horizontal plane where the exterior side of the finished ceiling meets the ceiling beams.

(2) Lower Boundary: The horizontal plan where the exterior side of the finished floor meets the floor joist.

(3) The ceiling beams and the floor joists shall be Limited Common Elements.

(b) Vertical (perimetric) Boundaries: The interior vertical boundaries of the Unit shall be the vertical plane where the exterior of the Unit's sheetrock attaches to the studs of the interior hallways or the studs of an adjoining Unit. Included in the Unit shall be the hallway door jambs and doors of the Unit. The exterior vertical boundaries of the Unit shall be the vertical planes where the exterior side of the Unit's sheetrock attaches to exterior studs together with the interior surface of window casings and window frames. All studs shall be considered General Common Elements. Window glass shall be considered a part of the Unit. Likewise, the interior surface of exterior doors and door jambs together with any glass therein shall be considered a part of the Unit. Exterior window casings and window frames and exterior doors and door jambs shall be General Common Elements.

Section 3.04. Additional Description of Unit. Without in any way limiting the Unit boundaries as defined above, a conveyance of any Unit shall include all utility service lines, ducts and pipes within the boundaries, including but not limited to, lines, ducts and pipes for water, sewage, gas and electricity, heating, air conditioning and ventilation. A Unit shall also include all carpeting, linoleum and other floor surfacing, all wallpaper, paint and other wall surfacing materials, range, disposal, hot water heater, and air conditioning unit regardless of whether inside or outside the said Unit boundaries. Each initial conveyance shall include all fixtures within the Unit boundaries at the time of conveyance.

Section 3.05. Encroachments. The dimensions of each Unit shall be as shown in the Plans for such Unit, which are attached hereto as part of Exhibit "C". If, after construction, any portion of the General Common Elements shall encroach upon the boundaries of any Unit, or if

any Unit or Limited Common Element shall encroach upon the boundaries of any other Unit or upon any portion of the General Common Elements, or if any such encroachment shall occur hereafter as a result of settling or shifting of any Unit or facility, a valid easement for such encroachment and for the maintenance of the same shall exist so long as the Building, Units or facility stands. If the Building, Units, or Common Elements having an easement as described above shall be partially or totally destroyed as a result of fire or other disaster or as a result of condemnation or eminent domain proceedings, the Building, Units or Common Elements shall continue to have said easement for the purpose of reconstruction in accordance with the Bylaws, and upon such reconstruction, the said easement, if needed, shall continue to exist for encroachment and maintenance of same.

Section 3.06. Easements. (a) Each Unit Owner shall have an unrestricted right of ingress and egress to his Unit. Such easement shall pass automatically to any transferee or successor.

(b) The Owners' Association reserves an easement for maintenance, repair and replacement of Common Elements and to the Units. Such access shall be limited to reasonable hours, except that access may be had at any time in case of emergency.

(c) Each Unit shall be burdened with an easement for structural support for the benefit of the Common Elements and other Units.

(d) The Owners' Association shall have the right to grant permits, licenses and easements over the General Common Elements for utilities, driveways and other purposes necessary for the proper operation of the Condominium Project.

ARTICLE 4

TITLE AND OWNERSHIP OF UNITS

Section 4.01. Unit Ownership. Each Unit Owner shall have an exclusive ownership of his Unit and the Limited Common Elements appurtenant thereto and shall have a common right to share, with other Owners, in the General Common Elements of the Condominium Project as the same are defined and described herein.

Section 4.02. Unit Deeds. The deed to each Unit shall be recorded in the same manner and subject to the same provisions of law as are other deeds. Likewise, mortgages or deeds of trust on each Unit shall be recorded subject to the provisions of law applicable thereto.

Section 4.03. Conveyance of Condominium Interest. Any conveyance of an individual Unit whether by voluntary or involuntary transfer shall convey the undivided interest of the Owner in the Common Elements, both General and Limited, appertaining to such Unit without specifically and particularly referring to the same. Any transfer shall convey any rights a Unit Owner may have in any funds or accounts held or maintained by the Owners' Association for the benefit of the Condominium Project.

Section 4.04. Unit Owner s Interest in General Common Elements. The percentage of undivided interest in the General Common Elements pertaining to each Unit, shall be as set forth in Exhibit D" attached hereto and hereby made a part hereof.

Section 4.05. No Partition. The General Common Elements shall remain undivided and shall not be partitioned by judicial proceedings or otherwise. No Unit or the undivided interest in the Limited Common Elements incidental thereto shall be partitioned by judicial proceedings or otherwise.

Section 4.06. Right to Use of General Common Elements. Each Unit Owner shall have the right, along with the other Unit Owners, to share in the joint use and enjoyment of the General Common Elements within the Project, subject to such reasonable rules and regulations as may be promulgated by the Owners' Association.

Section 4.07. Application to Commercial Units. The provisions of Article 3 and Article 4 hereof shall apply to all Commercial Units, as applicable.

ARTICLE 5

PARKING

Section 5.01. Parking Spaces. Parking spaces are designated on the Plans set forth in Exhibit "E" attached hereto and are identified by numbers. The parking space for a Unit shall be a Limited Common Element for that Unit, meaning the same are exclusively for the use of the

Occupants of such Unit. Each one-bedroom Unit shall be allocated one parking space and each two-bedroom unit will be allocated two parkings. The commercial unit will be allocated three parking spaces. The assignment of the parking space for a Unit, will be made by the Developer prior to or at the sale of such Unit. A record of the designated parking spaces will be kept by the Developer until such time as all Units are sold, at which time an amendment to this Master Deed will be filed by the Developer setting forth the parking space attributable to a Unit. Thereafter, any conveyance shall also convey such parking space whether or not mentioned specifically. Any parking spaces not allocated to a Unit may be rented or sold by the Developer to a Unit Owner and once the Developer has turned over the Project to the Owners' Association, then the Board may rent or sell such parking spaces if not otherwise provided for. All revenue shall belong to the Developer or the Board, as applicable, and the rental shall be subject to the rules and regulations as prescribed.

ARTICLE 6

RESTRICTIONS

Section 6.01. General Restrictions. The following general restrictions shall apply to the Condominium Project:

(a) Each Unit is to be used solely as a single-family residence, except for the Units marked "Commercial" on Exhibit "C", which may be used for commercial or retail purposes ("Commercial Units").

(b) Except as originally constructed or as otherwise provided herein, the Common Elements shall not be obstructed or used for storage without the prior written consent of the Owners' Association.

(c) Except for the operations to be conducted in the Commercial Units which may affect the insurance rates in the Project and as provided herein, nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Common Elements or other Units, without the prior written consent of the Owners' Association. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which

will result in the cancellation of insurance on any Unit or any part of the Common Elements or which would be in violation of any law. No waste will be committed in the Common Elements or in any Unit. If a Commercial Unit Owner shall cause an increase in insurance or operating costs as a result of its activities in a Commercial Unit, such increase in the cost of insurance (or operating costs) for the Common Areas or other Unit Owners shall be borne solely by the Commercial Unit Owner causing the increase. The Owners' Association may adjust the assessments to reflect this allocation.

(d) No sign or flag of any kind shall be displayed to the public view on or from any Unit or from the Common Elements except for the Commercial Units, without the prior written consent of the Owners' Association. Signage for the Commercial Units shall be subject to the reasonable review and approval of the Developer and/or the Owners' Association.

(e) Except within the Commercial Units, no commercial business activities of any kind shall be conducted in any portion of the Condominium Project; provided, however, the foregoing restrictions shall not apply to the business activities, signs and billboards for the construction and maintenance of the Condominium Project by the Developer, its agents and assigns during the construction and sales period of the Condominium Project and, provided further, that the Developer may maintain sales offices, management offices and models throughout the Condominium Project and in any Units owned by the Developer or for which permission has been granted to the Developer by the Owner of any such Unit, as the Developer deems appropriate, and except that this restriction shall not apply to any Managing Agent in the performance of management services relating to the Condominium Project.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except dogs, cats or other normal and ordinary household pets which may be kept in Units, subject to rules and regulations adopted by the Owners' Association. No Unit shall have more than 2 pets. Pet owners shall be responsible for cleaning up all animal waste. Common areas shall be maintained at all times clean of such waste and animals may not be left unattended at any time.

(g) No noxious or offensive activities shall be carried on in any Unit or Commercial Units or in the Common Elements, nor shall anything be done therein which may be or become a nuisance to the other Owners.

(h) Except as provided herein, nothing shall be altered or constructed in or removed from the Common Elements without the prior written consent of the Owners' Association.

(i) It is strictly prohibited to store or park a house trailer, camper, pleasure or fishing boat, motor, trailer, junk, or inoperable motor vehicles on or about the Condominium Project. The maintenance or repairing of motor vehicles other than on an emergency basis is prohibited.

(j) No Unit Owner shall engage in any planting or gardening anywhere within the Condominium Project except as permitted by the Owners' Association and except that each Unit Owner shall have the right to engage in planting or gardening within the Limited Common Elements consisting of the balconies, porches or patios, the use of which is restricted to and reserved for that Owner. The Owners' Association shall have the right to establish reasonable rules and regulations for the use and appearance of patios and balconies, and furniture and equipment placed thereon, so that the Condominium Project as a whole presents a harmonious and architecturally pleasing appearance. The Developer and/or the Owners' Association may establish rules and regulations for window treatments on all windows facing the street so as to project an appropriate streetscape. Such window treatments shall not be changed without approval of the Owners' Association.

(k) No exterior antenna may be attached to or built upon any Unit nor may any antenna be erected or placed anywhere within the Condominium Project, other than wholly within a Unit, without the prior written consent of the Owners' Association. The Owners' Association may attach a satellite television dish for use by the Unit Owners.

(l) No Unit Owner may paint, stain, or in any way alter the exterior surface or appearance of his Unit, including balconies, porches, patios or any fencing or railing around them, without prior written consent of the Owners' Association.

(m) No structure of a temporary character, trailer, tent, shack or other building shall be used on any portion of the Condominium Project at any time as a residence or storage facility, either temporarily or permanently except as otherwise provided herein. It shall, however, be expressly permissible for the Developer to maintain during the period of construction and sale of the Units, upon such portion of the Condominium Project as Developer deems necessary, such facilities as in the sole opinion of the Developer may be reasonably required, convenient or incidental to the construction and/or sale of the Units, including, but without limitation, a business office, storage area, construction trailer, construction yards, signs, model units and sales office.

(n) Except during any period of construction with respect to the Condominium Project, all equipment, garbage cans, wood piles or storage piles shall be kept screened so as to conceal them from view of neighboring Units and streets. All rubbish, trash or garbage shall be regularly removed from the Condominium Project and shall not be allowed to accumulate. The Owners' Association may negotiate with private refuse companies for dumpsters and each Unit Owner shall use such dumpster to dispose of waste.

(p) No clothes lines shall be permitted within any General or Limited Common Element.

(q) No patio furniture shall be permitted in Common Areas until the Project has been turned over to the Board of Directors. The Board of Directors may establish rules as to the type and quantity of all patio furniture as well as the use of barbeque grills.

ARTICLE 7

DUTIES AND OBLIGATIONS OF UNIT OWNERS

Section 7.01. Maintenance and Repair. Each Unit Owner shall at his expense keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair, and in a clean and sanitary condition and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance and condition of his Unit. Each Unit Owner shall be responsible for repair or replacement of any plumbing fixtures, water heaters, furnaces, lighting fixtures, electrical wiring and equipment, household appliances, and heating and air conditioning equipment located within such Unit or for the benefit of such Unit.

Section 7.02. Taxes and Insurance. Each Unit Owner shall pay fully all expenses attributable solely to his Unit including, but not limited to, insurance premiums and taxes, regardless of whether statements for such expenses are sent directly to the Unit Owner or to the Owners' Association. If the Owners' Association pays such expenses, they shall then be fully charged to the Unit Owner and included in his assessment. The Owners' Association shall maintain in force appropriate public liability, fire and extended coverage on the Condominium Project and premiums shall be charged pro rata to the Unit Owners as part of their assessments according to the percentages set forth on Exhibit "D".

Section 7.03. Expenses and General Maintenance Repair. Each Unit Owner shall contribute in the percentage attributed to his Unit as set forth in Exhibit "D" hereto his prorata share of all expenses of maintenance and repair of the Common Elements incurred by the Owners' Association on behalf of all the Unit Owners. The Owners' Association's determination of which expenses shall be subject to such prorata contribution shall be binding upon all Unit Owners and no Unit Owner may exempt himself from contributing towards such expenses by waiver of the use or enjoyment of the Common Elements, or by abandonment of the Unit which he owns, or by claiming that he has not been benefited by such expenses or by any other means.

Section 7.04. Damages. Notwithstanding any other provisions of this Master Deed, each Unit Owner shall replace or repair at his own expense, any damage to another Unit or any

portion of the General or Limited Common Elements resulting from his acts or the acts of the Occupants or tenants of his Unit or the acts of his family, servants, agents or guests or the family, servants, agents or guests of such Occupants, or in the case of the Commercial Units, any customer or invitee, if such damage is not fully covered by the proceeds of an insurance policy held by the Owners' Association. The Owners' Association shall have the right to remedy or repair any such damage immediately and to charge the responsible Unit Owners for such remedy or repair.

Section 7.05. Application to Commercial Units. The terms and provisions of this Article 7 shall apply to all Commercial Units, as applicable.

ARTICLE 8

COVENANT TO PAY ASSESSMENTS AND LIEN

Section 8.01. Covenant to Pay Assessments. Each Unit Owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants to pay such assessments as may be levied against him and his Unit by the Association. Assessments shall begin on the date of the first conveyance of any Unit in the Condominium Project by the Developer. Each Unit Owner agrees, by purchase or ownership of a Unit, to accept and be governed by all provisions in this Master Deed or in the Bylaws which are recorded simultaneously with this Master Deed, as each may from time to time be amended relating to assessments levied by the Owners' Association. This covenant to pay assessment shall be a charge on each Unit and a covenant running with the land. The Owners' Association may in its discretion assess to a Unit purchaser a "Working Capital Reserve" upon the transfer of a Unit.

Section 8.02. Developer's Assessments. Notwithstanding any provisions of this Master Deed, the Developer, as owner of Units within the Condominium Project, shall not be responsible for or obligated to pay assessments toward the expenses of the administration, maintenance and repair of the Common Elements of the Condominium Project, or the operation of the Owners' Association, for any such Unit until the earlier of the date on which (i) a certificate of occupancy for such Unit has been issued by the City of Memphis or (ii) sixty (60)

days after the date of the first conveyance of such Unit by the Developer, except that the Developer shall be responsible for the prorata portion of any insurance premiums attributable to such Units. Except for his 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. The Developer shall be entitled to credit against any Common Expenses which it owes for any sums which it has advanced in payment of Common Expenses occurring from and after the date of recording of this Master Deed.

Section 8.03. Lien for Unpaid Assessments. Any assessment against a Unit shall become due and payable at the time and in the manner provided for herein and in the Bylaws. Any payment of an assessment which has not been received by the Owners' Association within twenty (20) days from the time when it becomes due shall be delinquent without further notice to the Unit Owner. Such delinquent assessment, together with interest as provided in the Bylaws, costs of collection and a reasonable attorney's fee shall be a charge upon the Unit and shall be a continuing lien upon the Unit until fully paid, and shall further be a personal obligation of the persons who own such Unit at the time when the assessment was made. The personal obligation for a delinquent assessment, interest, costs and a reasonable attorney's fee shall not pass to such Owner's successors in title as provided under the Act, subject to the provisions regarding mortgagees in Section 8.05 unless expressly assumed by them.

The said lien securing any unpaid assessments shall be subordinate to liens for real estate taxes on the Unit and to mortgages and other liens of record on such Unit recorded or attaching prior to the time when said lien for unpaid assessments shall attach. The said lien for unpaid assessments shall take precedence over any subsequent judgment, attachment or claim of title of any trustee in bankruptcy.

Section 8.04. Enforcement of Liens. (a) For and in consideration of the privileges, protections, mutual enjoyment and use of the Common Elements and the Condominium Project 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

assessments for Common Expenses, principal, interest and attorney's fees (herein the "Indebtedness"), a lien is expressly retained by the Owners' Association on every Unit and that Unit's prorata interest in the Common Elements (referred to herein as "Property").

And now, for the purpose of securing the payment of the lien Indebtedness; rendering unnecessary court proceedings for the enforcement of the lien in the event of non-payment of the Indebtedness and for other consideration, receipt of which is hereby acknowledged, the Unit Owners, their heirs, administrators and assigns (herein "Trustors"), hereby transfer and convey unto Allen C. Dunstan, Trustee his successors and assigns, the Land and Condominium Project upon the following uses and trusts:

Trustors agree to pay their prorata share of assessments for Common Expenses as described in the Act, when due, and further agree to pay all taxes and assessments, general or special, levied against their Units and their prorata share of the assessments levied against the Common Elements, and to pay them when due, and, upon demand of the Trustee or the lawful owner of the Indebtedness, to discharge, or remove any liens (except a Mortgage or Deed of Trust) which may be hereafter placed against Trustor's Unit and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; to keep the Unit in good repair and preservation, and in case the Trustee or his successors or the lawful owner of the Indebtedness is required to enforce, or defend the title to, or possession of, the Unit, or the lien of this instrument, or to prove the Indebtedness, all the costs and expenses of such proceedings, together with a reasonable attorney's fee, shall be allowed, and paid by Trustors upon demand and, upon failure to do any of these things, the Trustee, or the lawful owner of the Indebtedness, may do any or all of these things, and the amounts paid shall bear interest from the date of payment at the highest legal rate and shall become a part of the Indebtedness secured hereby.

Now, if Trustors shall pay their pro rata share of Common Expenses when due, and pay any other sums when due, then this trust conveyance shall be of no further force or effect. But if the Indebtedness or any interest thereon, is not paid when due, or if Trustors fail to reimburse the Trustee or lawful owner of the Indebtedness for all sums, with interest, so expensed by the

Trustee or lawful owner of the Indebtedness within thirty (30) days from date of such payment, this trust conveyance shall remain in full force and effect, and the Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty-one (21) days notice by three (3) publications in any newspaper, daily or weekly, published in Shelby County, Tennessee, to sell the Unit at the southwest door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, statutory right of redemption, homestead, dower and all other exemptions of every kind, which are hereby expressly waived; and the Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Owners' Association may bid at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of the Indebtedness, enter and take possession of the Unit, 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 Unit to enter and take possession thereof, the purchaser shall be entitled to immediate possession upon the delivery to him by the Trustee of a deed for the Unit. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) To the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided; also, reasonable attorneys fees which arise on account of the execution of this conveyance, or the enforcement of said lien and the expenses of any such litigation.

(2) To the payment of all taxes which may be unpaid on the Unit.

(3) To the payment of all the Indebtedness herein secured, and any sums expensed in the protection of the Unit as herein authorized.

(4) The residue, if any, will be paid to Trustors, their order, representatives, or assigns.

In case of the death, absence, resignation, inability or refusal to act of the Trustee or for any other reason, the Board of Directors of the Owners' Association 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 of Shelby County, Tennessee, and the title herein conveyed to the above-named Trustee shall be vested in said successor.

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

(b) A lien for unpaid assessment may be enforced by suit brought in the name of the Owners' Association, acting on behalf of the Unit Owners in a like manner as the enforcement of a lien is provided by the laws of the State of Tennessee. Without prejudice to its right to bring such a suit for enforcement, the Owners' Association, at its option, may enforce collection of delinquent assessments by any other competent proceeding and, in any event, the Owners' Association shall be entitled to recover in such action, suit or proceeding, the assessments which are delinquent at the time of judgment or decree, together with interest thereon at the highest legal rate of interest per annum from the date of delinquency (or such other annual rate of interest as may be set forth in the Bylaws, which rate shall be permitted by Tennessee law) and all costs incident to the collection in the action, suit or proceeding, including, but not limited to reasonable attorney's fees and court costs.

Section 8.05. Mortgage Rights and Deed of Trust Protection.

(a) The lien for Indebtedness payable by a Unit Owner shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of Common Expenses which become due and payable from and after the date on which the mortgagee or beneficiary thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its mortgage or deed of trust. This section shall not be amended, changed, modified or rescinded without the prior written consent of all mortgagees and beneficiaries of record. A foreclosure on a first mortgage will extinguish the lien for assessments that were payable prior to the foreclosure sale.

(b) At its request, a first mortgagee of a Unit is entitled to written notification from the Owners' Association of any default by the mortgagor of such Unit in the performance of such

mortgagor's obligations under the Master Deed and/or the Bylaws, which is not cured within thirty (30) days.

(c) Unless seventy-five (75%) percent of the first mortgagees of Units have given their prior written approval, the Owners' Association shall not be entitled to:

(1) Change the prorata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards and for (ii) determining the prorata share of each Unit in the Common Elements.

(2) Use hazard insurance proceeds for losses of any condominium property (whether to individual Units or Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by Tennessee Code Annotated, Section 66-27-118 in case of substantial loss to the Units and/or Common Elements to the Condominium Project.

(3) Abandon or terminate the Condominium Project except where abandonment or termination is provided by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain.

(4) Terminate professional management, if any, and assume self-management of the Condominium Project.

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

(e) As set forth in Tennessee Code Annotated, Section 66-27-120, all taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Tennessee shall relate only to the individual Condominium Unit and not to the Condominium Project as a whole.

(f) No Unit Owner, or any other party shall have priority over any rights of the first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of

insurance proceeds or condemnation awards for losses to or taking of Condominium Units and/or Common Elements.

(g) Any management agreement shall be terminable for cause by the Owners' Association upon not greater than thirty (30) days written notice and shall be terminable by the Owners' Association without cause upon not greater than ninety (90) days written notice.

(h) The Owners' Association shall give to any first mortgage holder or any lending institution servicing such mortgage notice in writing of any loss to or the taking of the Common Elements of the Condominium Project if such loss or taking exceeds Ten Thousand and No/100 (\$10,000.00) Dollars, and notice in writing of any loss to or the taking of a Unit if such loss or taking exceeds One Thousand and No/100 (\$1,000.00) Dollars.

(i) The interest of a first mortgagee in a mortgaged Unit shall be superior to the interests of any other Person, including any interest the Board of Directors, the Developer or any Unit Owner may have in any portion of the premises, regardless of the nature of the interest or the manner in which it is acquired.

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

Section 8.06. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage or deed of trust with the Board of Directors.

Section 8.07. Notice of Default. The Board of Directors when giving notice to any Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall, if requested, simultaneously send a copy of such notice to the mortgagee of such Unit. For purposes of this section only, when notice is to be given to a mortgagee, the Board of Directors shall also give such notice to any public or private secondary mortgage market entity participating in purchasing or guaranteeing such mortgage, including but not limited to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration,

the Federal Housing Administration, the Farmer's Home Administration and the Government National Mortgage Association, but only if the Board of Directors has actual notice of such participation.

Section 8.08. Notice of Amendment of Declaration or Bylaws. The Board of Directors shall give notice to all mortgagees at least seven (7) days prior to the date on which the Unit Owners, in accordance with the provisions of this Master Deed and Bylaws, materially amend the Master Deed and Bylaws. Material changes include but are not limited to:

- (i) a change in voting rights;
- (ii) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or priority of assessment liens;
- (iii) reduction in reserves for maintenance, repair and replacement of Common Elements;
- (iv) responsibility for maintenance and repair;
- (v) reallocation of interests in the General or Limited Common Elements or rights to their use;
- (vi) redefinition of any Unit boundaries;
- (vii) convertibility of Units into Common Elements or vice versa;
- (viii) hazard or fidelity insurance requirements;
- (ix) any imposition of restrictions on leasing of Units;
- (x) imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- (xi) restoration or repair of the Project (after damage or partial condemnation) in a manner other than as specified herein;
- (xii) any provisions that expressly benefit mortgage holders, insurers or guarantors.

Any amendment effecting a "material change" must be approved by Unit Owners having at least 67% of the total allocated votes and by eligible mortgage holders, i.e., those holders of a first mortgage on a Unit who have submitted a written request that the Owner's Association notify them on any proposed action requiring a specified percentage of eligible mortgage holders, who represent at least 51% of the votes of Units subject to mortgages held by eligible holders.

Section 8.09. Notice of Change in Managing Agent. The Board of Directors shall, if practicable, give notice to all mortgagees at least thirty (30) days prior to changing the Managing Agent, if any.

Section 8.10. Statement of Assessment. Upon the written request of any Unit Owner or any mortgagee, the Owners' Association or its duly appointed agent shall furnish a statement in writing of any unpaid assessments charged against a Unit.

Section 8.11. Application to Commercial Units. All provisions of this Article 8 shall apply to all Commercial Units also.

ARTICLE 9

MEMBERSHIP AND VOTING RIGHTS IN THE OWNERS' ASSOCIATION

Section 9.01. Voting Rights. Each Unit, whether a Residential or Commercial Unit shall be entitled to one (1) vote. The total number of votes shall equal the number of Units, both Residential and Commercial, in the Condominium Project. The Board of Directors shall be entitled to as a Member on behalf of any Unit which has been acquired by or on behalf of the Owners' Association; provided, however, that the Board of Directors shall not be entitled to vote on behalf of each Unit in any election of Directors. The Developer may exercise the voting rights with respect to Units owned by the Developer.

No Unit Owner who is in default in the payment of his assessments hereunder shall be entitled to exercise his right to vote hereunder until he has cured such default. A Unit Owner shall be deemed to be in default if he has not paid his assessment to the Board, or its agent, within fifteen (15) days after receipt of notice of assessment. A Unit Owner may protest the amount of an assessment, but the assessment must be paid in order to protest the assessment to the Board of Directors. The Board shall have the right to charge interest on a monthly basis at the maximum rate allowed by law on a late payment.

Section 9.02. Persons Entitled to Vote. 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 among themselves determine or as provided in the Bylaws, but in no event shall more than one vote representing that Unit be cast with respect to such Unit. No person holding title to a Unit solely as security for any debt or obligation shall be considered an Owner of such Unit or entitled to cast a vote on any question or matter affecting the administration or maintenance of the Condominium Project.

ARTICLE 10

POWERS, DUTIES AND OBLIGATIONS OF OWNERS' ASSOCIATION AND DEVELOPER

Section 10.01. Duties of Owners' Association. The Owners' Association shall be fully responsible for the operation, care, upkeep, maintenance and repair of the General Common Elements and any Limited Common Elements which are to be maintained as General Common Elements pursuant to this Master Deed and for the satisfaction of the duties and obligations of the Owners' Association and conduct of the affairs of the Association. The Association shall be responsible for the determination, levying and collecting of all assessments against all Residential and Commercial Units and Unit Owners. The Association shall also have the power to levy additional assessments and collect sums for the remedy of any emergency conditions which may arise or exist within the Condominium Project and for the construction or erection of additional recreational or other common facilities deemed in the best interest of the Condominium Project.

Section 10.02. Assessments. The Owners' Association shall determine the amounts required for the operation, care, upkeep, maintenance and repair of the General Common Elements and any Limited Common Elements which are to be maintained as General Common Elements pursuant to this Master Deed and for the satisfaction of the duties and obligations of the Owners' Association and conduct of the affairs of the Association. The Association shall be responsible for the determination, levying and collecting of all assessments against all Units and Unit Owners. Owners of Commercial Units shall not be entitled to the use of any recreational facilities nor shall be charged any assessment or special assessment for the construction or reconstruction or repair and maintenance of such recreational facility.

Section 10.03. Legal Remedies by the Owners' Association. In the event of any violations of the provisions of the Act, Master Deed, Bylaws or rules and regulations of the Board of Directors or Owners' Association by any Residential or Commercial Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit or any invitees of the Owner or Occupant) the Owners' Association, or its successors or assigns, or the Board of Directors, or its

agent or any aggrieved Owner, shall have each and all of the rights and remedies which may be provided for in the Act, Master Deed, Bylaws, or said rules and regulations, or which may be available at law or in equity by due process of law, and may prosecute an action or other proceeding 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 8.04 and as provided hereinafter in this Paragraph 10.03, or for any combination of remedies, or for any other relief. All expenses of the Board of Directors in connection with any such actions or proceedings, including court costs and attorneys fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the maximum rate allowed by Tennessee law, and as determined by the Board of Directors until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the Common Expenses, and the Board of Directors shall have a lien for all of the same, as well as for non-payment 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, 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 said Common Expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security) or files suit to foreclose its mortgage or deed of trust. In the event of any such default by any Unit Owner, the Board of Directors and the manager or Managing Agent, if so authorized by the Board of Directors, 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 of

Directors. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against the Units. Any Unit Owner shall have similar rights of action against the Owner's Association. The violation of any restriction or condition or regulation adopted by the Board of Directors or the breach of any covenant or provision herein contained, shall give the Board of Directors 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 Condominium Project 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 of Directors, or its employees or agents, shall not thereby be deemed guilty in any manner for trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession (either peaceably or forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the Condominium Project and to maintain an action for possession of such Unit in the manner provided by law.

If any such Residential or Commercial Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit or any invitees of the Owner or Occupant) shall violate the Act, or any of the covenants or restrictions or provisions of this Master Deed or the regulations adopted by the Board of Directors, and if such default or violation shall continue for ten (10) days after notice to the Unit Owner in writing from the Board of Directors, or shall occur repeatedly during any ten (10) day period after such written notice or request to cure such violation from the Board of Directors, then the Board of Directors shall have the power to issue to said defaulting Owner a notice in writing terminating the rights of the said defaulting Owner to continue as a Unit Owner, to continue to occupy, use or control his Unit, and to use the Common Elements, and thereupon an action in equity may be filed by the Board of Directors against said defaulting Owner for a decree of mandatory injunction against such defaulting Owner or

Occupant, or in the alternative, for a decree declaring the termination of said defaulting Owner's right to occupy, use or control the Unit owned by him on account of said violation, and order that all the right, title and interest of said defaulting Owner in the Condominium Project 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 attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against said defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens, mortgages or deeds of trust shall be paid to said defaulting Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit and the Unit Owner's corresponding percentage of ownership in the Common Elements, and to immediate possession of the Unit sold, and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the Unit and the Condominium Project sold subject to this Master Deed.

Section 10.04. Delegation of Duties. The Owners' Association shall have the right and power to delegate any of its duties or obligations to a manager or agent duly authorized by the Owners' Association.

Section 10.05. Limitation of Liability. The Developer, Owners' Association, its Board of Directors, manager or agent, shall not be liable for any failure of water supply or other service or for injury or damage to persons or property caused by the elements or by another Unit Owner or person in the Project, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place. This provision is not intended to limit the liability which any contractor or materialmen may have under a builder's or materialmen's warranty.

Section 10.06. Indemnification of Directors. Each director, officer, employee, manager and agent of the Owners' Association and the Developer shall be indemnified by the Owners' Association against all expenses and liabilities including attorney's fees reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a director, officer employee, manager or agent of the Owners' Association or the Developer, or any settlement thereof, whether or not he is a director, officer, employee, manager or agent of the Owners' Association or Developer at the time such expenses are incurred. However, such indemnification shall not apply in cases where the director, officer, employee, manager or agent of the Owners' Association or the Developer is adjudged guilty of a willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors of the Owners' Association approves such settlement and reimbursement as being in the best interest of the Owners' Association.

ARTICLE 11

TAXATION OF UNITS AND COMMON ELEMENTS

Section 11.01. Taxation of Units. In accordance with the provisions of Section 66-27-120 of the Tennessee Code Annotated, as amended, taxes, assessments and other charges of any taxing unit of the State of Tennessee or of any political subdivision or of any other taxing or assessing authority shall be assessed against and collected on each individual Unit, whether a Residential or Commercial Unit, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the Condominium Project as a whole.

Section 11.02. Common Elements. The valuation of the General and Limited Common Elements shall be assessed proportionately among the Owners of the Residential and Commercial Units within the Condominium Project in accordance with the percentage of ownership in such Common Elements attributed to each Unit as set forth on Exhibit D attached hereto.

Section 11.03. Taxation of Entire Project. In the event that any political subdivision, taxing or assessing authority should require that the entire Condominium Project be taxed as a

whole, each Unit Owner shall contribute to such tax levy, as a Common Expense, in the same percentage as that attributed to his Unit in Exhibit D hereto.

ARTICLE 12

ADOPTION OF BYLAWS AND APPOINTMENT OF INTERIM BOARD OF DIRECTORS

Section 12.01. Bylaws. Upon the execution of this Master Deed, the Developer as the sole Owner of all Units within the Condominium Project, shall adopt Bylaws for the Owners' Association which will be recorded simultaneously with this Master Deed and shall be binding upon all initial and subsequent purchasers or Owners of Units within the Condominium Project in the same manner as are the provisions of this Master Deed.

For purposes of the Act, all provisions contained in the body of this Master Deed dealing with the administration of the Project shall be deemed to be a part of the Bylaws.

Section 12.02. Board of Directors. Upon the recording of this Master Deed and the Bylaws, the Developer shall appoint an interim Board of Directors of the Owners' Association each of whom shall serve until their successors are elected as provided in the Bylaws. The interim Board of Directors shall have all of the powers and authority granted to the Board of Directors of the Association in the Bylaws.

ARTICLE 13

MISCELLANEOUS PROVISIONS

Section 13.01. Leasing and Transfer of Units; Association's Purchase of Units. (a) Any lease or rental agreement must be in writing. A copy of every lease, as and when executed, shall be furnished to the Board of Directors. The lessee of the Unit Owner making the lease shall be bound by and subject to all of the obligations under the Master Deed and Bylaws, and the lease shall expressly so provide. The Unit Owner making a lease shall not be relieved thereby from any of said obligations.

No Unit within the Project, except for a Commercial Unit, shall be rented for transient or hotel purposes or in any event for any period less than six (6) months. A Unit may only be rented to parties related by blood or marriage, provided, however, that a Unit may be leased to no more

than two unrelated persons. These restrictions shall not apply, however, to any mortgagee who shall acquire title to a Unit by foreclosure proceedings, deed-in-lieu of foreclosure or otherwise, so long as such Unit is owned by the mortgagee or any affiliate of the Mortgagee. Except for a Commercial Unit, no portion of any Unit other than the entire Unit shall be leased for any period.

(b) Whenever a Unit Owner shall sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, said Unit Owner shall give to the Owners' Association, within thirty (30) days of the transfer, written notice of such transfer which shall briefly describe the type of transfer by the Unit Owner and shall state the name and address of the transferee. The notice shall also include a copy of the deed of conveyance, lease, contract or other documents, if any, effecting said transfer. The Owners' Association shall have no ability to restrict any transfer by a Unit Owner.

(c) The Board of Directors shall have the power and authority to bid and purchase, for and on behalf of the Owners' Association, 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 under the Act, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than seventy-five (75%) percent of the total ownership of the Common Elements. Such consent shall set forth a maximum price which the Board of Directors or its duly authorized agent may bid and pay for said Unit.

(d) The Board of Directors shall have authority to make such mortgage arrangements and special arrangements as the Board of Directors may deem desirable in order to close and consummate the purchase or lease of a Unit or interest therein by the Owners' Association, including executing any note, deed of trust, mortgage or other instrument necessary to obtain or evidence such arrangements. However, no such financing arrangement may be secured by an encumbrance on any interest in the Condominium Project other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

(e) The Owners' Association shall hold title to or lease any Unit, pursuant to the terms hereof, in the name of the Owners' Association or a nominee thereof designated by the Board of Directors, for the sole benefit of all Unit Owners. The Board of Directors shall have the authority at any time to sell, lease or sublease said Unit on behalf of the Owners' Association upon such terms as the Board of Directors shall deem desirable and subject to the provisions hereof, but in no event shall a Unit be sold for less than the amount paid by the Owners' Association to purchase said Unit unless Unit Owners owning not less than seventy-five (75%) percent of the total ownership of the Common Elements first authorize the sale for such lesser amount.

(f) All notices referred to or required under this Section 13.01 shall be given in the manner provided in this Master Deed for the giving of notices.

(g) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Section 13.01, for the purpose of implementing and effectuating said provisions.

(h) If any transfer or lease of a Unit is made or attempted without complying with the provisions of this Section 13.01, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Owners' Association hereunder and otherwise.

Section 13.02. Right of Developer to Sell, Rent or Lease Units. Notwithstanding any other provisions or restriction in this Master Deed, and without compliance with the provisions of Section 13.01, the Developer, or any designee for the benefit of the Developer, shall have the right, in its sole discretion, to sell, rent or lease any Unit which it owns upon such terms as the Developer or such designee may determine. If the Developer or such designee rents or leases a Unit, the Developer or such designee shall nevertheless remain the Owner of such Unit for all purposes hereunder.

Section 13.03. Insurance. Developer and all Unit Owners agree and covenant that the Condominium Project including all General and Limited Common Elements shall be insured

against risks as set forth in the Bylaws. In the event of fire or any other disaster, the insurance indemnity shall be applied as set forth in TCA § 66-27-118.

Section 13.04. Eminent Domain. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, the Owners' Association shall represent the Unit Owners in negotiations, settlements and agreements with the condemning authority. Each Unit Owner shall be entitled to notice thereof, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. The award or proceeds of settlement shall be payable to the Association for the use and benefit of the Unit Owners and their mortgagees as their interests may appear. Each Unit Owner hereby appoints the Owners' Association as its Attorney-in-Fact for these purposes.

Section 13.05. Waiver of Homestead, Etc. All Unit Owners, and any person acquiring any interest in such Unit, agree by such purchase or the acquiring of such interest, to waive any homestead rights, equity of redemption and statutory right of redemption, which he may have in such Unit and further agrees that in the event it is necessary to sell such Unit to satisfy a lien for unpaid assessments, such sale shall be free of any such rights.

Section 13.06. Covenants Run with the Land. Each of the covenants, restrictions and conditions of this Master Deed, and as the same may be subsequently amended, shall run with the Land. Should any covenant, restriction or condition of this Master Deed be deemed to be subject to the rule against perpetuities, then such covenant, restriction or condition shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of James Rasberry.

Section 13.07. Duration of Horizontal Property Regime. The Land described in Exhibit A, together with all improvements shall be constituted as a horizontal property regime notwithstanding any subsequent repeal of the Horizontal Property Act, Tennessee Code Annotated Section 66-27-101 et seq., as amended, except that if the rule against perpetuities shall be deemed to apply to this Master Deed or any of its provisions, conditions or restrictions, then

this Master Deed or such provisions, conditions and restrictions shall be effective only until twenty-one (21) years after the death of the survivor of the now living descendants of James Rasberry.

Section 13.08. Amendment of Master Deed. Any provision of this Master Deed is subject to amendment by the membership of the Owners' Association, except that no provision concerning the rights of the Developer is subject to amendment without the written consent of Developer as long as the Developer owns two of the Units or until three (3) years from the recording of this Master Deed, whichever should occur first. No provision concerning the Commercial Units is subject to amendment without the written consent of the Commercial Unit Owners.

Any proposed amendment to this Master Deed except the amendment authorized in Section 5.01(a) shall be considered by the membership of the Owners' Association at an annual meeting or at a special meeting called for the particular purpose of considering such proposed amendment. All of the members of the Association shall be advised of such meeting not more than thirty (30) days nor less than ten (10) days before such meeting and the notice shall set forth the substance of the proposed amendment.

Any amendment to this Master Deed except the amendment authorized in Section 5.01(a) shall take effect only if such amendment receives the affirmative vote of three-fourths (3/4) of the votes entitled to be cast by the members of the Owners' Association with the following exceptions:

(a) Any amendment affecting the percentages of ownership of the Common Elements as set forth in Exhibit D hereto shall be valid only if it receives the affirmative vote of all members of the Owners' Association and the affirmative approval of all creditors having recorded encumbrances on any Unit affected by such amendment.

(b) Any amendment affecting the existence of the Condominium Project as a horizontal property regime or terminating the horizontal property regime established on this Condominium Project must have the affirmative vote of all of the members of the Owners'

Association and the affirmative approval of any creditor having a recorded encumbrance on any Unit.

(c) Any amendment which, by law or this Master Deed, requires a greater percentage of approval by the membership of the Owners' Association than that required herein or approval by mortgagees of Units shall take effect only if it receives that percentage of approval as required by law or this Master Deed.

(d) The Developer shall be entitled to amend this Master Deed without the necessity of execution of the amendment by any other Unit Owners to divide the Commercial Units shown as "Future Commercial" on Exhibit "C" into multiple Commercial Units. The percentage ownership of the original Commercial Units shall be divided among the new Commercial Units based on the relative square footages of each new Unit. In no event shall the total percentage ownership for the new Commercial Units total more than the percentage of the original Commercial Units.

(e) An amendment to this Master Deed as described in Section 5.01(a) need only be executed by the Developer even though it has sold all of the Units at the time of filing of the amendment and need not be executed by any Unit Owners.

(f) Any amendment pertaining to the requirement that at least one directorship be filled by a Commercial Unit Owner may not be amended without the affirmative vote of all Commercial Unit Owners.

Any amendment of this Master Deed shall be inoperative until it is recorded in the Register's Office of Shelby County, Tennessee.

Section 13.09. Notices. Notices provided for in the Act, Master Deed or Bylaws shall be in writing, and shall be addressed to the Owners' Association or Board of Directors, as the case may be, at 2106-2 Overton Square Lane, Memphis, Tennessee 38104, and to any Unit Owner at the address for his Unit. Notices to a Unit Owner shall be sent to the address of the Owner's Unit at the Condominium Project. The Owners' Association or Board of Directors or a Unit Owner may designate a different address or addresses for notices to them respectively, by giving written

notice to the Owners' Association. Notices addressed as above shall be deemed delivered two business days following mailing, postage prepaid, by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof. Notices of condemnation or casualty loss, 60 day delinquency in the payment of assessments by a Unit Owner on which it holds a Mortgage, a lapse, cancellation or material modification of any insurance policy maintained by the Association on any proposed action that requires the consent of a specified percentage of eligible mortgage holders shall be given if the mortgagees shall make written request for such information to the Association stating its name and address and the Unit number or address of the Unit on which it holds a mortgage.

Section 13.10. Severability. If any covenant, restriction or provision of this Master Deed or the Bylaws is held to be invalid or unenforceable for any reason whatsoever, such holding shall not affect, modify or otherwise impair, in any manner whatsoever, any other covenant, restriction or provision of this Master Deed and the remaining covenants, restrictions and provisions of this Master Deed shall remain in full force and effect.

Section 13.11. Gender and Number. The use of the masculine gender shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context of this Master Deed so requires.

Section 13.12. Governing Law. This Master Deed is to be governed by and construed according to the laws of the State of Tennessee. If any provision herein is in conflict with any rule of law or statutory provision, particularly with the Horizontal Property Act, Tennessee Code Annotated Section 66-27-101 et seq., as amended, then the terms of this Master Deed which conflict with any rule of law or statutory provision shall be construed so as to conform to such rule of law or statutory provision and if such construction is impossible, the provision shall be inoperative and null and void without affecting any other provision of this Master Deed.

Section 13.13. Captions. All captions used in this Master Deed or the Bylaws and any index or table of contents are employed solely as a matter of convenience and shall not be

considered or relied upon in construing the effect or meaning of any provision of this Master Deed of this Master Deed or the Bylaws.

Section 13.14. Termination of Legal Status. Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs must be agreed to by Unit Owners who represent 75% of the total allocated votes in the Owner's Association and by eligible mortgage holders who represent at least 51% of the votes of the Units that are subject to mortgages held by eligible holders.

Termination of legal status of the Project for reasons other than substantial destruction or condemnation must be agreed to by eligible mortgage holders that represent at least 67% of the votes of mortgage holders. If an eligible mortgage holder fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal by certified or registered mail, return receipt requested, then the Owner's Association may assume that such eligible mortgage holder has given its consent.

Any distribution of funds in connection with the termination of the Project shall be based on the relative value of each Unit and in accordance with the percentage set forth on Exhibit D.

Section 13.15. Attorney's Fees. In the event the Owners' Association incurs any attorney's fees or other costs as a result of the breach of any of the provisions of the Master Deed by any Owner, or such Owner's family members, guests, invitees or others on the Condominium Project with the permission of Owner, whether or not legal proceedings are instituted to enforce the terms of the Master Deed, the Owner shall reimburse the Owners' Association for such Attorney's fees or costs within twenty (20) days of receipt of a statement therefor. Such unpaid sum shall be deemed an assessment and shall be a lien upon the Owner's Unit as provided in Article 8 of the Master Deed.

Section 13.16. Rights of Developer. For a period of seven (7) years following the recording of this Master Deed, Developer reserves the right to convert the ground floor units Developer owns into Residential or Commercial Units without the consent of any other Unit Owners. If Developer shall elect to convert the Units pursuant to this Article, Developer shall

have the right to amend this Master Deed to reflect the converted Units and to adjust the Unit Owners' percentages in the Common Elements, if needed, and such amendment need only be signed by Developer and need not be signed or approved by any Unit Owner or Mortgagee. Such amendments shall be recorded in the Register's Office of Shelby County, Tennessee, at the expense of Developer. The maximum number of converted Units is two (2). The converted Units shall be of a type, structure and quality of construction similar to the Condominium Project to complement and be architecturally harmonious with the existing Units. Such converted Units shall be substantially complete when added to the Condominium Project by amendment(s) to this Master Deed.

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

**DEVELOPER:
NY & Y DEVELOPMENT CORPORATION**

By: _____

**STATE OF TENNESSEE
COUNTY OF SHELBY**

Before me, the undersigned Notary Public in and for the State and County aforesaid, personally appeared _____, 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 NY & Y DEVELOPMENT CORPORATION, a Tennessee corporation, the within named bargainer, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such Chief Manager.

WITNESS my hand and official seal this ____ day of _____, 2005.

Notary Public

My commission expires:

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