

DECLARATION of COVENANTS, CONDITIONS, and RESTRICTIONS

This Declaration of Covenants, Conditions, and Restrictions is made this 8th day of March, 1984, by FSD Corporation, a Tennessee corporation (hereinafter referred to as "Corporation");

WITNESSETH:

WHEREAS, Corporation is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Corporation intends by this Declaration to impose upon the Properties, as defined hereinafter, mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within Four Seasons development, a subdivision of recreational lots, common areas and improvements thereto located in DeKalb County, Tennessee and made subject to this Declaration by the recording of this Declaration. Corporation desires to provide a flexible and reasonable procedure for the overall development of the Properties, as defined hereinafter, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or may hereafter be subjected to this Declaration;

WHEREAS, Corporation desires that the real property described in Exhibit "A" be held, sold and conveyed subject to the provisions of this Declaration;

WHEREAS, Corporation acknowledges that the Properties that are to be subjected to this Declaration have previously been made subject to certain Restrictive Covenants of Four Seasons of Tennessee of record in Book U-3, pages 770-779 and Book U-4, pages 881-887, Register's Office for DeKalb County, Tennessee, as modified by that Waiver of Restrictive Covenant of record in Book M-5, page 770, said Restrictive Covenants being only acknowledge hereby and expressly not extended, renewed, or incorporated herein by reference;

NOW, THEREFORE, Corporation hereby declares that all of the Properties described in Exhibit "A" and any additional property as may by Subsequent Amendment be added and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. Such easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Properties and shall run with all real property subjected to this Declaration. They shall be binding on the Corporation and all other parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

ARTICLE 1 Definitions

Section 1. "Additional Lot" shall mean a Lot other than an Original Lot, and which is made subject to the terms and conditions of the Declaration by Subsequent

Amendment. Those Lots set forth in Exhibit B attached hereto and incorporated herein by reference, and only such Lots, shall be eligible to become Additional Lots without the prior consent of the Stockholders.

Section 2. “Assessments” shall mean Assessments for Common Expenses provided for herein or by any Subsequent Amendment, which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of the Lots and of maintaining the Properties, all as may be specifically authorized from time to time by the Board of Directors and as more specifically authorized below.

Assessments shall be levied equally against Owners of Lots for such purposes as are authorized by this Declaration or by the Board of Directors from time to time, provided that no assessment shall be levied against the Corporation.

There shall be an Annual Assessment, which shall mean the amount assessed yearly against each Owner as established from time to time by the Board. There may be Special Assessments assessed from time to time against each Owner, or a particular Owner, for construction, reconstruction, repair, or replacement of capital improvements to be established, collected, and used as provided herein.

Section 3. “Assessment Year” shall mean the period from March 1 of one calendar year to the last day of February of the following fiscal year.

Section 4. “Corporation” shall mean and refer to FSD Corporation, a Tennessee corporation, its successors and assigns. The “**Board of Directors**” or “**Board**” shall be the elected body responsible for managing the affairs of the Corporation in accordance with its Charter and By-Laws.

Section 5. “Common Area” shall mean all real and personal property now or hereafter owned by the Corporation for the common use and enjoyment of the Owners, exclusive of Lots and any improvements or personal property as may be located on such Lots, and including the boat dock and marina, and all private roadways owned by the Corporation.

Section 6. “Common Expenses” shall mean and include the actual and estimated expenses of operating the Corporation and maintaining the Common Area, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Charter of the Corporation.

Section 7. “Lot” or “Lots” shall mean a portion or portions of the Properties made subject to the terms and conditions of this Declaration and intended for any type of independent ownership for construction and use as a residence by a single family. All Lots shall be shown and identified as numbered plats or units upon the recorded

plan of the Properties, which is recorded in Book 1 page 63, Register's Office, DeKalb County, Tennessee. Lots shall not include any portion of the Common Area.

Section 8. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 9. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 10. "Mortgagor" shall include the trustor of a deed of trust, as well as mortgagor.

Section 11. "Owner" shall mean and refer to one or more persons or entities who hold the record title to any Lot which is part of the Properties, but excluding in all cases the Corporation, and any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, the purchaser, rather than the fee owner, will be considered the Owner. For the purpose of this Declaration, the Owner of a Lot which is under lease shall be as follows: for the purpose of votes and assessments, the record owner of the Lot; for the purpose of use and enjoyment of common facilities and amenities which are part of the Common Area, the tenant residing in a residence on the Lot. The Board of Directors may promulgate reasonable regulations conditioning such use upon registration of the names of tenants with the Corporation.

Section 12. "Original Lot" shall mean a Lot acquired by the Corporation from B & B Properties, Ltd., a Tennessee limited partnership, by deed of record in Book A-3, page 615, Register's Office for DeKalb County, Tennessee, and identified individually in Exhibit A attached hereto and incorporated herein by reference.

Section 13. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 14. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, including the Common Area, and such additional property as may hereafter be annexed by Subsequent Amendment to this Declaration.

Section 15. "Stockholder" or "Stockholders" shall mean and refer to a person or persons owning stock in the Corporation.

Section 16. "Subsequent Amendment" shall mean an amendment to this Declaration which adds additional property to that covered by this Declaration or otherwise modifies the provisions hereof. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Amendment to the provisions of this Declaration.

ARTICLE II

Property Rights

The Lots and Common Area described in Exhibit A are hereby subject to the terms and conditions of this Declaration. Every Lot Owner shall have a right and easement of enjoyment in and to the Common Area, subject to any restrictions or limitations contained in any Deed or amendment to this Declaration conveying to the Corporation or subjecting such property to this Declaration. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants, and social invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III

Stock Ownership and Voting Rights

Section 1. Stock Ownership. Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall subscribe to and own one (1) Class "A" share of stock in the Corporation for each Unit so owned. Ownership of a Class "A" share of stock in the Corporation shall be appurtenant to and may not be separated from such ownership of a Lot, and any transfer of a Lot shall operate automatically to transfer to the new record owner thereof the Class "A" share in the Corporation appurtenant thereto. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's stock ownership. No Owner, whether one or more persons, shall have more than one (1) share of Class "A" stock per Lot owned. In the event the Owner of a Lot is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of stock ownership, including the right to vote, may be exercised by a Stockholder or a Stockholder's spouse, but in no event shall more than one (1) vote for each share of Class "A" stock be cast for each Lot. Each certificate representing a share or shares of Class "A" stock shall bear a legend setting forth the restrictions with respect to the ownership and transfer of such shares.

Each person who acquires a Lot from Corporation shall simultaneously subscribe for and be issued by the Corporation one (1) share of Class "A" stock for each Lot so acquired. Each Person who subjects his or her Lot to the terms and conditions of this Declaration by Subsequent Amendment shall also simultaneously subscribe for and be issued by the Corporation one (1) share of Class "A" stock for each such Lot.

Section 2. Voting. Class "A" stock shall have all voting rights. Class "A" Stockholders shall be entitled on all issues to one (1) vote for each share of Class "A" stock which they own pursuant to Section 1 hereof; there shall be only one (1) vote per share. When more than one Person holds such interest in any Lot, the vote for the Class "A" share issued with respect to such Lot shall be exercised as those Persons themselves determine and advise the Secretary of the Corporation prior to any meeting.

In the absence of such advice, the Class "A" share's vote shall be suspended in the event more than one Person seeks to exercise it.

Any Owner of Lots which are leased may, in the lease or other written instrument, assign the voting right appurtenant to the Class "A" share issued with respect to that Lot to the lessee, provided that a copy of such instrument of assignment is furnished to the Secretary prior to any meeting.

ARTICLE IV **Maintenance**

Section 1. Corporation. The Corporation shall maintain and keep in good repair the Common Area, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of any landscaping, structures, and improvements situated upon or appurtenant to the Common Area, all as the Board may determine.

Section 2. Owner. In accordance with this Declaration and Subsequent Amendments to this Declaration, all maintenance of a Lot and any structure thereon or improvements thereto shall be the sole responsibility of the Owner thereof, who shall keep said portions of the Lot in good repair in a manner which is aesthetically pleasing consistent with the standard generally prevailing in the Four Seasons development and the applicable covenants set forth herein.

ARTICLE V **Insurance and Casualty Losses**

Section 1. Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability policy insuring the Corporation for all damage or injury caused by the negligence of the Corporation or its agents, and for such other coverage as the Board in its discretion deems appropriate. The limits and deductibles for all insurance policies maintained by the Corporation shall be as the Board in its sole discretion deems appropriate.

Premiums for all insurance as required or permitted by this Article V shall be a Common Expense. Cost of insurance coverage shall be included in the Annual Assessment, as defined in Article X, Section 1.

Exclusive authority to adjust losses under policies obtained by the Corporation shall be vested in the Board of Directors. In no event shall the insurance coverage obtained and maintained by the Corporation's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

In addition to the other insurance required by this Section, the Board may obtain, as a Common Expense, workman's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Corporation's funds. All decisions with respect to the nature of such additional coverage, the extent or limits of such coverage, deductibles, and the like shall be solely in the discretion of the Board, except as otherwise provided herein.

The Board of Directors shall endeavor, but shall not be required, to secure insurance policies that will provide for the following:

(a) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its Manager, the Owners, and their respective tenants, servants, agents and guests;

(b) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(c) that no policy may be cancelled, invalidated or suspended on account of any one or more individual Owners or occupants;

(d) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Corporation or its duly authorized agent without prior demand in writing delivered to the Corporation to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Corporation;

(e) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(f) that no policy may be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Corporation.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area shall be retained by and for the benefit of the Corporation and placed in a capital improvements account.

(b) If it is determined, as provided for in Section 3 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 2 (a) hereof.

Section 3. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty or loss with respect to all or any part of the Properties covered by insurance written in the name of the Corporation, or upon the occurrence of any other event or loss covered by insurance in the name of the Corporation, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the costs of repair or reconstruction of such damaged or destroyed Properties.

(b) In the event that all or any portion of the improvements located on or appurtenant to the Common Area are damaged or destroyed by fire or other casualty, the Board shall determine whether to repair or rebuild such improvements. If the improvements are repaired or rebuilt, the nature and extent of such work shall be as determined by the Board. In the event that the insurance proceeds from such damage or destruction are insufficient to cover the cost of repairing or rebuilding the affected improvements, the Board may levy a Special Assessment as provided in Article X, Section 3 to cover or defray the cost of such work, as it deems appropriate.

(c) In the event that it should be determined by the Board that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged portion of the Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Corporation in a neat and attractive condition. The Board, in its sole discretion, shall determine whether to repair or reconstruct the damaged property, whether to make alternative improvements, whether to restore the affected property to its natural state, and the procedure and manner of doing so.

ARTICLE VI
No partition

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall the Corporation or any Person acquiring any interest in the Properties or any part thereof seek any such partition. This Article shall not be construed to prohibit the Corporation from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration and thereafter selling such property.

ARTICLE VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board) by any authority having the power of condemnation or eminent domain, each Class "A" Stockholder shall be entitled to notice thereof. The award made for such taking shall be payable to the Corporation to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking at least sixty-six percent (66%) of the Class "A" Stockholders of the Corporation shall otherwise agree, the Corporation shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in the manner and in accordance with plans approved by the Board of Directors. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Corporation and used for such purposes as the Board of Directors, in its discretion, may determine.

ARTICLE VIII
Annexation of Additional Lots

Section 1. Annexation Without Approval of Class "A" Stockholders. As the owner thereof, or if not the owner, with the consent of the owner thereof, the Corporation shall have the unilateral right, privilege, and option, from time to time at any time, to subject to the provisions of the Declaration and the jurisdiction of the Corporation all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof by filing in the DeKalb County, Tennessee Register's Office, a Subsequent Amendment annexing such Properties. Such

amendment to this Declaration shall not require, and shall not be subject to the vote of Stockholders. Any such Subsequent Amendment shall be subject to the approval of the Board, shall be signed by an officer of the Corporation and the owner of each Lot being annexed, and such annexation shall be effective upon the filing for record of said Subsequent Amendment unless otherwise provided therein. Said amendment shall specify that the Lot so annexed is subject to this Declaration, and upon recording said amendment, such Lot shall constitute and Additional Lot.

Section 2. Annexation With Approval of Class "A" Stockholders. Subject to the consent of the owner thereof, the Corporation may annex real property other than that shown on Exhibit "B" upon the written consent or affirmative vote of a majority of the Class "A" Stockholders of the Corporation. Such annexation shall be evidenced by the filing for record in the DeKalb County, Tennessee Register's Office of a Subsequent Amendment in respect to the Properties being annexed. Any such Subsequent Amendment shall be signed by an officer of the Corporation, and by the owner of the real estate being annexed, and any such annexation shall be effective upon filing, unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Class "A" Stockholders of the Corporation, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Corporation for regular or special meetings, as the case may be.

ARTICLE IX

Rights and Obligation of the Corporation

In addition to the powers delegated to it by the Charter, the Corporation shall have the obligation to perform each of the following duties:

Section 1. Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area and all Lots owned by the Corporation, together with all easements for operation and maintenance purposes and for the benefit of the Corporation or its Stockholders over and within the Common Area; to keep all improvements, if any, of whatever purpose from time to time located thereon or appurtenant thereto in good order, condition, and repair.

Section 2. Water and Other Utilities. To acquire, provide, and/or pay for, water, sewerage, garbage disposal, electrical, telephone, gas, and other necessary utility services for the Common Area, all as the Board deems appropriate.

Section 3. Taxes and Assessments. To pay all real and personal property taxes and assessments separately levied upon or assessed against the Corporation and/or the property owned by the Corporation. Such taxes and assessments may be contested or compromised by the Corporation; provided, however, that they are paid or

a bond in an amount at least equal to such taxes and assessments is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes or assessments.

Section 4. Insurance. To obtain from reputable insurance companies qualified to do business in the State of Tennessee, and maintain in force at all times, such insurance as is required or permitted by this Declaration.

Section 5. Right of Entry. The Corporation shall have the right to enter onto any Lot or structure thereon to prevent damage to such Lot or structure, or surrounding Lots or structures, by fire, criminal act, natural disaster, and for other similar emergency, security, and safety purposes, which right may be exercised by the Corporation's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. The Corporation shall also have the right to enter upon and inspect any Lot for the purpose of ascertaining whether the provisions of this Declaration are being or have been complied with. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include the right of the Corporation to enter a Lot or improvement thereon to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 6. Personal Property and Real Property for Common Use. The Corporation, through its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property.

Section 7. Rules and Regulations. The Corporation, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties which are subject to this Declaration, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws. In addition, the Corporation, through the Board, may, by contract or other agreement, enforce county ordinances or permit DeKalb County to enforce ordinances on the Properties for the Benefit of the Corporation and its Stockholders.

Section 8. Implied Rights. The Corporation may exercise any other right or privilege given to it expressly by this Declaration, its Charter, or By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE X

Assessments

Section 1. Creation of Assessments. There are hereby created Assessments for Common Expenses as may be from time to time specifically authorized by the Board of Directors. The Annual Assessment shall be allocated among all Lots and shall be for expenses determined by the Board to be for the benefit of the Properties or the Corporation. Each Owner, by acceptance of his or her deed, is deemed to covenant and agree to pay these assessments. No assessments shall be levied with respect to Lots owned by the Corporation.

All such assessments, together with interest, costs, and reasonable attorneys' fees, all as hereafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees as maybe due hereunder, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Corporation is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for which assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in Section 2. The Corporation is specifically authorized to enter into subsidy contracts for the payment of some portion of the Common Expenses. Such contract or contracts shall be for the benefit of and enforceable by the Corporation and its Stockholders.

Section 2. Computation of Annual Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of the Assessment Year and thirty (30) days prior to the meeting at which the budget shall be presented to the Stockholders, to prepare a budget covering the estimated costs of operating the Corporation during the coming Assessment Year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Board shall cause a copy the budget, and the amount of the Assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the Assessments shall be adopted by the Board unless disapproved at the meeting by a vote of at least a majority of the Class "A" Stockholders.

Notwithstanding the foregoing, however, in the event the Class "A" Stockholders disapprove the proposed budget, or the Board fails for any reason so to determine the budget for the succeeding Assessment Year, then and until such time as a budget shall

have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding Assessment Year.

The Annual Assessment shall be computed by first determining a base assessment (the "Base Assessment") for Lots which are unimproved, whether or not serviced by utilities. The Annual Assessment for each improved Lot shall be two hundred percent (200%) of the Base Assessment. In the event that a Lot Owner owns more than one Lot, the maintenance fees for additional undeveloped Lots shall be reduced from the Base Rate by the following amounts: 50% for the first additional Lot; 60% for the second additional Lot; 70% for the third additional Lot; 80% for the fourth additional Lot; 90% for the fifth additional Lot; and no maintenance fee for the sixth and additional Lots.

An Owner shall be liable only for that prorata portion of an Assessment attributable to the period during which he owned a particular Lot during the Corporation's Assessment Year. In the event that a Lot is sold, the prorated assessment attributable thereto shall be adjusted, if necessary, to reflect the number of other Lots owned by said Lot Owner.

Section 3. Special Assessments. In addition to the Annual Assessments authorized above, the Board may levy, during any Assessment Year, but in no event prior to the first annual meeting of the Stockholders, Special Assessments, applicable only to that Assessment Year, to be used solely to defray, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto; provided, however that any Special Assessment shall be approved by vote of fifty-one percent (51%) of the Stockholders present, either in person or by proxy, and entitled to vote at a meeting of the Stockholders of the Corporation called for such purpose at which a quorum is present. Special Assessments shall be allocated among Owners in the same manner as provided in Section 2 of this Article for Annual Assessments.

Section 4. Payment of Assessments. Annual Assessments shall be payable in one payment due on March 1 of each year. Each Owner shall be liable only for that prorata portion of an Assessment attributable to the period during the Corporation's Assessment Year during which he owns a particular Lot. In the event that an Owner sells a Lot or Lots upon which no Annual Assessment for the then Assessment Year of the Corporation has been paid, the prorata portion of the Annual Assessment attributable to said Owner's ownership shall be due and payable upon the closing of such sale and, if not then paid, shall become the joint and several liability of the buyer and seller. Special Assessments shall be payable on such dates as may be set by the Board and approved by the Class "A" stockholders, and, upon the sale of a Lot, shall be prorated and paid as provided above for Annual Assessments.

Section 5. Annual Reports. The Board shall cause an annual report of the accounts of the Corporation to be prepared annually by a certified public accountant, which annual report shall set forth the receipts and expenditures of the Corporation. A

copy of the annual report shall be furnished to each Stockholder not later than one hundred twenty (120) days following the close of the Assessment Year for which the report is made.

Section 6. Default. Assessments shall be deemed to be in default if not paid within fifteen (15) days after the due date therefore. Assessments in default shall bear interest at the rate of fifteen percent (15%) per annum or such other rate as the Board may determine, but in no event higher than the maximum rate permitted by law. All payments on account shall be applied first to interest and then to the assessment payment first due. Upon default, the Corporation shall acquire a lien on the Lot on which the assessment is due, as hereinafter provided, and shall be entitled to recover interest, its costs of collection, and reasonable attorneys' fees. The Board may temporarily suspend the voting rights of a Stockholder who is in default in the payment of an assessment after notice and hearing.

Section 7. Initial Assessment. The initial Annual Assessment shall be due and payable to the Corporation on or before April 15, 1984 and shall not exceed the following:

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|-----|-----------------|----------|
| (a) | Improved Lot: | \$605.00 |
| (b) | Unimproved Lot: | \$302.50 |

Section 8. Lien for Assessments. To secure the payment of any Assessment, together with interest, costs and attorneys' fees in connection with the collection thereof, a lien is expressly retained in favor of the Corporation on each and every Lot. The Corporation may also pay any and all unpaid real and personal property taxes or other charges assessed against a Lot and obtain a lien against the Lot for such charges. Such lien shall be prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

For the purpose of rendering unnecessary court proceedings for the enforcement of said lien in the event of the nonpayment of Assessments, and for the consideration of one dollar paid in cash, receipt of which is acknowledged, the Owners, their heirs, successors, administrators, and assigns, hereinafter referred to as "Trustors", hereby transfer and convey unto David B. Johnson, Trustee, his successors and assigns, their respective Lots with the appurtenances, estate, title and interest thereto belonging upon the use and trusts set forth in this paragraph.

If the Trustor shall pay the Assessment when due, then this trust conveyance shall be of no further force or effect with respect to such Trustor's Lot. If the Assessments with respect to any Lot are not paid promptly when due, this trust conveyance shall remain in full force and effect, and the said Trustee, or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days notice by

three publications in any newspaper, daily or weekly, published in DeKalb County, Tennessee to sell said Lot at the front door of the Court House in said County to the highest bidder for cash, at public outcry, free from the equity of redemption, homestead, dower and all exemptions of every kind, which are hereby expressly waived; and the said Trustee, or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser. The Corporation may bid at any sale under this trust conveyance. The Corporation may, at any time after default in the payment of any Assessment, enter and take possession of said property, and shall only account for the net rents actually received by it. It is further agreed that, in the event the Corporation fails, before instructing Trustee to sell said Lot, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In the case of sale hereunder, the proceeds will be applied by the Trustee as follows:

(1) First, to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, including reasonable attorneys' fees and expenses incurred for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien;

(2) Second, to the payment of all taxes which may be unpaid with respect to such lot;

(3) Third, to the payment of all unpaid Assessments with respect to such lot;

(4) Fourth, the residue, if any, will be paid to the Owner of such Lot, his order, representatives, or assigns;

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

The Corporation, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Where the purchase of a foreclosure Lot will result in a five (5%) or greater increase in Assessments, as determined by the Board in its sole and absolute discretion, the purchase shall require the vote of fifty-one percent (51%) of the Stockholders present, either in person or by proxy, and entitled to vote at a meeting of the Stockholders called for such purpose at which a quorum is present. During the period that a Lot is owned by the Corporation following foreclosure: (1) no right to vote shall be exercised on its behalf; (2) no Assessment shall be assessed or levied on it; and (3) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not

been acquired by the Corporation as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses, costs and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 9. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Corporation, as shown on the capital budget, with respect both to amount and timing by Annual Assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each Stockholder in the same manner as the operating budget.

Section 10. Certificate of Payment. The Board shall upon request and for a reasonable charge not to exceed \$25.00, furnish to any Person a certificate, signed by an officer of the Corporation, setting forth whether or not all Assessments, whether Annual or Special, on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

ARTICLE XI

Architectural Standards

The Board of Directors shall approve all plans and specifications for improvements to Lots prior to commencement of construction thereof. The Board may appoint a committee of not less than three (3) persons who are Class "A" Stockholders to perform this duty. All improvements shall be in compliance with the restrictions hereinafter set forth. In the event the Board or committee fails to approve or to disapprove such plans or specifications, or to request additional information reasonably required, within forty-five (45) days after submission, the plans and specifications shall be deemed approved. The Board shall have the authority and standing to enforce in courts of competent jurisdiction the decisions of the Board or committee hereunder.

ARTICLE XII

Use Restrictions

Section 1. In addition to all other covenants contained herein, the use of the Properties is subject to the following:

(a) Residential Use. Except as otherwise provided in this Declaration, each Lot shall be used for residential and no other purposes. There shall not be constructed or maintained upon any Lot any duplex or multi-unit structure. Except as otherwise

provided in this, Declaration, the Common Area shall be used for recreational, social, and other purposes directly related to the single-family use of the Lots authorized hereunder.

(b) Maintenance of Lots. Each Owner shall maintain his Lot and all improvements thereto and shall keep same in a clean, sanitary, and attractive condition. Each Owner shall keep his Lot free from rubbish, litter, and noxious weeds and undergrowth.

(c) Easement to Make Repairs. Each Lot shall be subject to an easement for access to make necessary repairs upon said Lot or any adjoining Lot, or to enforce the restrictions hereunder, provided, however, that:

(1) Any damage caused by such entry shall be repaired at the expense of the Owner whose Lot was the object of the repair work that lead to such entry;

(2) Any such entry shall be made only at reasonable times and with as little inconvenience as possible to the Owner of the entered Lot;

(3) In no event shall said easement be deemed to permit unauthorized entry into the interior portions of any residence.

(d) Signs and Billboards. No sign or billboard of any kind shall be displayed to the public view on any Lot or portion of the Common Area, except for (1) directional or informational signs, established by the Corporation, and (2) signs used by Corporation, or by an Owner to advertise the Properties or an individual Lot for sale, provided such signs are located on the Common Area, if placed by the Corporation, or on the Lot being advertised, if placed by an Owner or by the Corporation with respect to said Lot. Signs placed on Lots may not exceed five (5) square feet in size and must be used solely to advertise for sale of the Lot on which they are erected.

(e) Quiet Enjoyment. No noxious or offensive activity shall be carried on, in or upon any Lot or any part of the Properties, nor shall anything be done thereon that may be or may become an annoyance, nuisance, danger, or hazard to the development, that shall interfere in any way with each Owner's quiet enjoyment of his respective Lot, or that shall increase the rate of insurance in any way.

(f) Temporary Structures. No structure of a temporary character or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently. No trailer, camper, boat, or similar equipment shall be permitted to remain upon or within the common Area unless on a space designated for such use by the Corporation. The Corporation and its agents shall have the right to conduct any business necessary for the sale of Lots, including showing Lots and maintaining a sales office on the Common Area. In furtherance thereof Corporation shall have an easement over all of the Common Area for ingress, egress, and parking for itself, its agents, employees, and prospective buyers of Lots.

(g) Animals. No animals, reptiles, rodents, livestock, birds, fish, or poultry of any kind shall be raised, bred, or kept in or on any Lots except that dogs, cats or such other household pets may be kept on Lots, provided such pets are not kept, bred, or maintained for any commercial purposes or in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept on any Lots if such keeping results in an annoyance or is obnoxious to residences in the vicinity. In any event, each Owner shall be absolutely liable to all remaining Owners, their families, guests, invitees and tenants and to the Corporation for any and all damage to person or property caused by any pets brought or kept in or upon any Lot or on the Common Area by any Owner or by members of his family, tenants, guests or invitees. Upon the written request of any Owner the Board shall determine conclusively, in its sole and absolute discretion, whether, for the purpose of this Paragraph (g) a particular species of animal, bird, fowl, poultry, or livestock is a generally recognized house or yard pet or a nuisance, or whether the number of animals or birds is reasonable.

(h) Garbage Collection. All rubbish, trash, and garbage shall be removed regularly from Lots by the Owners thereof and shall not be allowed to accumulate thereon. No part of the Properties shall be used or maintained as a dumping ground for garbage, trash, or other waste. Trash, garbage, and other waste shall not be kept in front of a dwelling or in any other place which would be detrimental to the appearance of the premises or the health of the community.

(i) Taxes and Utilities. Each Owner shall pay any and all real and personal property taxes or charges assessed against his respective Lot and the utility charges for said Lot.

(j) Trade or Business. Subject to the provisions of Paragraph (d) of this Article XII, no gainful profession, occupation, trade or other nonresidential use shall be conducted in any Lot or upon the Common Area of any portion thereof, provided that this restriction shall not prohibit consultations, conferences, or the transaction of business by telephone or other electronic devices.

(k) Compliance with Laws, Ordinances, etc. Each Owner shall comply promptly with all laws, statutes, ordinances, rules, and regulations of federal, state or municipal governments or authorities applicable to use, occupancy, construction, and maintenance of any improvements upon the lots.

(l) Size of House. No one story main building hereafter erected or structurally altered shall have a foundation area of less than six hundred fifty (650) square feet excluding garage and porches, said measurements to be made at the outside wall.

(m) Subdivision. Every dwelling hereafter erected or structurally altered shall be erected on a minimum Lot area of not less than that prescribed in the above described subdivision plat. No Lot or part of a Lot shall be re-subdivided, nor shall a fractional part of any Lot be sold, transferred, or otherwise conveyed.

(n) Vehicles and Equipment. The following restrictions will apply to vehicles and equipment:

(1) All industrial and commercial type equipment used in connection with construction shall be promptly removed from the premises following completion and shall not thereafter be stored or kept on the Lot or the Common Area.

(2) There will be no industrial, commercial or farm equipment, buses, mobile homes, junk or inoperative or unlicensed automobiles or trucks or parts thereof, houseboats or any other items that would mar the beauty, peace, and enjoyment of the development stored or kept on any Lot, roadway, or on the Common Area.

(3) The restrictions on storing and keeping vehicles and equipment shall not apply to necessary construction equipment during construction of improvements, to usual and ordinary tools, equipment and recreational items ordinarily used and useful on residential resort property or by the occupants thereof, automobiles, jeeps, motorcycles, or operable pick-up trucks used by occupants of a residence or their guests. The restrictions on storing and keeping vehicles shall further not apply to pick-up truck campers and bus type campers, camp trailers, boats up to twenty-five feet in length on boat trailers, owned and maintained for purely recreational purposes. No more than two visible vehicles shall be stored or parked on a lot at any given time, except for temporary guests of a Lot Owner.

(o) Easements and Rights of Way. The Corporation expressly reserves the right to cancel or amend any existing easements or rights of way as shown on any plan and to create new easements or rights of way; provided, that no such cancellation or amendment of existing easements or rights of way or creation of new easements or rights of way shall be made without the approval of the appropriate governmental authority, if required; provided further, however, that no such cancellation, amendment, or creation of any easement or right of way shall deprive any adjoining or abutting Lot Owner of his or her enjoyment or use of such easement or right of way as then existing in favor of such property.

(p) Roads and Improvements. The right is expressly reserved to the Corporation to construct all streets, roads, or other public ways as now are, or hereafter may be, shown on any plan of subdivision, at such grades or elevations as it, in its sole discretion, may deem proper. For the purpose of constructing, repairing, or maintaining such streets, roads, or public ways, they additionally shall have an easement, not exceeding ten (10) feet in width or such width as may be specified on the recorded subdivision plat, upon and along each adjoining Lot, for construction, repair, and maintenance, and for the construction of proper slopes in accordance with the specifications of the governmental authority having jurisdiction over the construction of public roads. No Owner of any Lot shall have any right of action or claim for damages against anyone on account of the grade or elevation at which such road, street, or public way may hereafter be constructed, or on account of the bank slopes constructed

within the limits of said easement. The Corporation shall have the right, upon the approval of the Board, to dedicate any and all private roads owned by it to the appropriate governmental authority, together with all easements appurtenant thereto.

(q) Hunting. There shall be no hunting of birds or animals with guns, bows and arrows, traps or any other devices and no discharge or firing of any firearms on any of the Properties.

(r) Setback Lines. No building or any part thereof, including garages and porches, shall be erected on any Lot closer than ten (10) feet to any Lot line. Where two or more Lots are acquired as a single building site, the Lot lines for purpose of the Paragraph shall refer only to those Lot lines bordering the adjoining property Owner. The Board of Directors shall have the right to permit reasonable modifications of these setback requirements.

(s) Filling in and Removing. No Lot shall be changed so as to affect materially the surface elevation or grade of the surrounding Lots without the prior approval of the surrounding Lot Owners. No rock, gravel, dirt, or clay shall be excavated or removed from any Lot for commercial purposes.

(t) Septic Tanks. Septic tanks and drain fields shall comply in all ways with any rules or regulations of appropriate governmental authorities and shall be of sufficient size and construction as to service adequately the structure for which they are utilized.

Section 2. The provisions of paragraphs (a), (1), and (R) of Section 1, above, shall not apply to houses or structures which were built, or upon which substantial construction occurred, as of the effective date of these restrictions, but shall apply to new construction thereon which was begun subsequent to the effective date of this Declaration.

Section 3. In the event that an Owner fails to comply with the provisions of Section 1 of this Article XII, the Board may notify such Owner in writing of such lack of compliance, which notice shall specify the nature of such lack of compliance. If, within thirty (30) days following receipt of any such notice, such Owner (1) fails to remedy such lack of compliance and (2) fails to deliver written notice to the Board requesting a hearing before the Board with regard to the matters of non-compliance set forth in such notice, the Corporation may enter in or upon such Owner's Lot for the purpose of remedying the matters set forth in such notice and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall promptly hold a hearing and shall provide the Owner with at least fourteen (14) days' prior written notice concerning the date, time, and place thereof. At the hearing, the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Board's original notice of noncompliance and the Board will determine what action, if any, is to be taken by the Owner. The decision of a majority of the members of the Board present at the hearing will be binding on the Corporation and the Owner, provided that a quorum is present. In the event that it is determined that the

Owner has not complied with the provisions of Section 1 of the Article XII, the Board shall establish a reasonable time within which the Owner shall so comply. If the Owner fails to comply within such time period, the Corporation may enter in or upon the Owner's Lot for the purpose remedying such matters and shall not be liable for trespass in connection therewith. The cost of remedying an Owner's failure to comply with the provisions of Section 1 of this Article XII shall be assessed to the Owner by the Board. Such assessment shall be due and payable thirty (30) days from the date of written notice thereof and shall be collected and enforced in the manner provided in Article X of this Declaration.

Section 4. Notwithstanding any restrictions herein contained to the contrary, the Corporation shall have the right to develop the Common Area and any Lots owned by the Corporation, including but not limited to the construction, development, maintenance, and operation of commercial, recreational, and multi-unit residential facilities. Such development shall not be subject to the size or other restrictions set forth above, and shall be in such a manner and extent as the Board may determine.

ARTICLE XIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Corporation or the Owner of any Properties subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by 51% of the then Owners, has been recorded agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

Section 2. Amendment. The Corporation may amend this Declaration at any time prior to the earlier of (a) the recording of the deed conveying the first Original Lot to an Owner unaffiliated with Corporation, or (b) the recording of a Subsequent Amendment adding an Additional Lot. After the recording of such deed or Subsequent Amendment, this Declaration may be amended only by the affirmative vote (in person or by proxy) of a majority of the Class "A" Stockholders. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Register's Office of DeKalb County, Tennessee, and shall be effective when recorded unless otherwise provided therein.

Section 3. Indemnification. The Corporation may indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having

been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation (except to the extent that such officers or directors may also be members of the Corporation), and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Corporation may, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available, as the Board may determine.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Corporation, his or her right of enjoyment to the Common Area and facilities to the members of his or her family, tenants, and social invitees, subject to such rules and regulations as the Board may establish.

Section 5. Easements for Utilities, Etc. There is hereby reserved to the Corporation the power to grant blanket easements upon, across, over, and under all of the Properties for ingress, egress, installation, replacing, repairing, and maintaining master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, telephones, gas, and electricity. The Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any Properties described in Exhibit "A" or that may be annexed in accordance with Article VIII of this Declaration.

The Corporation hereby reserves unto itself, or its duly authorized agents and representative, such easements as are necessary to perform the duties and obligations of the Corporation as set forth in this Declaration, the Charter, and By-Laws.

Notwithstanding anything herein expressly or impliedly to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Corporation for the installation and maintenance of utilities and drainage facilities necessary for the development of the Properties.

Whenever sanitary sewer connections, water connections, or electricity, gas, or telephone lines are installed within the Properties, which connections or any portion thereof lie in or upon Lots owned by Owners other than the Owners of the Lots served by said connections, the Owner of any Lots served by said connections shall have the right, and hereby is granted an easement to the full extent reasonably necessary therefore, to enter upon or have the utility companies enter upon the Lots or Common Area upon which said connections, or any portion thereof, lie for the purpose of repairing, replacing, and generally maintaining said connections as and when the same may be necessary.

Whenever sanitary sewer connections, water connections, or electricity, gas, or telephone lines are installed within the Properties, which connections serve more than one Lot, the owner of each Lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Lot.

In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon the written request to the Corporation of any one of such Owners, the matter shall be submitted to the Board, which shall decide the dispute and make an assessment against any or all of the Owners involved, which assessment shall be collected and enforced in the manner provided by Article X of this Declaration.

Each of the easements provided for in this Declaration shall be deemed established upon the recordation of this Declaration and thenceforth shall be deemed covenants running with the land for the use and benefit of the Lots and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Properties. In furtherance of the easements provided for in this Declaration, the individual deeds to Lots may, but shall not be required to, set forth said easements.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 7. Notice. Any notices or other matters sent to Owners or Stockholders shall be deemed delivered if mailed, postage prepaid, to the last known address provided to the Corporation by such Owner or Stockholder.

ARTICLE XIV **Obligation to Rebuild**

Section 1. Damage and Destruction --- Duty to Rebuild. If all or any portion of any structure or other improvement located on a Lot is materially damaged or destroyed by vandalism, malicious mischief, fire, windstorm, or other casualty, the Owner of said Lot shall (a) rebuild, repair, or reconstruct said improvement in a manner that will restore it substantially to its appearance and condition immediately prior to the casualty; or (b) restore that portion of the Lot on which the affected improvement is situated to its natural state.

Section 2. Time Limitation. The Owner of any damaged improvement shall be obligated to proceed with all due diligence and commence reconstruction or restoration within forty-five (45) days after the damage occurs and to complete reconstruction or restoration within eight (8) months after the damage occurs for any major structural

damage and within sixty (60) days for any minor non-structural damage, unless prevented by causes beyond their reasonable control, except that disputes concerning insurance coverage shall not be deemed as an adequate cause for delay.

ARTICLE XV
Mortgagees' Rights

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots in the Four Seasons development. To the extent applicable, necessary, or proper, the provisions of this Article XV apply to both this Declaration and to the By-Laws of the Corporation. Where indicated, these provisions apply only to "eligible holders", as hereinafter defined.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Corporation (such request to state the name and address of such holder, insurer, or guarantor and the identity of the Lot or Lots concerned, (therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any proposed termination of the Corporation;

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

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

(d) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Corporation.

IN WITNESS WHEREOF, the undersigned Corporation has executed this Declaration this 8th day of March, 1984.

FSD CORPORATION

By: Signature of David B. Johnson

Its: President

Signature of Warren Seeley

Attest

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, Robert L. Scruggs, a Notary Public in and for the County and State aforesaid, personally appeared David B. Johnson, with whom I am personally acquainted, and who upon oath acknowledged himself to be President of FSD Corporation, the within named bargainer, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal, at office in Nashville, Tennessee, this the 8th day of March, 1984.

Signature of Robert L. Scruggs
NOTARY PUBLIC

My Commission Expires 7/1/87