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WHEN RECORDED RETURN TO:

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KNOX COUNTY

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**MASTER DEED  
FOR  
THE WILLOWS AT HARDIN VALLEY**

THIS MASTER DEED is hereby made and entered into by Hardin Valley Development, LLC, a Tennessee limited liability company (the "Developer").

**WITNESSETH:**

**WHEREAS**, the Developer is the legal title holder of certain improved real estate (the "Parcel") located in Knox County, Tennessee, more particularly described on the attached Exhibit A, which is incorporated herein by this reference; and

**WHEREAS**, the Developer intends to and does hereby submit the Parcel together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any way pertaining thereto (the "Property") to the provisions of the Horizontal Property Act of the State of Tennessee for the express purpose of establishing thereon a horizontal property regime to be known as The Willows at Hardin Valley Condominiums; and

**WHEREAS**, the Developer further desires to establish said horizontal property regime for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, deed of trust beneficiaries, and any other persons hereinafter acquiring any interest in the Property, shall hold such 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 residence on the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property; and

**NOW, THEREFORE**, the Developer declares as follows:

1. **Definitions.** As used in this Master Deed, the following terms shall have the meanings ascribed to them in this Section 1, such definitions being cumulative of those set forth elsewhere in this Master Deed. In addition, all terms used in this Master Deed which are defined in the Act shall have the meanings ascribed to them in the Act, unless other definitions are ascribed to them in this Master Deed.

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(a) "Act" means the Horizontal Property Act of the State of Tennessee, Section 66-27-101, et seq., Tenn. Code Ann., as amended.

(b) "Association" means The Willows at Hardin Valley Condominium Homeowners Association, Inc., a Tennessee nonprofit membership corporation.

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

(d) "Building" or "Buildings" means the buildings located on the Parcel and forming part of the Property and containing the Units. The "Building" or "Buildings" are and shall be delineated on the Plat.

(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 for the Units, and, without limiting the generality of the foregoing, shall include the following:

(i) The Parcel;

(ii) All foundations, bearing walls and columns, beams, supports, corridors, roofs and communication ways;

(iii) All basements, yards and gardens, except as otherwise herein provided, stipulated or shown on the Plat;

(iv) All compartments or installations of central services, if any, which provide power, light, gas, cold and hot water, and all devices or installations existing for common use (but not including installations situated entirely within a Unit and serving only such Unit);

(v) Any meeting room, office and recreational facilities (it being understood and declared that the Developer is not obligated to construct or provide any such amenities or facilities);

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

(vii) All other elements of the Buildings and parts of the Property desirable or rationally of common use or necessary or convenient to the existence, maintenance and safety of the condominium regime established by this Master Deed. Items (i) through (vii) just above comprise the "General Common Elements."

(g) "Deed of trust" shall include a mortgage, and "deed of trust beneficiary" shall include a mortgagee and a holder of a deed of trust.

(h) "Developer" means Hardin Valley Development, LLC, a Tennessee limited liability company, 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.

(i) "Limited Common Elements" means all Common Elements contiguous to and serving a single Unit or a certain number of Units to the exclusion of other 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 later decision of all of the Unit Owners. Said Limited Common Elements shall include, but shall not be limited to, exterior doors, windows, and window frames and sash, any separate furnace, air conditioner, or water heater located within or adjacent to a Unit and serving only such Unit, any pipes, ducts, electrical wiring and conduits located entirely within a Unit and serving only such Unit, and any patio or deck adjacent to a Unit but serving only such Unit.

(j) "Lot" shall mean each track of land on which a unit is to be constructed as described on the Plat.

(k) "Majority" or "majority of the Unit Owners" means the owners of more than fifty percent (50%) of the voting rights of the Unit Owners.

(l) "Master Deed" means this instrument, as amended from time to time.

(m) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(n) "Parcel" means the parcel or tract of real estate, described on Exhibit A attached to this Master Deed.

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

(p) "Plat" means the plat or survey of the Parcel prepared by the Benchmark Surveyors submitted pursuant to the provisions of the Act and recorded as Instrument Number 200506270104564 in the Register's Office of Knox County, Tennessee showing the number of each Unit, expressing its area, location and other data necessary for identification, said Plat for The Willows at Hardin Valley, being attached hereto as Exhibit C, as such Plat may be amended. The Developer may, in its sole discretion, amend the Plat in the future to add future Lots or Units which Lots and/or Units shall be subject to the terms and conditions of the Master Deed.

(q) "Plot Plan" or "Plot Plans" means the plot plans prepared by Benchmark Surveyors attached hereto as Cumulative Exhibit C-1 which show the location of the Lots in relation to other Lots and Units, as such Plot Plans may be amended by Developer to show the locations of Units constructed on the Property.

(r) "Property" or "Condominium Property" means all the land and space comprising the Parcel, and all improvements and structures thereon, or to be constructed thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners, submitted to the provisions of the Act.

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

(t) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in a Building, which enclosed space is not owned in common with the Unit Owners of the other Units. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be and are the unfinished interior surfaces of its perimeter walls, floor and ceilings. In the event of any discrepancy or variations between the locations shown on the Plat and/or the Plat Plans and the actual location of the Lots or the Units, as constructed, the actual locations of the Units, as constructed, shall control. 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.

(u) "Unit Owner" or "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.

2. Submission of Property to the Act. The Developer, by recording this Master Deed, does hereby submit and subject the Parcel and the Property to the provisions of the Act and hereby establishes a horizontal property regime as authorized and described in the Act and to be hereafter known as The Willows at Hardin Valley Condominiums.

3. Plat. The Plat sets forth the numbers, areas, locations, and other data relating to the Units as required by the Act.

4. Units. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat and Plat Plans. Every deed, lease, 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 such Owner's Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat. Any vote or action to be taken under this Master Deed by the Unit Owners shall be taken on a basis such that each Unit has one (1) vote and shall be taken in accordance with the By-Laws. If any Unit Owner consists of more than one (1) person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one (1) Person in accordance with the proxy or other designation made by Persons constituting such Unit Owner.

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

(a) The Association. There has been or will be formed an Association having the name "The Willows at Hardin Valley Homeowners Association, Inc." (or similar name), a Tennessee nonprofit membership corporation, which Association shall be the governing body for all of the Unit Owners and shall be operated to provide for the maintenance, repair, replacement, administration, operation and care of the Property as provided in the Act, this Master Deed and By-Laws. The By-Laws for the Association shall be the By-Laws attached to this Master Deed 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 within the confines of applicable law, and may be changed from time to time as allowed by law as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the use and benefit of Unit Owners in accordance with the provisions of the Master Deed and By-Laws. The Association, through its Board, shall represent the Unit Owners in any proceedings, negotiations, settlements and agreements affecting all or part of the Common Elements. Each Unit Owner shall be a member of the Association so long as such Owner is a Unit Owner. A Unit Owner's membership shall automatically terminate when such Owner ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be divided among the respective Unit Owners with one (1) vote granted to each Unit.

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

**Class A.** Class A Members shall be all Owners (with the exception of the Declarant) who shall be entitled to one vote for each Lot 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 the Owners determine, but in no event shall more than one vote be cast with respect to any Lot.

**Class B.** The Class B Members shall be "Hardin Valley Development, LLC, its successors and assigns" which shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the occurrence of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) On January 1, 2010.

(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, subject to the provisions of Subsection (c) just below. The Board shall

require that such Managing Agent have fidelity bond coverage on its employees handling Association funds. The cost of such services shall be a common expense, as defined in Section 10 below.

(d) Initial Management Contract. The First Board, appointed as provided herein, shall ratify and approve the management agreement between the Developer, on behalf of the Association, and a management corporation, to act as managing agent for the Property, for a term as approved by said First Board, but not to exceed two (2) years.

(e) Use by Developer. During the period of sale by the Developer of any Units, the Developer, and the Developer's agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of sale of the Units. 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 may use and show one or more of such unsold or unoccupied Units as a model Unit or Units, or as a sales office, and may maintain customary signs in connection therewith.

(f) 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 fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, and Developer, and their respective heirs, personal and legal representatives, successors and assigns, or any of them, in accordance with, and as provided in, the By-Laws and Charter of the Association.

(g) Interest of Association in Common Elements. Ownership of the Common Elements is allocated as described in Section 7 hereof. The Association shall have no ownership interest in the Common Elements.

6. 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 or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7. 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, with each Unit being allocated a 138th interest in the Common Elements. The percentages of ownership interest shall remain constant. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants 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.

8. Use of the Common Elements. Except as hereinafter set forth (particularly in Section 9), 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 permitted recreational uses and for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and such Owner's agents, servants, tenants, family members, customers, 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 or with adjoining Units. Each Unit Owner shall have an unrestricted right of ingress and egress to his or her Unit. 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 any rules and regulations established by the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the other provisions of this Master Deed and the By-Laws. Any income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe and as allowed by this Master Deed and the By-Laws and Charter of the Association.

9. Storage Areas and Parking Spaces. Any storage areas on the Property, except those inside the Units and those which are Limited Common Elements, shall be part of the Common Elements and may be allocated with exclusive use thereof assigned by the Developer to the respective Unit Owners, and shall be used by such Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe. Parking spaces within the Parcel shall be part of the Common Elements as provided herein, and may be allocated with exclusive use thereof assigned by the Developer, or the Board, to the respective Unit Owners, and shall be used by such Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe.

10. Common Expenses.

(a) Each Unit Owner, and the Developer, shall pay his or her proportionate share of the expenses of the administration and operation of the Common Elements and of any other expenses incurred in conformance 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 thereof and any and all replacements and additions thereto. If the Board determines to provide each Unit individually with basic cable television and/or wireless telecommunication services which are billed to the Association, each Unit Owner shall be billed by the Association or a contractor engaged by the Association for such services and such charges shall constitute a common expense and upon non-payment by a Unit Owner, such charges shall be subject to the lien for common expenses and the Association may enforce collection of such charges as provided in this Master Deed and the By-Laws. Such proportionate share of the common expenses for such Unit Owner shall be in accordance with such Owner's percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by any 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 such Owner's proportionate share of the common expenses by waiver or non-use of enjoyment of the Common Elements or Limited Common Elements, or by abandonment of such Owner's Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof, together with interest thereon at the highest legal rate but not to exceed ten percent (10%) per annum, 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. Each assessment for common expenses against a Unit shall be the personal obligation of the Owner of the Unit at the time the assessment is due. A successor in title to a Unit shall not be personally obligated to pay unpaid assessments for common expenses that have been levied against a Unit unless such successor in title expressly assumes the payment of the same; however, any unpaid assessment shall constitute a lien on such unit. Provided, however, any lien encumbering a Unit as above described shall not be affected by transfer of a Unit.

(b) Enforcement. In the event any Unit Owner fails to maintain such Owner's Unit, or the Limited Common Elements attributable to such Unit, or in the event any Unit Owner fails to pay such Owner's proportionate share of any common expense when such is due, then in any such event the Board may after ten (10) days' notice to the defaulting Unit Owner, have the Association perform such maintenance, advance and pay such sums, or do any other reasonable act necessary to cure such default. The Association shall have a lien against the Unit of the defaulting Unit Owner securing payment of the sums expended or advanced, and shall be entitled to enforce such lien by filing suit in a court of competent jurisdiction. In the event the Association is successful in such suit, it shall be entitled to recover attorneys' fees and costs incurred in such suit and enforcement of its rights.

(c) Deed of Trust Protection. The lien for common expenses payable by a Unit Owner shall be subordinate to the lien of a first priority purchase money deed of trust (or any refinancing of said purchase money deed of trust) recorded deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses that become due and payable from and after the date on which the beneficiary thereunder takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses on its deed of trust, and except for pro rata assessments resulting from a pro rata reallocation to all Units of common expenses and/or assessments. Any deed of trust beneficiary that takes possession of a Unit in any manner described just above shall be exempt from any right of first refusal, if any. This Subsection (c) shall not be amended, changed, modified or rescinded without the prior written consent of all deed of trust beneficiaries of record.

(d) Special Assessments. In addition to the annual assessments for common expenses authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon or as part of the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Unit Owners.

11. Deeds of Trust. Each Unit Owner shall have the right, subject to the provisions herein, to make separate deeds of trust for such Owner's respective Unit together with such Owner's 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 deed of trust or other lien on or affecting the Property or any part thereof, except only to the extent of such Owner's 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 such Owner's 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 such Owner's proportionate share thereof in accordance with such Owner's respective percentage of ownership interest in the Common Elements, and, in said event, such taxes shall be a common expense.

13. Insurance and Damage. The Board shall have the authority to and shall obtain insurance for the Property and Common Elements, 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 Buildings, and against such other hazards and for such amounts as the Board may deem advisable. Such insurance shall, if possible, include all or any portion of all Limited Common Elements. Insurable replacement cost shall be deemed to be 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 said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Master Deed, and for the holders of deeds of trust on an Owner's 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 such Owner's Unit and such Owner's corresponding percentage of ownership in the Common Elements.

In the event of damage to or destruction of any Buildings or Common Elements as a result of fire or other casualty covered by insurance proceeds, unless more than two-thirds (2/3) of the Buildings require reconstruction, the Board shall, in its discretion, with the prior written approval of all of the first lien deed of trust beneficiaries of the Units affected, determine and, 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. 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 damaged by the damage, in proportion to each Unit's percentage of ownership in the Common Elements. The Board shall not be responsible for the repair, replacement or restoration of any wall, ceiling or floor decorations or covering or furniture, furnishings, fixtures, appliances or equipment installed in the Unit 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 are destroyed or damaged by fire or other casualty, as determined by the Board. In such case, and unless otherwise unanimously agreed upon by the Unit Owners and their deed of trust beneficiaries, the insurance proceeds shall be delivered to the Unit Owners, or their deed of trust beneficiaries, as their interests may appear, in proportion to the respective interests of the Unit Owners, as computed by dividing the square footage of each Unit by the total square footage of all Units taken together; 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 deed of trust beneficiaries as their interests 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 Managing Agent, or the Board, shall, or if they do not, any Unit Owner or deed of trust beneficiary 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 horizontal property regime shall terminate.

The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workers' compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, deed of trust beneficiaries 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 such Owner's corresponding percentage of ownership in the Common Elements. The Board shall retain in safekeeping any such public liability policy for six (6) years after the expiration date of the policy.

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 officers of the Association, and members of any Committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is or was director or officer of the Association, or a member of such a committee.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of such Owner's Unit, as well as additions and improvements thereto, decorations, furnishings and personal property therein, and personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against such Owner's personal liability and loss or damage by fire or other hazards above and beyond the extent that such Owner's 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, said Unit Owner may, at such Owner's option and expense, obtain additional insurance.

14. Maintenance, Repairs and Replacements. Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all maintenance of, repairs to, and replacements within such Owner's Unit; provided, however, the Board may choose to provide such maintenance and repairs as part of the common expense. Maintenance of repairs to and replacements within the 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. To the extent not covered by the Association's insurance, the expenses for the maintenance, repair or replacement of Limited Common Elements shall be borne by the Owner of the Unit to which such Limited Common Elements are appurtenant and at the discretion of the Board, maintenance of, repairs to and replacements within the other Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such 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 lien waivers and contractors' and subcontractors' sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or the agent, servant, tenant, family member, invitee, licensee or household pet thereof, 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 replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier.

The authorized representative 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 of, repairs or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving the other Units, Common Elements and Limited Common Elements or to make any alteration required by any governmental authority.

15. Alterations, Additions or Improvements. 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. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but 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. Each Unit Owner, at such Owner's expense, shall furnish and be responsible for all decorating within such Owner's Unit and Limited Common Elements serving such Unit as may be required from time to time, including painting, wallpapering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. 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 said interior surfaces in good condition at such Owner's 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 such Owner may see fit and at such Owner's sole expense. Decorating of the Common Elements and Limited Common Elements (other than interior surfaces within the Units as above provided) 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.

17. Encroachments and Easements. 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.

The Association shall have the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the horizontal property regime.

18. Association's Right to Purchase at a Foreclosure Sale. The Board shall have the power and authority to bid and purchase, for and on behalf of any Unit, or interest therein, at a sale pursuant to a deed of trust 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 three-fifths (3/5) of the total number of Units. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit.

The Board shall have authority to make such loan and deed of trust 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.

19. Use and Occupancy Restrictions. Subject to the provisions of the By-Laws, no part of the Property may be used for purposes other than single family housing and the related common purposes for which the Property was designed and as allowed by applicable zoning laws; provided, however, this provision does not prohibit the use of one room of a Unit for a

home office which does not regularly have walk-in clients or customers unless prohibited by applicable zoning laws or regulations. 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, except that professional and quasi-professional people may use their residence (not in violation of applicable zoning laws ) as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining a personal professional library, (b) keeping personal business or professional records or accounts, or (c) handling personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions. No Unit shall be leased or rented for less than ninety (90) days, and all leases of Units shall be in writing and subject to the requirements of this Master Deed, the By-Laws and the rules and regulations of the Association. Attached hereto as Exhibit E are the initial rules and regulations of the Association.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for such other purposes incidental to use of the Units; provided, however, that any areas designed for a specific use shall be used for the purposes approved by the Board. 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 said Common Elements.

The use of the Units, Limited Common Elements and Common Elements shall also be subject to the restrictions set forth in **Exhibit D** attached hereto.

20. Remedies. In the event of any violation of the provisions of the Act, 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 such Owner's Unit), the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies that may be provided for in the Act, Master Deed, By-Laws, or said rules and regulations, or that may be available at law or in equity, 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 sell the Unit through judicial process as provided hereinbefore, or for any combination of remedies, or for any other relief. All expenses of the Board 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 highest legal rate but not to exceed ten (10%) percent per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of such Owner's 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 such Owner's additions and improvements thereto and upon all of such Owner's personal property in such Owner's Unit or located elsewhere on the Property, provided, however,

that such lien shall subordinate to the lien of a recorded 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 deed of trust beneficiary either takes possession of the Unit, accepts a conveyance of any interest therein (other than as a security) or forecloses on its deed of trust. In the event of any such default by any Unit Owner, the Board and the 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 Section 20 shall not be amended, changed, modified or rescinded without the prior consent of all deed of trust beneficiaries of record of the Units.

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, and its employees or agents under its direction, 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 forcibly without liability to such Unit Owner for such entry) of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law.

If any Unit Owner (either by such Owner's conduct or by the conduct of any other Occupant of his Unit) 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 thirty (30) day period after such written notice or request to cure such violation from the Board, then the Board 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 and to continue to occupy, use or control such Owner's Unit, and thereupon an action in equity may be filed by the Board 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 ordering that all the right, title and interest of said defaulting Owner in the Property shall be sold (subject to the lien of any existing deed of trust) 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 such Owner's interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, 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, 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 possession or 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.

In addition to the other remedies provided for herein, in the event of a default by a Unit Owner in the payment of such Unit Owner's respective share of the common expenses which default continues for a period of thirty (30) days, the Board shall have the power and authority to place such Unit Owner's name on a list of delinquent Unit Owners, which list may be posted at a place designated by the Board for notices.

Any aggrieved Unit Owner shall also have all rights of action available in law or equity should another Unit Owner, or the Association, fail to comply with the requirements of the Master Deed, By-Laws, or rules and regulations of the Association.

21. Amendments. Except as specifically stated elsewhere herein, and except for this Section 21, any provisions of this Master Deed may be changed, modified or rescinded by an instrument in writing, setting forth such change, modification or rescission, signed by Unit Owners owning not less than two-thirds (2/3) of the total Units and acknowledged and approved by a majority of the first lien deed of trust beneficiaries; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument.

However, if the Act, the Master Deed or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Master Deed, then any instrument changing, modifying or rescinding any provision of this Master Deed with respect to such action shall be signed by all Unit Owners or all lien holders, or both, as required by the Act or this Master Deed. The change, modification or rescission, whether accomplished under the provisions of the preceding paragraph, shall be effective upon recording of such instrument in the office of the Register of Deeds for Knox County, Tennessee; provided, however, that no provision in this Master Deed may be changed, modified or rescinded so as to conflict with the provisions of the Act.

Notwithstanding the above, the Developer shall have the right to make and record any necessary amendment to this instrument for the express purpose of completion of development or as may be required to obtain FHA/VA, FNMA and/or FHLMC approval for the condominium development.

22. Notices. Notices provided for in the Act, Master Deed or By-Laws shall be in writing, and shall be addressed if to a Unit Owner, to the address of such Owner's Unit, and if to the Association or Board, as the case may be, in care of the Willows at Hardin Valley, Attn: Fuad Reveiz, Hardin Valley Development, LLC, 2160 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922, or at such other address as may be hereinafter provided. 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 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 deed of trust, or deed of trust beneficiary, 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 deed of trust.

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.

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 descendants of the President of the United States, George W. Bush.

25. Rights and Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance, 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 that 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 an interest or estate in said 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.

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 as they may be amended from time to time. The acceptance of a deed of conveyance, devise or of a lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the said 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 deed of trust beneficiary and any present or future Unit Owner who enters into such an agreement with a deed of trust beneficiary. When so incorporated, any default in the terms and conditions of the Master Deed, By-Laws or rules and regulations may be considered as a default by the Unit Owner, whereupon said deed of trust beneficiary, 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 said Unit Owner.

26. Trustee as Unit Owner. In the event title to any Unit is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder shall be considered Unit Owners for all purposes and they shall be responsible for payment of all obligations, liens, or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit. No claim shall be made against any such title holder trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of any such lien or obligation shall continue to be a charge or lien upon the Unit and the beneficiaries of such trust, notwithstanding any transfers of the beneficial interest of any such trust or any transfer of title to such Unit.

27. Condemnation. In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, the award made for such taking shall be payable to the Board for and on behalf of the Association and all deed of trust beneficiaries affected. If a majority of the Board in their discretion, with written consent of a majority of the deed of trust beneficiaries affected, approve the repair and restoration of such Common Elements, then the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the Board and the deed of trust beneficiaries do not approve the repair and commence restoration of such Common Elements within one hundred eighty (180) days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on the basis of such Unit's percentage of ownership in the Common Elements to the Unit Owners and the deed of trust beneficiaries as their interests may appear.

28. Rights Reserved. The Unit Owner's right of enjoyment in the property commonly owned by the Association as herein created shall be subject to:

(a) 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

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

(c) 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, except as allowed by (d) just below, no such diminution, dedication or transfer, or determination as to the purposes or as to the conditions thereof, shall be effective unless the members of the Association entitled to cast two-thirds (2/3) of the total votes of members, and the appropriate consent of the other parties required herein, have all been recorded, agreeing to such act; and

(d) The right of the Association to grant such easements and rights-of-way 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.

29. Declaration of Easement.

(a) Access, Ingress and Egress Easements. Developer, as owner of the Parcel and Property, does hereby grant to itself, its successors and assigns, and unto such owners' and occupants' agents, servants, tenants, family members, customers, invitees and licensees, a nonexclusive and perpetual easement in and over the Parcel and Property for vehicular and pedestrian ingress, egress, and passage to, from, and over said Parcel and Property, and to, from, and between all adjoining public streets and the Parcel and the Property. The easements granted in this Section 29 shall be limited to those non-landscaped portions of the Parcel and Property as are paved or covered with sidewalks, and all such additional portions of said Parcel and Property as hereafter may be established, designated, or permitted by the Developer, the Association, or their successors and assigns, as to the Parcel and Property for use by any person as sidewalks, driveways, roads, parking areas, similar facilities, or otherwise for any other purposes referenced in this Section 29 (hereinafter referred to as the "Easement Area").

(b) Reservation of Rights.

(i) Developer hereby retains for itself, the Association, all present and future Unit Owners or other occupants of the Parcel and Property and their successors and assigns, the right to use the Easement Area for ingress and egress, and service, and for all other uses, provided such other uses shall not unreasonably interfere with the use of the Easement Area by the parties referenced in Subsection (a) above. Developer hereby retains for itself, the Association and their successors and assigns, the right to install, connect, and maintain, from time to time, in the Easement Area, sewer, gas, water, and electric lines and pipes, telephone lines and conduits, poles and wires, and all utility lines and mains, and to use the Easement Area for all other purposes, provided such uses for other purposes shall not unreasonably interfere with the use of the Easement Area by the parties referenced in Subsection (a) above.

(ii) Developer hereby reserves for itself, the Association and their successors and assigns, the right to eject lawfully from the Parcel and Property any person not hereby or otherwise authorized to use said Parcel and Property.

(iii) Developer, the Association and their successors and assigns shall have the right to create reasonable rules pertaining to ingress, egress, vehicular and pedestrian use of the Parcel and Property.

(c) Relocation. Developer reserves to itself, the Association and their successors and assigns, the right, from time to time, to relocate all or a portion of the Easement Area as same may exist, from time to time, and to widen all or a portion of the Easement Area.

(d) Other Uses. Developer retains for itself, the Association and their successors and assigns, the right, from time to time, to:

(i) Utilize the Easement Area, as the same may exist from time to time, for purposes of beautification of the surrounding areas, and other properties owned by Developer, the Association or their successors and assigns; and

(ii) Utilize the Easement Area, as the same may exist from time to time, for installation thereof of directional signs, and for promenades, landscaped and grassed areas, street lighting, and other like improvements, as the same may be constructed or placed thereupon, from time to time, in the sole discretion of Developer, the Association or their successors and assigns;

Provided, however, that the exercise of the rights reserved by Developer and the Association shall not unreasonably interfere with the use of the Easement Area, by the parties entitled to the use thereof.

(e) Enforcement. Developer, the Association, their successors and assigns, and the beneficiaries of this Declaration of Easement, as the case may be, may enforce the obligations of the parties under this Declaration of Easement by a suit or judicial proceeding for injunctive relief, specific performance or damages, as may be appropriate and shall recover all costs, expenses, including attorneys' fees, other fees and expenses together with interest thereon at the highest legal rate but not to exceed ten percent (10%).

(f) Miscellaneous.

(i) This Declaration of Easement shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

(ii) The covenants, easements, rights, privileges, agreements, promises and duties of all parties set forth herein shall run with the land and shall inure to the benefit of and be binding on the successors and assigns of said parties.

(iii) This Declaration of Easement and the rights of the beneficiaries of said easement referenced in Subsection (a) above, to the use of the Easement Area shall at all times be subordinate to the rights and interests of any deed of trust beneficiary of record against the Parcel or Property.

30. Conflicts. In the event of any conflict with the provisions of this Master Deed, the Act, the By-Laws or any rules or regulations adopted by the Association, the provisions of the Act or of this Master Deed, as the case may be, shall control.

31. Miscellaneous. The captions used herein are for reference purposes only and shall not limit or broaden the meaning of any section. When used herein, the singular shall include the plural, the plural the singular, and the use of one gender shall apply to any gender.

30<sup>th</sup> IN WITNESS WHEREOF, the undersigned has executed this Master Deed on this the day of November, 2005.

HARDIN VALLEY DEVELOPMENT,  
LLC, a Tennessee limited liability company

By: 

Its: Chief Manager



STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, David E. Frazier a Notary Public in and for said State and County aforesaid, duly commissioned and qualified, personally appeared Funk Revco, 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 HARDIN VALLEY DEVELOPMENT, LLC, the within-named bargainor, a Tennessee Limited Liability Company, and that he, as such Chief Manager, being duly 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 seal at office on this the 14<sup>th</sup> day of December, 2005.

[Signature]  
Notary Public

My Commission Expires: \_\_\_\_\_

My Commission Expires November 8, 2008

The undersigned, American Fidelity Bank, a Greene County Bank Office, executes this Master Deed to subordinate the lien of those certain deeds of trust recorded as Instrument Number 200506270104564, Instrument Number 200506020096896, Instrument Number 200506020096985, Instrument Number 200506020096894, Instrument Number 200506020096893, Instrument Number 200506020096891, Instrument Number 200506020096890, Instrument Number 200501240058277, Instrument Number 200501120055697 and Instrument Number 200409080021055 in the Register's Office for Knox County, Tennessee to the terms, covenants and conditions of this Master Deed.

AMERICAN FIDELITY BANK,  
a Greene County Bank Office

By: [Signature]

Title: SVP

STATE OF TENNESSEE  
COUNTY OF Blount

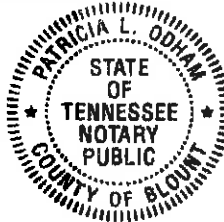
Before me, Patricia L. Odham, a Notary Public in and for the State and County aforesaid, personally appeared Jerry Sumnerly, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself (or herself) to be the SVP of AMERICAN FIDELITY BANK, a Greene County Bank Office, the within named bargainor, a corporation, and that he as such SVP, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such SVP.

WITNESS my hand and seal at office, on this the 22<sup>nd</sup> day of November, 2005.

Patricia L. Odham  
Notary Public

My Commission Expires:

3-7-06



Instr: 288512140052319  
PAGE: 22 OF 46

**EXHIBIT "A"**

**Property Description**

**SITUATED** in District Six (6) of Knox County, Tennessee, and without the corporate limits of the City of Knoxville, Tennessee, and being known and designated as all of Lots 1 and 2, Resubdivision of Mike Rogers Property and Lot 24, Southern Shade Subdivision, as shown by map of same of record in Instrument No. 200112140048387, in the Register's Office for Knox County, Tennessee, to which map specific reference is hereby made for a particular description.

No boundary survey having been made at the time of this conveyance and the legal description being different than the previous deed of record, the source of the new description is the recorded map of record in Instrument No. 200112140048387, in the Register's Office for Knox County, Tennessee.

**BEING** the same property conveyed to Hardin Valley Development, LLC by Quit Claim Deed of record in Instrument No. 200409080021054 in the Register's Office of Knox County, Tennessee.

**THIS** conveyance is made subject to applicable restrictions, building setback line, existing easements, and to all conditions as shown on the recorded map or otherwise recorded in the Register's Office for Knox County, Tennessee.

  
Instr: 200512140048387  
PAGE: 23 OF 45

**A-1**

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**EXHIBIT B TO MASTER DEED**

**BYLAWS**

**THE WILLOWS AT HARDIN VALLEY HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I**  
**NAME AND LOCATION**

These are the Bylaws of **THE WILLOWS AT HARDIN VALLEY HOMEOWNERS ASSOCIATION, INC.**, a nonprofit corporation organized under the laws of the State of Tennessee (hereinafter the "**Association**"), the Charter of which was filed in the Office of the Secretary of State of Tennessee on the 11th day of October, 2005, (the "**Charter**"). The Association has been organized for the purpose of administering the operation and management of facilities for the use and benefit of Owners of Condominium Units in **The Willows at Hardin Valley Condominiums** (the "**Project**") established or to be established upon property located in Knox County, Tennessee, which is more particularly described in a Master Deed recorded as Instrument No. \_\_\_\_\_, in the Office of the Register of Deeds for Knox County, Tennessee (the "**Master Deed**"). The definitions, terms, and provisions of the Master Deed and Charter are incorporated herein by reference and shall be controlling whenever the same may be in conflict with these Bylaws. All present or future Owners, tenants or future tenants or any other person that might use the Project are subject to the regulations set forth in these Bylaws and in said Charter of this Association. The principal office of the Association shall be located at 2160 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922, but meetings of members and directors may be held at such places within the State of Tennessee, County of Knox, as may be designated by the Board of Directors.

**ARTICLE II**  
**MEETING OF MEMBERS**

**Section 1. Annual Meetings.** The first annual meeting of the Members shall be held within one (1) 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. If the day for the annual meeting of the Members is a Saturday, Sunday, or legal holiday, the meeting will be held at the same hour on the first day following which is not a Saturday, Sunday, or 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 vote one-fourth of all of the votes of the Class A membership.

**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 no less than ten (10) nor more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address

last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, or personally delivered to such Member within said time. Such notice shall specify the place, day and hour of the setting and in the case of a special meeting the purpose of the meeting. If presented personally, receipt of such notice shall be signed by the Member, indicating the date on which such notice was received by him or her. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the Member at his or her post office address as it appears on the records of the Association as of the date of mailing such notice, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to the Member.

**Section 4. Voting Rights.** The Association shall have two classes of voting membership:

**Class A.** Class A Members shall be all Owners (with the exception of the Declarant) who shall be entitled to one vote for each Lot 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 the Owners determine, but in no event shall more than one vote be cast with respect to any Lot.

**Class B.** The Class B Members shall be "Hardin Valley Development, LLC, its successors and assigns" which shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the occurrence of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) On January 1, 2010.

**Section 5. Quorum.** The presence at the meeting of the Members entitled to cast or proxies entitled to cast one-half ( $\frac{1}{2}$ ) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Master Deed, or these Bylaws. If, however, such quorum shall not be present or represented of any meeting, the Members entitled to vote thereat shall have the 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 represented. Except where otherwise required under the provisions of the Charter or these Bylaws, or where the same may otherwise be required by law, the affirmative vote of a majority of the Members represented at any duly called Members' meeting at which a quorum is present shall be binding upon the Members.

**Section 6. Proxies.** At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Proxies shall be valid only for the particular meeting designated thereon. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

**Section 7. Multiple Owners.** The vote of the Owners of a Lot owned by more than one person or by a corporation or other entity, shall be cast by the person named in a certificate signed by all of the Owners of the Lot and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. If such a certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

#### **ARTICLE IV** **BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

**Section 1. Number.** The affairs of The Association shall be managed by a Board of three (3) Directors who need not be Members of the Association.

**Section 2. Term of Office.** At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years. At each annual meeting thereafter the Members will elect one (1) director for a term of three (3) years.

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

**Section 4. Compensation.** No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of 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 (2) or more Members. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointments 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 shall not be permitted.

#### **ARTICLE VI** **MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then the 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 any director, 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 called meeting at which a quorum is present shall be regarded as the act of the Board.

#### **ARTICLE VII** **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**Section 1. Powers.** The Board of Directors shall have power to do the following:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and guests thereon and establish penalties for the infraction of such rules and regulations;

(b) Enforce the provisions of the Master Deed concerning default in the payment of any Assessments levied by the Association, and infractions of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Charter, 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 prescribe their duties;

(f) Make and amend rules and regulations governing the use of the property, real and personal, owned and operated by the Association for the use and benefit of the Owners, so long as such rules and regulations and limitations which may be placed upon the use of such property do not conflict with the terms of the Master Deed and Charter;

(g) Acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, as may be necessary or convenient in the operation and management of the development and the Common Area and in accomplishing the purposes set forth in the Master Deed and Charter;

(h) Enforce by legal means the provisions of the Master Deed, Charter and Bylaws, and the regulations hereinafter promulgated governing use of the Property and facilities;

(i) Pay all taxes and assessments which are liens against any part of the Property and to assess the same against the Members and their respective Lots;

(j) Pay all costs of power, water, sewer and other utility services, if any, rendered to the Common Area; and

(k) Borrow money for any legitimate purposes which may be necessary for the improvement, maintenance and well-being of the Property.

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

(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 at any special meeting when such statement is requested in writing by one-fourth ( $\frac{1}{4}$ ) of the Class A Members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Master Deed,

(i) fix the amount of the annual Assessment against each Lot at least thirty (30) days in advance of each annual Assessment period;

(ii) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each annual Assessment period; and

(iii) foreclose the lien against any Lot for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) Issue or 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 of Directors 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 and hazard insurance on Property owned by the Association as provided in the Master Deed;

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

(g) Cause the Common Area to be maintained.

**ARTICLE VIII**  
**OFFICERS AND THEIR DUTIES**

**Section 1. Enumeration of Offices.** The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice-President, 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 shall hold office for one (1) year unless such officers shall sooner resign or shall be removed or 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 resignations shall take effect on the day of receipt of such notice or at any later time specified therein, unless otherwise specified therein. The acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in 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 whom he or she 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 VIII.

**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.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President and exercise the duties of President in the event of the President's absence, inability or

refusal to act, and shall exercise and discharge such other duties as may be required 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; keep the corporate seal of The Association and affix it on all papers requiring such seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as may be required by the Board.

(d) **Treasurer.** The Treasurer shall receive and deposit in the appropriate bank accounts all monies of the Association and shall disperse 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 compilation of the Association books to be made by a public accountant within a reasonable time after the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting.

#### **ARTICLE IX** **COMMITTEES**

The Association shall appoint an architectural control committee as provided in the Master Deed and a nominating committee as provided in these Bylaws. In addition the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

#### **ARTICLE X** **BOOKS AND RECORDS**

The books and 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 Charter, 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 a reasonable cost.

#### **ARTICLE XI** **ASSESSMENTS**

As more fully provided in the Master Deed, each Member is obligated to pay to the Association annual and special Assessments which are secured by a continuing lien upon the Lot 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 a rate of ten percent 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 Lot as provided in the Master Deed. The interest costs and reasonable attorneys fees of any such action shall be added to the amount of such Assessment.

No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Area or abandonment of his or her Lot.

## **ARTICLE XII**

### **FISCAL MANAGEMENT**

**Section 1. Assessment Roll.** The Assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such accounts shall designate the name and address of the Owner or Owners, the amount of each Assessment against the Owners, the dates and amounts in which Assessments come due, the amounts paid upon the account and the balance of Assessments due.

**Section 2. Budget.** The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the costs of performing the functions of the Association, including but not limited to the following:

(a) Common Expense Budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of Common Area, landscaping, walkways, office expenses, utility services, casualty insurance, liability insurance, administration and reserves (operating and replacement).

(b) Proposed Assessments against each Owner and the due date of any payments.

Copies of the proposed budget and proposed annual Assessment shall be transmitted to each Member at least thirty (30) days prior to January first of the year for which the budget is made. If the budget is subsequently amended before the Assessments are levied, a copy of the amended budget shall be furnished each Member concerned. Delivery of a copy of any budget or amended budget to each Member shall not affect the liability of any Member for any such Assessment, nor shall delivery of a copy of such budget or amended budget be considered a condition precedent to the effectiveness of said budget and Assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy any additional Assessment in the event that the budget originally adopted appears to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

**Section 3. Depository.** The depository of the Association shall be such bank or banks and/or federal savings and loan associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by such persons as are authorized by the Directors.

**Section 4. Audit.** A compilation of the accounts of the Association may be made annually by a Certified Public Accountant in the discretion of the Board, and, if performed, a copy of the report shall be furnished to each Member not later than January 31 of the year following the year for which the report is made.

## **ARTICLE XIII**

### **CORPORATE SEAL**

The Association shall not be required to have a seal. If the Association decides to obtain a seal, the seal shall be in circular form having within its circumference the words: "The Willows at Hardin Valley Homeowners Association, Inc."

**ARTICLE XIV**  
**MISCELLANEOUS**

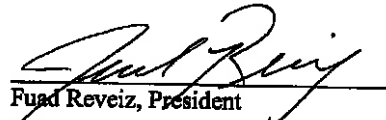
**Section 1. Amendments.** These Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy.

**Section 2. Conflict.** In the case of any conflict between the Charter and these Bylaws the Charter shall control and in the case of any conflict between the Master Deed and these Bylaws the Master Deed shall control.

**Section 3. Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year except that the first fiscal year shall begin on the date of incorporation.

**Section 4. Rules.** The initial rules and regulations for the Association are set forth in Exhibit A attached hereto and shall continue in full force and effect unless amended or modified in accordance with the Master Deed and the By-laws. In the event of a conflict between the rules and regulations and the Master Deed, the Master Deed shall control.

IN WITNESS WHEREOF, the foregoing By-Laws have been adopted by unanimous written consent of the Directors and Owners as of October 11, 2005.

  
Fuad Reveiz, President

**EXHIBIT A TO BYLAWS  
RULES AND REGULATIONS  
FOR  
THE WILLOWS AT HARDIN VALLEY CONDOMINIUMS**

The definitions contained in the Master Deed of The Willows at Hardin Valley Condominium ("Master Deed") are incorporated herein as part of these Rules and Regulations.

1. The walkways, entrances and stairways shall not be obstructed or used for any purpose other than ingress and egress to and from the building(s) and the other portions of the common areas.
2. The exterior of the Units and all other areas appurtenant to a Unit shall not be painted, decorated or modified by any Unit Owner in any manner without the prior written consent of the Association by its Board and pursuant to Section 15 of the Master Deed.
3. No article, including, but not limited to, cloth, clothing, rugs or mops shall be hung or shaken from the doors, windows, balconies or screened porches of the Units or placed upon the outside window sills of the Units without the prior consent of the Board.
4. No personal articles shall be allowed to stand on any portion of the Common Elements.
5. No Unit Owner shall make or permit any noises that will disturb or annoy the occupants of any of the Units or do or permit anything to be done which will interfere with the rights, comfort or convenience of other Unit Owners.
6. Each Unit Owner shall keep such Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown from the doors or windows thereof any dirt or other substance.
7. Each Unit Owner shall regularly pick up all garbage, trash, refuse or rubbish outside his or her Unit, and no Unit Owner or resident shall place or dump any garbage, trash, refuse or other materials on any other portions of the Association's Property. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a Unit or fenced-in area, screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.
8. Water closets and other water apparatus in the Units or upon the Common Elements shall not be used for any purpose other than those for which they were constructed. Any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Unit Owner responsible for same.



9. No Unit Owner shall request or cause any employee or agent of the Association to do any private business of the Unit Owner, except as shall have been approved in writing by the Association.

10. The agents and employees of the Association and any contractor or worker authorized by the Association may enter any Unit at any reasonable hour of the day for the purposes permitted under the terms of the Governing Documents. Entry will be made by prearrangement with the Unit Owner, except under circumstances deemed an emergency by the Association or the manager, if any, in which case, access is deemed permitted regardless of the hour.

11. No vehicle or other possessions belonging to a Unit Owner or to a member of the family or guest, invitee or lessee of a Unit Owner shall be positioned in such manner as to impede or prevent ready access to another Unit Owner's garage. The Unit Owners, their family members, guests, invitees and lessees will obey the parking regulations posted by the Association and Community Association in the private streets, parking areas and drives, and any other traffic regulations promulgated in the future, for the safety, comfort and convenience of the Unit Owners.

12. Except in an emergency, a Unit Owner shall not cause or permit the blowing of any horn from any vehicle of which he or she, or his or her family members, guests, invitees or lessees shall be occupants.

13. No Unit Owner shall use or permit to be brought into the Unit any flammable oils or fluids, such as gasoline, kerosene, naphtha or benzine, or other explosives or articles deemed extra hazardous to life, limb or property, except as may be necessary in connection with a permitted use of a patio, if any.

14. No Unit Owner shall be allowed to put his or her mail receptacle, name or street address on any portion of his or her Unit, except in such place and in the manner approved by the Board and Developer for such purpose.

15. The Association may retain a passkey to each Unit. If a Unit Owner alters any lock or installs a new lock on any door leading into his or her Unit, such Unit Owner shall provide the Association with a key for the use of the Association and the Board.

16. There shall be a \$50.00 lock-out charge if the Association is requested to furnish keys for access to a Unit Owner who has locked himself or herself out of his or her Unit.

17. Any damage to the Association's Property or equipment of the Association caused by any Unit Owner, family member, guest, invitee or lessee shall be repaired or replaced at the expense of such Unit Owner.

18. Each Unit Owner shall be held responsible for the actions of his or her family members, guests, invitees and lessees.

19. Food and beverage may not be prepared or consumed, except in the Unit or in such other areas as may from time to time be designated by the Board.
20. Complaints regarding the management of the Association's Property or regarding actions of other Unit Owners shall be made in writing to the Association.
21. A Unit Owner shall place no sign, advertisement or notice of any type on the Common Elements, or in or upon his or her Unit so as to be visible from the Common Elements, or any public way, without the prior written consent of the Association by its Board.
22. No Unit Owner is permitted to keep any animals or poultry other than dogs and cats and other domestic pets, whether permanent or temporary, in his or her Unit without the prior written permission of the Board. Such permission in one instance shall not be deemed to institute a blanket permission in any other instance and any such permission may be revoked at any time in the sole discretion of the Board. However, under no circumstances will a pit bull or any other animal deemed to be potentially aggressive or dangerous in the sole opinion of the Board be permitted on any portion of the Condominium. No pet shall be permitted outside of a Unit, whether on a leash or not, unless the pet owner or another responsible party is present with the pet. A Unit Owner shall immediately pick up and remove any solid animal waste deposited by his pet. The Unit Owner shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal. If a dog or any other animal becomes obnoxious to other Unit Owners by barking or otherwise, the Unit Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Unit Owner, upon written notice by the Association, will be required to dispose of the animal.
23. No clothesline or other similar device shall be allowed on any portion of the Common Elements or the Limited Common Elements.
24. Motor Units, trailers, recreational vehicles, boats, motorcycles, trucks and vans or trucks used for commercial purposes other than four-wheel passenger automobiles determined acceptable by the Board shall not be permitted to be parked, placed or stored in or on the Condominium Property. All Unit Owner vehicles must be stored in the Unit Owner's garage and shall not be stored on the surface parking areas. No maintenance or repair shall be done upon or to any such vehicles, except where totally isolated from public view. Surface parking shall be used solely for visitor parking. Vehicles must be parked with the front of the vehicle facing the building; backing in shall not be permitted. The Association shall have the right to authorize the towing away of any vehicles in violation of these provisions and the provisions of the Governing Documents with the costs to be borne by the owner or violator.
25. A Unit Owner shall not install any screen doors, roll-ups, storm shutters, awnings, hardware or the like without the prior written approval of the Board as to design and color and, in any event, Board approval shall not be granted unless such items substantially conform to the architectural design of the building and the design of any of such items which have been previously installed at the time Board approval is requested, and approval in accordance with the Master Deed and the By-laws and Charter of the Association (collectively the "Governing

Documents"), as amended from time to time. Such approval, however, does not and shall not be construed to constitute approval or conformance with the county or city building codes. It shall be the responsibility of each Unit Owner to check with all applicable governmental and quasi-governmental agencies and to obtain the appropriate permits prior to installation of any of the foregoing items.

26. No solicitation for any purpose shall be allowed without the prior written consent of the Board, which consent may be withheld at the Board's sole discretion; provided, however, the Board shall not unreasonably restrict any Unit Owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in the Common Elements.

27. Garages may be used only for the parking of motor vehicles and for minimal storage (i.e., chairs, tools, etc.). No garage shall be permanently enclosed so as to make such garage unusable by an automobile, and no portion of a garage originally intended for the parking of an automobile shall be converted into a living space or full storage area. No individual air conditioning units shall be permitted in a garage. No Unit Owner shall utilize Parking Spaces other than their garage and the driveway in front of such garage except in the event both such parking areas are already occupied by vehicles (as opposed to being utilized for storage). All garage doors shall remain closed when not in use by a vehicle entering or exiting the garage. No garage may be used for hanging laundry and may not be painted or the color or appearance otherwise altered by the Unit Owner without the prior written consent of the Association, by its Board. No obnoxious, unpleasant or offensive activity shall be carried on, nor shall anything be done, which can be reasonably construed to constitute a nuisance, public or private in nature.

28. No air conditioner shall be installed in any window of a Unit nor shall any air conditioner be installed on any Limited Common Element so that the same protrudes through any exterior wall. Existing air conditioners may be replaced provided the existing air conditioner is removed and the new air conditioner substituted in its place.

29. The procedure for reporting violations of these Rules and Regulations shall be as follows:

Any Unit Owner may report a violation of the Rules and Regulations to the Association (or its management company, if any) in writing. All violation reports are to be submitted in writing and will be considered confidential.

30. The procedure for enforcing these Rules and Regulations shall be as follows:

(a) First Offense (1st Notice)

When the Association becomes aware of noncompliance of a rule or regulation by a Unit Owner, family member, guest, invitee or lessee, it shall send a certified letter to the Unit Owner advising him or her of the rule which he or she has been accused of violating and warning that strict compliance with these Rules and Regulations will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

(b) Second Offense (2nd Notice)

If the Association receives a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Unit Owner. The fine for a second offense may not be in excess of the maximum amount permitted by the Act. Notice of a second violation shall be sent to the Unit Owner by certified mail.

(c) Third Offense (3rd Notice)

If the Association receives a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Unit Owner may be charged a fine not in excess of the maximum amount permitted by the Act following verification of the violation by the Board.

(d) Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action.

(e) Exemptions and Hearings

(1) Any Unit Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

(2) A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing as set forth in the rules and regulations; provided, however, that no such fine shall in the aggregate exceed the maximum amount permitted by the Act.

(f) Costs and Expenses. The Association, in addition to any fine or other remedy available to it, shall recover from the offending Unit Owner, all costs and expenses, including attorneys fees, incurred by the Association in the exercise of its remedies.

31. A Unit Owner who fails to timely pay any Assessment shall be charged a late charge by the Association in an amount not to exceed the maximum amount permitted by the Act for such late Assessment. Unit Owners shall be responsible to pay all court costs and legal fees incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced. The Board has authorized the following schedule of fees for such circumstances:

(a) Fifty Dollars (\$50.00) for a warning letter to a Unit Owner that he or she is delinquent in the payment of his Assessments;

(b) One Hundred Dollars (\$100.00) for a Claim of Lien, plus recording costs and sending of Notice of Intention to Foreclose;

(c) Fifty Dollars (\$50.00) for any subsequent Claims of Lien, plus recording costs;

(d) Fifty Dollars (\$50.00) for a Satisfaction of Lien, plus recording costs; and

(e) Any further action would require an hourly computation of attorney and paralegal time spent pursuing collection of such unpaid Assessments.

32. Before levying a fine against a Unit Owner for failure to abide by any provision of the Master Deed, the By-Laws or these Rules and Regulations, the Board shall:

(a) Afford the Unit Owner against whom the fine is sought to be levied an opportunity for hearing before a committee of other Unit Owners after reasonable notice of not less than fourteen (14) days and said notice shall include:

(i) A statement of the date, time and place of the hearing;

(ii) A statement of the provisions of the Master Deed, By-Laws or Rules and Regulations which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association.

In the event that the committee of Unit Owners do not agree with the fine, a fine may not be levied.

(b) Provide an opportunity to the Unit Owner against whom the fine may be levied to respond, present evidence and provide written and oral argument to the committee of Unit Owners other than the Unit Owner against whom the fine may be levied on all issues involved and the Unit Owner shall have an opportunity to review, challenge and respond to any other material being considered.

33. Any consent or approval given under these Rules and Regulations by the Association shall be revocable at any time by the Board.

34. The Unit Owners should refer to the Use and Occupancy Restrictions contained in Section 19 of the Master Deed and the By-Laws which are binding upon all Unit Owners.

35. All notices of Unit Owners meetings shall be posted on the bulletin board located at the common mail box area in the lobby of the clubhouse building.

36. With regard to meetings of the Board of Directors of the Association and meetings of the Members of the Association (collectively referred to herein as "Meetings"), the following rules shall apply:

(a) The Right of Unit Owners to Speak at Meetings

A Unit Owner shall have the right to speak at a Meeting. The following restrictions shall apply:

- (1) The Unit Owner may speak at the start of the Meeting. The vote of the Board or the Members, as applicable, will not be taken until the Unit Owner has spoken.
- (2) The Unit Owner may speak for no longer than three (3) minutes, unless the Board votes at the Meeting to extend the time allotted to the Unit Owner.
- (3) The Unit Owner may speak only on matters specifically designated on the agenda.

(b) The Right of Unit Owners to Tape Record or Videotape Meetings

A Unit Owner shall have the right to tape record or videotape a Meeting. The following restrictions shall apply:

- (1) The audio and/or video equipment and devices must not produce distracting sound or light emissions, nor may such equipment and devices require the use of electrical outlets.
- (2) The audio and/or video equipment must be assembled and placed in position in advance of the scheduled time for the commencement of the Meeting. Equipment may not be placed on the table where the Board is seated; a front row seat will be reserved for the Unit Owner and a tripod may be set up, but only at a height which does not obstruct the line of sight from other seats in the meeting room.
- (3) The Unit Owner videotaping or recording the Meeting shall not be permitted to move about the meeting room in order to facilitate the recording.
- (4) The Unit Owner shall provide to the Board of Directors a copy of the video tape or recording within five (5) business days after the meeting.

37. The Association shall contract for termite protection on behalf of the Association and the Unit Owners with the cost of such protection to be included in the annual homeowners' assessments. Each Unit Owner shall permit entry to its Unit by any contractor or its employees who have contracted with the Association to provide termite protection for the purpose of inspection and treatment.

38. These Rules and Regulations may be modified, added to or repealed at any time by the Association.

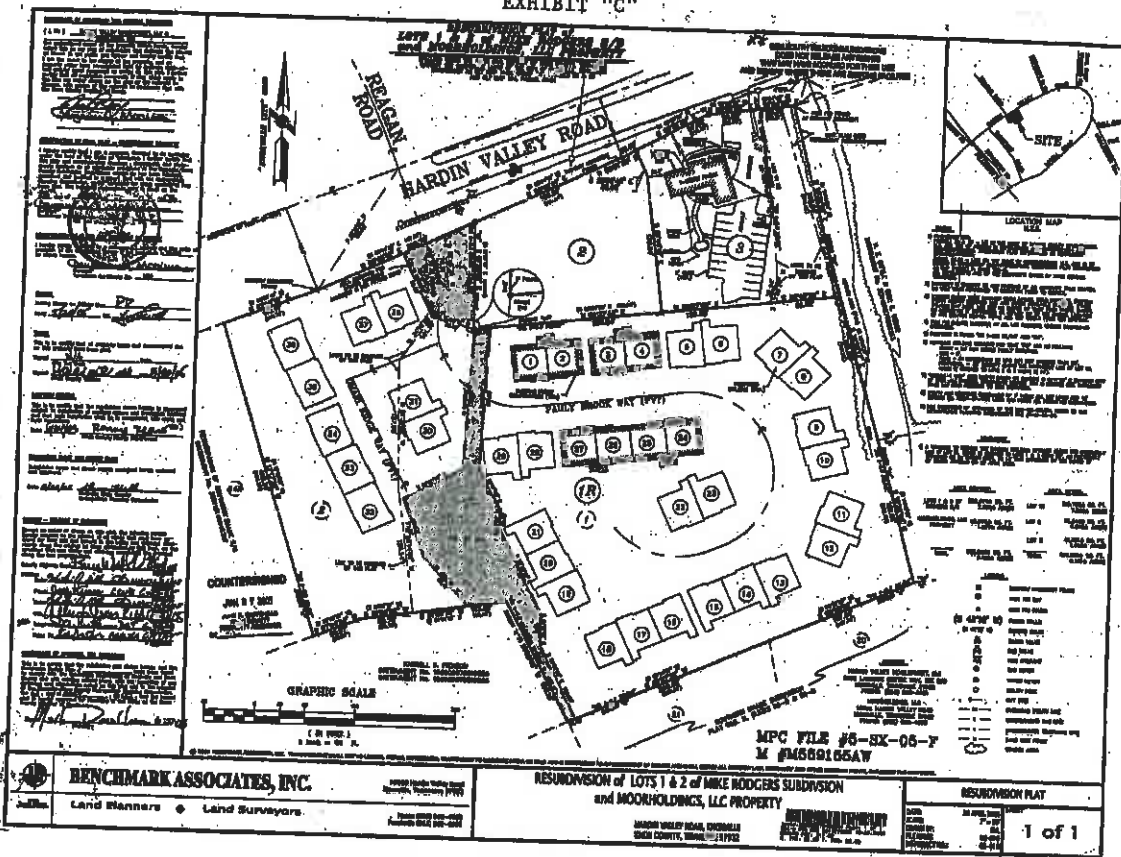
By Resolution of the Board of Directors of  
The Willows at Hardin Valley  
Condominium Association

K DEF 171312 v2  
2814537-000038 11/03/2005

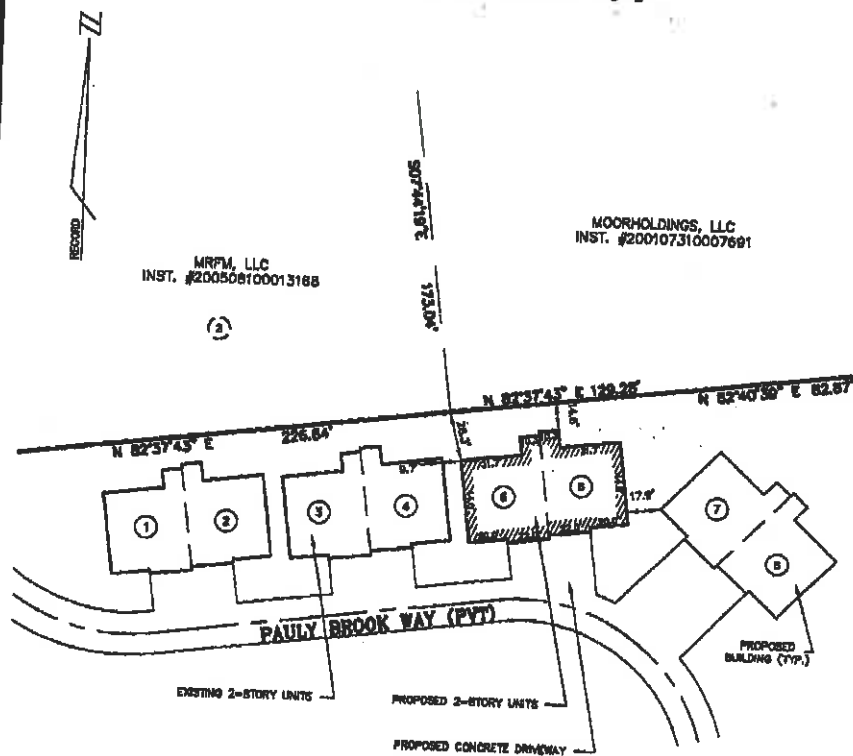


  
Instr: 200512140052319  
PAGE: 40 OF 46





## CUMULATIVE EXHIBIT "C-1"



## NOTES

- 1) This property is zoned PR1-0.5 DU/AC.  
 2) 10' utility and drainage easement inside of outside boundary lines, 5' on each side of all interior lot lines.

- 3) Record North references the subdivision plot of record referenced as Instrument #200508100013188 of record in the Register's Office of Knox County, Tennessee.

## PLOT PLAN

BUILDER Fried Revels  
 LOCATION 2398 Pauly Brook Way Knoxville, Tennessee 37832  
8th Civil District of Knox County, Tennessee  
 SUBDIVISION Willows at Hardin Valley  
 UNIT NUMBER 5 & 6 SCALE 1"=60'  
 BM# 04115-5, 6 DATE 14 September 2005

Instr: 200512140052319  
 PAGE: 42 OF 46



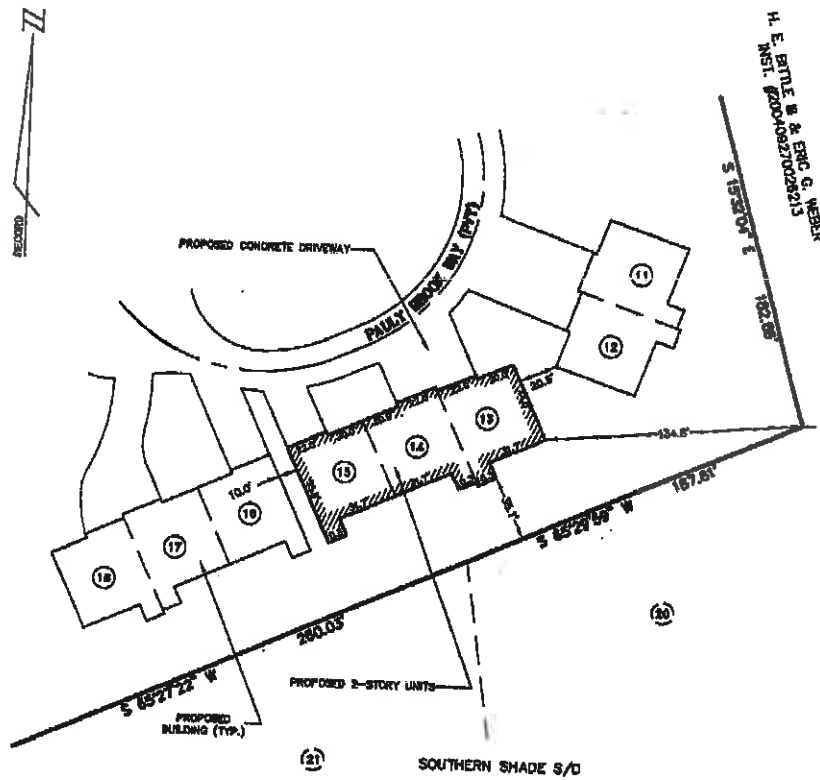
**BENCHMARK ASSOCIATES, INC.**

Land Planners ♦ Land Surveyors

10308 Hardin Valley Road  
 Knoxville, Tennessee 37932

Phone (865) 682-4080  
 Fax (865) 682-4091

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## NOTES

- 1) This property is zoned PR1-6.8 DU/AC.
- 2) 10' utility and drainage easement inside all outside boundary lines, 5' on each side of all interior lot lines.
- 3) Record North references the subdivision plot of record referenced as Instrument #2006008270104084 of record in the Register's Office of Knox County, Tennessee.

## PLOT PLAN

BUILDER Fued Revelz  
 LOCATION 2334 Pauly Brook Wwy, Knoxville, Tennessee 37932  
Sixth Civil District of Knox County, Tennessee  
 SUBDIVISION Willows at Hardin Valley  
 UNIT NUMBER 13, 14, & 15 SCALE 1"=80'  
 BM# 04115-13-15 DATE 14 September 2008



Instr: 200612140082319  
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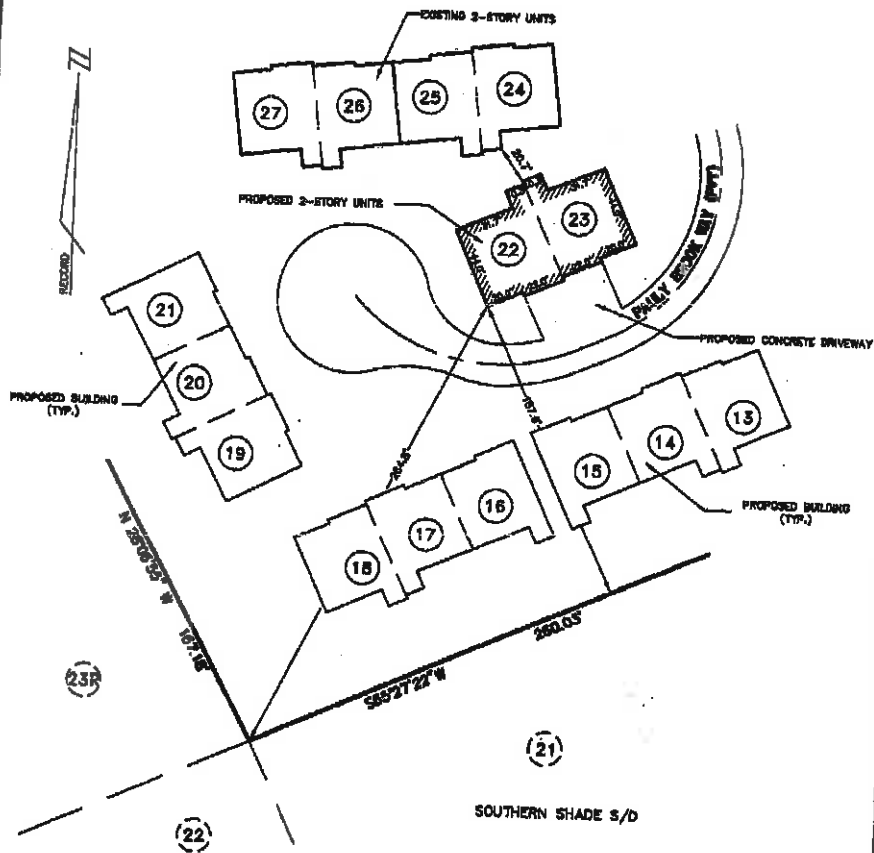
**BENCHMARK ASSOCIATES, INC.**

Land Planners • Land Surveyors

10308 Hardin Valley Road  
 Knoxville, Tennessee 37932

Phone (865) 692-4000  
 Facsimile (865) 692-4001

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## NOTES

- 1) This property is zoned PR1-2.5 DU/AC.
- 2) 10' utility and drainage easement inside of outside boundary lines, 5' on each side of all interior lot lines.

- 3) Record North references the subdivision plat of record referenced as instrument #200506270104864 of record in the Register's Office of Knox County, Tennessee.

## PLOT PLAN

BUILDER Fred Reveiz  
 LOCATION 2328 Pearly Brook Way, Knoxville, Tennessee 37932  
Sixth Civil District of Knox County, Tennessee  
 SUBDIVISION Winds at Hardin Valley  
 UNIT NUMBER 22 & 23 SCALE 1"=80'  
 BM# D4115-22\_23 DATE 14 September 2005



Instr: 200512140082318  
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**BENCHMARK ASSOCIATES, INC.**

Land Planners ♦ Land Surveyors

10308 Hardin Valley Road  
 Knoxville, Tennessee 37932

Phone (865) 883-4080  
 Facsimile (865) 883-4001

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## EXHIBIT "D"

### Use Restrictions

The use and occupancy of all Units, Limited Common Elements and Common Elements shall be subject to the following use restrictions in addition to any restrictions set forth in the Master Deed.

**Section 1. Uses.** No noxious, offensive, or unlawful activity shall be conducted upon the Property, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.

**Section 2. Animals.** No animals, livestock or poultry of any kind shall be kept or maintained on the Property or in any dwelling thereon, except that dogs, cats and other household pets as determined by the Board of Directors may be kept or maintained; provided, however, that (i) household pets shall not be kept or maintained for commercial purposes, (ii) household pets shall not constitute or create any annoyance or nuisance to the neighborhood, and (iii) the Association may reasonably regulate the keeping and maintaining of such household pets.

**Section 3. Outside Antennas.** No outside radio, television antennas or satellite dish may be erected upon any Lot or upon any structure thereon within the Property unless and until permission for the same has been granted by the Board of Directors or as required by law.

**Section 4. Temporary Structure.** No structure of a temporary nature, including a trailer, basement, tent, shack, garage, barn or other outbuilding shall be erected on the Property at any time other than a construction trailer used by builders constructing the Units.

**Section 5. Signs.** No sign of any kind shall be displayed to the public view on any Limited or Common Elements or visibly from any Unit, except one sign of not more than two (2) square feet in area, advertising said Unit thereon for sale or rent, or signs used by a builder advertising the Unit during the construction and sales period.

**Section 6. Garbage and Refuse Disposal.** No Limited Common Element or Common Element shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept outside any Unit except in sanitary containers, which containers shall be screened from public view, except for the period immediately preceding, during, and immediately following trash or rubbish collection. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

**Section 7. Vehicles.** No vehicle of any type shall be permanently or semi-permanently parked on the Property, or on or in the vicinity of any Unit for purposes of storage or for purposes for accomplishing repairs thereto or for the reconstruction thereof, except as may be permitted by the rules and regulations hereafter adopted by the Board of Directors.

**Section 8. Commercial and Recreational Vehicles.** No commercial or recreational vehicle, including, without limitation, camping trailers, boats, motor homes and the like, shall be parked upon any portion of the Property, or on or in the vicinity of any Unit, except as may be permitted by the rules and regulations hereafter adopted by the Board of Directors.

**Section 9. Fences.** Except for fencing and masonry walls constructed, erected and/or located on the Property by the Developer as a part of the initial construction of Units and/or other improvements to the Property, no fence or masonry wall shall be permitted beyond the building lines established for the Property by Declarant, and no fence or masonry wall shall be permitted on any other part of any Limited Common Elements or Common Element, without the approval of the Board of Directors.

**Section 10. Landscaping and Gardens.** All Limited Common Areas and Common Areas shall be landscaped with grass and shrubbery comparable to that provided by Declarant, and no vegetable gardens shall be permitted upon any Lot. All such landscaping shall be maintained by the Association.

**Section 11. Mail Boxes.** All mail boxes and newspaper boxes shall be of consistent design and materials and shall conform to guidelines established by the Board of Directors.

**Section 12. Window Hangings.** Any window hangings in all windows in each Unit shall be white or an off-white color, or shall be hangings which are lined with material which is white or an off-white color.

**Section 13. Sports Apparatus and Equipment.** Basketball goals, posts, or backboards or any other fixed sports apparatus shall not be attached to any Unit or garage or be erected on the Common Elements or Limited Common Elements of any Unit unless approved in writing by the Board of Directors.

**Section 14. Common Area.** No improvement, development, subdivision, and/or alteration shall be made to the Common Area unless approved by vote of two-thirds (2/3) of each class of Members.