

*File - Deen
Smoot*

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR COUNCIL FIRE

This Instrument Prepared By:
Brian E. Humphrey
Miller & Martin
Suite 1000, Volunteer Building
Chattanooga, Tennessee 37402
(615) 756-6600

11/26/90 MISC

288.00

**288.00 C

CK# 1116

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
ARTICLE I - DEFINITIONS	
1.01 Architectural Review Committee	2
1.02 Association	2
1.03 Board of Directors or Board	2
1.04 Bylaws	2
1.05 Club	2
1.06 Common Expense	2
1.07 Common Properties	2
1.08 Covenants	3
1.09 Declaration	3
1.10 Developer	3
1.11 Development Unit Parcels	3
1.12 Dwelling Unit	3
1.13 First Mortgage	3
1.14 First Mortgagee	3
1.15 Horizontal Property Regime	3
1.16 Manager	4
1.17 Master Plan	4
1.18 Member or Members	4
1.19 Mortgage	4
1.20 Mortgagee	4
1.21 Neighborhood Area	4
1.22 Owner	4
1.23 Private Recreational Tract	5
1.24 Property or Properties	5
1.25 Recorders	5
1.26 Residential Lot or Lot	5
1.27 Townhouse Tract	6
1.28 Undeveloped Land	6
1.29 Unsubdivided Land	6
1.30 Record or To Record	6
ARTICLE II - PROPERTIES, COMMON PROPERTIES AND IMPROVEMENTS THEREON	
2.01 Property	6
2.02 Additions to Property	7
2.03 Mergers	8
2.04 Common Properties and Improvements Thereon	8
ARTICLE III - PURPOSES, USES AND RESTRICTIONS	
3.01 Application	9
3.02 Residential Use	9

3.03	No Multi-Family Residences, Business, Trucks	9
3.04	Minimum Square Footage	10
3.05	Set-Backs	10
3.06	Rearrangement of Lot Lines	10
3.07	Temporary Structures	11
3.08	Completion of Construction	11
3.09	Utility Easement	11
3.10	Frontal Appearance	11
3.11	Building Requirements.	11
3.12	Fences	12
3.13	Driveways.	12
3.14	Curbs.	12
3.15	Signs.	12
3.16	Service Area	12
3.17	Garages.	13
3.18	Landscaping.	13
3.19	Windows.	13
3.20	Animals.	13
3.21	Zoning	13
3.22	Unightly Conditions	13
3.23	Offensive Activity	14
3.24	No Detached Buildings.	14
3.25	Sewage Disposal.	14
3.26	Permitted Entrances.	14
3.27	Tree Removal	14
3.28	Tanks and Garbage Receptacles.	14
3.29	Wells.	14
3.30	No Antennas.	14
3.31	Excavation	15
3.32	Sound Devices.	15
3.33	Laundry.	15
3.34	Mailboxes.	15
3.35	Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction	15
3.36	Vehicle Parking.	16
3.37	Maintenance.	16
3.38	Approved Builders	16
3.39	Violations and Enforcement	16

ARTICLE IV - SPECIAL DEFINITIONS AND RESTRICTIONS AFFECTING GOLF COURSE AND GOLF FAIRWAY RESIDENTIAL AREAS

4.01	Golf Course Defined.	17
4.02	Golf Fairway Residential Areas Defined	17
4.03	Landscape Requiements.	17
4.04	Golf Course Maintenance Easement	17
4.05	Golf Tournament Easement	17
4.06	Golf Course, Ingress, Egress, and Utility Easements.	18
4.07	Permissive Easement Prior to Dwelling Construction	18
4.08	Distracting Activity Prohibited.	18

4.09	Reserved Approval Rights	18
ARTICLE V - SPECIAL RESTRICTIONS AFFECTING ALL WATERFRONT AND WOODED AREAS		
5.01	Prohibition on Docks and Decks	18
5.02	Waterway Use	19
5.03	Entry Not Trespass	19
5.04	Lake, Pond or Waterway Failure	19
ARTICLE VI - ARCHITECTURAL CONTROL		
6.01	Architectural and Design Review.	19
6.02	Approval Standards	20
6.03	Exterior Completion.	21
ARTICLE VII - ASSESSMENTS		
7.01	Creation of the Lien and Personal Obligation of Assessments.	21
7.02	Purpose of Assessments	21
7.03	Amount of Annual Assessment.	21
7.04	Special Assessments for Improvements and Additions.	22
7.05	Property Subject to Assessment	22
7.06	Exempt Property.	22
7.07	Date of Commencement of Annual Assessments	23
7.08	Lien	23
7.09	Lease, Sale or Mortgage of Lot	23
ARTICLE VIII - MORTGAGES, MORTGAGEES AND PROCEDURES AND RIGHTS RELATING THERETO		
8.01	Register of Owners and Mortgages	24
8.02	Subordination of Lien to First Mortgages	24
8.03	Amendments	25
8.04	Extension of Benefits to Other Mortgagees.	25
8.05	Mortgagees' Approval of Certain Actions.	25
8.06	Notice of Default to First Mortgagees.	25
8.07	Examination of Books	25
ARTICLE IX - OWNER COMPLAINTS		
9.01	Scope.	26
9.02	Grievance Committee.	26
9.03	Form of Complaint.	26
9.04	Consideration by the Committee	26
9.05	Hearing Before the Committee	26
9.06	Questions of Law	26
9.07	Questions of Fact; Arbitration	26
9.08	Exclusive Remedy	27
9.09	Expenses	27

ARTICLE X - REMEDIES ON DEFAULT

10.01	Scope	27
10.02	Grounds for and Form of Relief	27
10.03	Recovery of Expenses	27
10.04	Waiver	27
10.05	Election of Remedies	28

ARTICLE XI - EMINENT DOMAIN

11.01	Board's Authority	28
11.02	Notice to Owners and Mortgagees	28
11.03	Reimbursement of Expenses	29

ARTICLE XII - GENERAL PROVISIONS

12.01	Duration	29
12.02	Amendments	29
12.03	Notices	30
12.04	Severability	31
12.05	Captions	31
12.06	Use of Terms	31
12.07	Interpretation	31
12.08	Law Governing	31
12.09	Effective Date	31

SIGNATURES	32
----------------------	----

EXHIBIT "A": Property subject to the Declaration

EXHIBIT "B": Property owned by the Developer that may become subject to the Declaration

EXHIBIT "C": Bylaws for Council Fire Residential Association, Inc.

DECLARATION OF COVENANTS AND RESTRICTIONS FOR
COUNCIL FIRE

THIS DECLARATION made this 26th day of November, 1990, by COUNCIL FIRE, L.P., a Delaware limited partnership (herein "Developer").

W I T N E S S E T H:

WHEREAS, Developer, as owner of certain real property located in Hamilton County, Tennessee, and Catoosa County, Georgia, desires to create thereon a development known as COUNCIL FIRE (sometimes herein "Development"), the first phase of which shall be constructed upon a portion of the real property located in Hamilton County, Tennessee, as more particularly described in Exhibit "A" attached hereto (herein "Property"); and

WHEREAS, Developer desires to provide for the preservation of the land values and home values when and as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create an entity to which should be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereinafter defined) and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WHEREAS, Developer has caused or will cause to be incorporated under the laws of the State of Tennessee, COUNCIL FIRE RESIDENTIAL ASSOCIATION, INC., a Tennessee corporation not for profit, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, the Developer subjects the real property described in Article II, and such additions thereto as may hereafter be made, to the terms of this Declaration and declares that the same is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof.

ARTICLE I
DEFINITIONS

The following words and terms, when used in this Declaration, or any Supplemental Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.01 Architectural Review Committee. "Architectural Review Committee" shall mean and refer to that Committee formed and operated in the manner described in Section 6.01 hereof.

1.02 Association. "Association" shall mean COUNCIL FIRE RESIDENTIAL ASSOCIATION, INC., a Tennessee corporation not for profit.

1.03 Board of Directors or Board. "Board of Directors" or "Board" shall mean the governing body of the Association established and elected pursuant to this Declaration.

1.04 Bylaws. "Bylaws" shall mean the Bylaws of the Association, the initial text of which is set forth in Exhibit "C" attached hereto and made a part hereof.

1.05 Club. "Club" shall mean and refer to The Course at Council Fire, Inc., a Tennessee not-for-profit corporation. The Club's sole purpose is to utilize a private recreational club under a right-to-use agreement strictly for the use and benefit of its members and their guests and guests of the Developer. Generally, the Club intends to utilize The Course at Council Fire, Inc. facilities at such time in the future as when the club facilities are fully developed. The Developer is the owner and developer of The Course at Council Fire, Inc. It is contemplated that the Club facilities will consist of various recreational facilities which will include a regulation length 18-hole golf course, tennis courts, a swimming pool, and a Club House.

1.06 Common Expense. "Common Expense" shall mean and include (a) expenses of administration, maintenance, repair or replacement of the Common Properties; (b) expenses agreed upon as Common Expenses by the Association; (c) expenses declared Common Expenses by the provisions of this Declaration; and (d) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration.

1.07 Common Properties. "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated as a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying dwelling places or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors

of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such Lease. The Common Properties shall include but not be limited to street lights, entrance and street signs, and landscaping easement areas.

1.08 Covenants. "Covenants" shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.

1.09 Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions for COUNCIL FIRE and any Supplemental Declaration filed pursuant to the terms hereof.

1.10 Developer. "Developer" shall mean Council Fire, L.P., a Delaware limited partnership, and its successors and assigns.

1.11 Development Unit Parcels. "Development Unit Parcels" shall mean and refer to those parcels or tracts of land conveyed by the Developer to third parties under covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Residential Lots or Multi-family Tracts.

1.12 Dwelling Unit. "Dwelling Unit" shall mean any building situated upon the Properties designated and intended for use and occupancy by a single family, including any single-family detached dwelling, carriage home, condominium unit, or townhouse unit located within the Property.

1.13 First Mortgage. "First Mortgage" shall mean a recorded Mortgage with priority over other Mortgages.

1.14 First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.

1.15 Horizontal Property Regime. "Horizontal Property Regime" shall mean and refer to the legal entity established under the laws of Tennessee or Georgia in which owners of a single-family dwelling, lodging, or commercial unit in a multi-unit building, buildings, or structure own such unit directly and hold a co-ownership with other unit holders of the Regime Common Property areas and facilities held in common by the Regime for all Owners of the multi-unit complex. The instruments creating a Horizontal Property Regime within the Property shall be submitted prior to recordation and prior to sale of units to the Developer for its review. For the Horizontal Property Regime instrument to be valid, there must be an instrument indicating the Developer's approval of such Horizontal Property Regime instruments, which is executed by the Developer and which is recorded with the Recorders simultaneously with the official filing for record of such Regime legal documents with the Recorders.

1.16 Manager. "Manager" shall mean a person or firm appointed or employed by the Board to manage the daily affairs of the Association in accordance with instructions and directions of the Board.

1.17 Master Plan. "Master Plan" shall mean and refer to the drawing which represents the conceptual land plan for the future development of Council Fire. Since the concept of the future development of the undeveloped portions of Council Fire is subject to continuing revision and change at the discretion of the Developer, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants shall arise with respect to lands which have been retained by the Developer for future development except that all the covenants, restrictions, obligations and conditions set forth in this Declaration shall apply to all portions of the Property retained by the Developer. THIS DECLARATION DOES NOT DESIGNATE ANY PORTION OF THE PROPERTY FOR ANY PARTICULAR USE, SUCH DESIGNATION TO BE MADE BY SEPARATE SUBSEQUENT DECLARATION OR BY RECORDED PLAT WITH SUCH DESIGNATION CLEARLY AND UNEQUIVOCALLY SHOWN THEREON. THE DEVELOPER SHALL NOT BE BOUND BY ANY DEVELOPMENT PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN.

1.18 Member or Members. "Member" or "Members" shall mean any or all Owner or Owners who are Members of the Association.

1.19 Mortgage. "Mortgage" shall mean a deed of trust or deed to secure debt, as well as a Mortgage.

1.20 Mortgagee. "Mortgagee" shall mean a beneficiary, creditor, or holder of a deed of trust or a deed to secure debt, as well as a holder of a Mortgage.

1.21 Neighborhood Area. "Neighborhood Area" shall mean and refer to a parcel or tract of land which is intended for, and has been subdivided for, use as a site for Dwelling Units, whether single-family (detached or attached) or multi-family, and so designated for such use on a recorded subdivision plat of "Residential Lots" or "Townhouse Tract" in the Offices of the Recorders and which is likewise designated as a Neighborhood Area on such subdivision plat or plats or other recorded instrument referring to such plat or plats. The "Neighborhood Area" shall be comprised of the total number of Residential Lots or Townhouse Dwelling Unit Sites, or combination thereof, within such subdivision or group of such subdivisions designated as a Neighborhood Area.

1.22 Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the Offices of the Recorders, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot, Dwelling Unit, Townhouse Tract, Development Unit Parcel, Unsubdivided Land, or Private Recreational Tract situated upon the Property, but, notwithstanding any applicable theory of a mortgage, shall not mean

or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Offices of the Recorders, a long-term contract of sale covering any Lot or parcel of land within the Property, the Owner of such Lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property. The Developer may be an Owner.

1.23 Private Recreational Tract. "Private Recreational Tract" shall mean and refer to those parcels or tracts of land located within the Property held, operated and/or leased by the Developer and/or conveyed by the Developer to third parties (including, without limitation, parcels or tracts leased to, operated by, or used by the Club), under covenants and restrictions permitted or requiring the development and operation of such property as a private-member recreational facility for golf, tennis swimming or other recreational activity, the membership criteria of which may be totally selected and determined by the governing body of such Private Recreational Tract. Any such Private Recreational Tract shall have imposed upon it covenants running with the land which shall provide such restrictions as are determined by the Developer to reasonably assure aesthetic control regarding the property so transferred or operated.

1.24 Property or Properties. The "Property" or "Properties" shall mean and refer to the Property described in Section 2.01 hereof, and additions thereto, as are subjected to this Declaration or any supplemental declaration under the provisions hereof and may include: (1) Residential Lots; (2) Dwelling Units; (3) Townhouse Tracts; (4) Development Unit Parcels owned by the Developer or other Owners; (5) Unsubdivided Land owned by the Developer or other Owners; (6) Private Recreational Tracts; and (7) Common Properties.

1.25 Recorders. "Recorders" shall mean and refer to the Register of Deeds of Hamilton County, Tennessee and the Clerk of the Superior Court of Catoosa County, Georgia and the respective successors to those offices.

1.26 Residential Lot or Lot. "Residential Lot" or "Lot" shall mean and refer to any unimproved parcel of land located within the Property which is intended for use as a site for a single-family detached dwelling, or a carriage home as shown upon any recorded final subdivision map of any part of the Property. A parcel of land shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

1.27 Townhouse Tract. "Townhouse Tract" shall mean any unimproved parcel of land located within the Property, intended for use as sites for multi-family dwellings including, without limitations, townhouses or condominium regimes. For the purposes of this Declaration, a parcel of land shall not be deemed a "Townhouse Tract" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such Property for multi-family use is recorded in the Offices of the Recorders, and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved Property.

1.28 Undeveloped Land. "Undeveloped Land" shall be land owned by the Developer which is not improved and which has not been designated as Common Property whether subdivided or unsubdivided.

1.29 Unsubdivided Land. "Unsubdivided Land" shall mean and refer to all land in the Property described in Section 2.01, hereof, and additions thereto as are subjected to this Declaration or any supplemental declaration under the provisions hereof, which has not been subdivided into or designated as Residential Lots, Townhouse Tracts, Development Unit Parcels or Private Recreational Tracts, through metes and bounds subdivision plats filed for record in the Offices of the Recorders expressly declaring or labeling such portions of the Property for development as such uses. For the purposes of this Declaration, the following classifications of Property shall not be deemed "Unsubdivided Land" and shall be expressly excepted from the definition thereof:

(1) All lands committed to the Association through express written notification by the Developer to the Association of intent to convey in the manner provided herein.

(2) All lands designated on the Master Plan for intended use, or by actual use if applicable, for outdoor recreation facilities or woodland, marsh and swamp conservancies.

(3) All lands expressly designated in any way as Common Properties.

1.30 Record or To Record. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee and the State of Georgia relating to the recordation of deeds and other instruments conveying or affecting title to real property.

ARTICLE II
PROPERTIES, COMMON PROPERTIES AND
IMPROVEMENTS THEREON

2.01 Property. The real property which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these Covenants, is located in Hamilton County, Tennessee and is more particularly described in Exhibit "A" hereto and additions or amend-

ments thereto. Additionally, any easements on any real property retained by or granted to the Developer or the Association for the purpose of erection and maintenance of entrance signs or street lights, or landscaping and maintenance thereof, shall also be considered Property and subject to these covenants.

The Developer intends to develop the Property in accordance with its Master Plan, as subsequently modified from time to time, as a residential community featuring recreational facilities, various amenities and any other lawful activities which the Developer deems appropriate as uses for such Property. The Developer reserves the right to review and modify the Master Plan at its sole option from time to time based upon its continuing research and design program. The Master Plan shall not bind the Developer, its successors and assigns, to adhere to the Master Plan in the development of the land shown thereon except as to the general location and approximate acreage of the Common Properties. The Developer shall not be required to follow any predetermined sequence or order of improvements and development; and it may bring within the plan of these Covenants additional lands, and develop the same before completing the development of the Property. Other than as stated in this paragraph, the Developer shall have full power to add to, subtract from or make changes in the Master Plan.

2.02 Additions to Property. Additional lands may become subject to, but not limited to, this Declaration in the following manner:

(a) Additions. The Developer, its successors, and assigns, shall have the right, without further consent of the Association, to bring within the plan and operation of this Declaration: (i) all or any part of that property described in Exhibit "B" attached hereto and made a part hereof; and (ii) additional properties in future stages of the Development beyond those described in Exhibit "A" and Exhibit "B" so long as they are contiguous with then existing portions of Council Fire. For purposes of this paragraph, contiguity shall not be defeated or denied where the only impediment to actual "touching" is a separation caused by a road, right-of-way or easement, and such shall be deemed contiguous. The additions authorized under this Section shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property after which it shall fall within the definition of Property as herein set forth.

The Supplementary Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Developer, to reflect the different character, if any, of the added properties and as are not inconsistent with this Declaration, but such modifications shall have no effect on the Property as described in Section 2.01 above.

(b) Other Additions. Upon approval in writing of the Association pursuant to three-fourths (3/4) of the vote of those present in person or by proxy at a duly called meeting, the Owner of any property who desires to add it to the plan of these Covenants and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of the Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and/or modification of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Association, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modification shall have no effect on the Property described in Section 2.01 above.

(c) Separate Associations. For any property subjected to this Declaration pursuant to the provisions of this Section, there may be established by the Developer an additional association limited to the Owners and/or residents of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort, and convenience, to elect representatives on the Board of the Association, to receive from the Association a portion, as determined by the Board of Directors of the Association, of the annual assessments levied pursuant hereto and use such funds for its general purposes, and to make and enforce rules and regulations of supplementary covenants and restrictions, if any, applicable to such additional lands.

2.03 Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration.

2.04 Common Properties and Improvements Thereon. The Developer may install initially one or more entrance signs to the Development. The signs shall become part of the Common Properties when the Developer conveys the signs to the Association, at which time the Association shall become responsible for the operation, maintenance, repair and replacement of the signs. The Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have reserved an easement. These areas shall become Common Properties when conveyed to the Association and the Association shall then become responsible for maintenance of the landscaped areas. Additionally, the Developer may install street lights and/or street signs which likewise will become Common Properties when conveyed to the Association. The Developer

and the Association may add additional Common Properties from time to time as they see fit.

ARTICLE III
COVENANTS, USES AND RESTRICTIONS

3.01 Application. It is expressly stipulated that the Restrictive Covenants and conditions set forth in this Article III apply solely to the Property described in Exhibit "A", which Property is intended for use as Single-Family Residential Lots only. These Restrictive Covenants and Conditions are not intended to apply to any other lots, tracts or parcels of land in the area or vicinity, owned by the Developer. Specifically, the Developer, its successors or assigns, reserve the right to use or convey such other lots, tracts and parcels with different restrictions.

3.02 Residential Use.

A. All of the Lots in the Development shall be, and be known and described as, residential lots, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in these Covenants and Restrictions and in supplements hereto, or except as provided for in a deed of conveyance. Moreover, the deed transferring a parcel to be used for residential purposes may, in the sole discretion of the Developer, among other things, expressly determine and limit the number or density of residential lots, townhouses, condominiums or other residential units applicable to that specific residential parcel. It may also impose height restrictions, minimum parking and landscaping requirements applicable to that specific parcel as well as other specific development constraints.

B. "Residential," refers to a mode of occupancy, as used in contradistinction to "business" or "commercial" or "mercantile" activity and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots as well as to buildings constructed thereon.

C. No Lot may be used as a means of service to business establishments or adjacent property, including but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether or not a part of the Property, unless specifically consented to by Developer or the Board in writing.

3.03 No Multi-Family Residences, Business, Trucks. No residence shall be designed, patterned, constructed or maintained to serve, or for the use of more than one single family, and no residence shall be used as a multiple family dwelling at any time, nor used in whole or in part for any business service or activity, or for any commercial purpose; nor shall any Lot be used for business purposes, or for trucks or other equipment inconsistent with ordinary resi-

dential uses. No panel, commercial or tractor trucks shall be habitually parked in driveways or overnight on streets in front of any of the Lots.

3.04. Minimum Square Footage. No single-family detached dwelling house (which shall not include townhouse or carriage homes) shall be erected or permitted to remain in the Property unless it has the number of square feet of enclosed living area, exclusive of open porches or screened porches, carports, garages or basements, set forth in this section. For the purposes of this section, stated square footage shall mean the minimum floor area required, and floor area shall mean the finished and heated living area contained within the residence, exclusive of open porches, garages, and steps. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Architectural Review Committee shall be final. The minimum number of square feet required is as follows:

(i) A 2-story residence with attached double garage: 1,400 square feet on the first floor of such residence, and a minimum total of 2,800 square feet for entire house;

(ii) A 1-story residence with attached double garage: 2,300 square feet; and

(iii) A 1-1/2 story residence with attached double garage: 1,800 square feet on the first floor of such residence and a minimum total of 2,800 for entire house.

3.05 Set-backs. No building shall be erected on any Lot nearer than the minimum building setback line as shown on the subdivision plat, a copy of which is available from the Developer. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building, providing, however, this shall not be construed to permit any portion of the building on the Lot to encroach upon another Lot. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

3.06 Rearrangement of Lot Lines. Not more than one dwelling house shall be erected or maintained on any one Lot. Contiguous Lots may be combined if the Lots have the same Owner, for the purpose of erecting an approved dwelling house thereon; however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Lots may not be resubdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

3.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed dwelling house, conforming fully to the provisions of these Restrictive Covenants, shall have been erected thereon. The intent of this section is to prevent the use thereon of a garage, incomplete structure, trailer, barn, tent, outbuilding or other structure as temporary living quarters before or pending the erection of a permanent building. No structure of temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction. No house may be moved from another location to any Lot in this Development.

Neither the foregoing nor any other section of this Declaration shall prevent the Developer or any builder approved by the Developer pursuant to Section 3.38 hereof from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other houses within the Development, nor shall the foregoing or any other section of this Declaration prevent the Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or other suitable structure for use as an office and/or sales center by the Developer and/or approved builders at the sole discretion of the Developer.

3.08 Completion of Construction. Any residence being erected on a Lot shall be completed within twelve (12) months from the date of the pouring of the footings for said residence. In the construction of a residence upon a Lot, the builder shall keep all debris cleared from the street or streets bounding the Lot; and, before any residence is occupied, all debris must be removed from the entire Lot and any damaged curbs shall be repaired or replaced. No construction of any building, out house, or other improvements on the premises shall be commenced prior to construction of the dwelling house. No debris, old lumber or unsightly objects shall be moved onto any Lot in the Development at any time, including the period of construction of the residence thereon. The exterior of every dwelling shall be completed before occupancy.

3.09 Utility Easement. A perpetual easement is reserved on each Lot, as shown on the recorded plat, for the construction and maintenance of utilities such as electricity, gas, water, sewerage, drainage, etc., and no structure of any kind shall be erected or maintained upon or over said easement.

3.10 Frontal Appearance. All dwelling houses shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

3.11 Building Requirements. All buildings or structures of any kind constructed on any Lot shall have full masonry foundations, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, siding, or "sto" to compliment the house.

All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to match the roof. Gutters and downspouts must be painted in approved colors. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer or the Architectural Review Committee may make exceptions as to the placement of such roof stacks and plumbing vents.

3.12 Fences. No fences will be allowed on a Lot except those erected to encompass a swimming pool without the prior written consent of the Developer or the Architectural Review Committee. Wire or chain link fences are prohibited. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

3.13 Driveways. Each residence constructed upon a Lot in said subdivision must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. All other hard surface materials must be approved by the Developer or the Architectural Review Committee. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street. It shall be obligatory upon all owners of Lots in this subdivision to construct or place any driveways, culverts, or other structures, or gradings, which are within the limits of any dedicated roadways, in strict accordance with the specifications therefor, as set forth on the recorded subdivision plat, in order that the roads or streets, which may be affected by such placement or construction, may not be disqualified for acceptance into the road system of the City of Chattanooga, Tennessee or Catoosa County, Georgia.

3.14 Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the adjoining Lot unless the damage is caused by another who causes the damage to be corrected. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any applicable city, county or state regulation, ordinance or law.

3.15 Signs. No signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Developer or the Architectural Review Committee.

3.16 Service Area. Each home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from view by an enclosure that is an inte-

gral part of the site development plan, using materials and colors that are harmonious with the home it serves.

3.17 Garages. Garages shall be designed to be compatible with the architecture of the home. Garage doors shall be of the overhead type and made of wood. On those multi-car garages where the doors are visible from a street, separate doors shall be used to give a minimum exposure of interior contents when one door is open.

3.18 Landscaping. A landscape plan shall accompany every new home application to the Developer or the Architectural Review Committee. Each Lot Owner is required to spend at least \$4,000 on landscaping for the Lot. The landscape plan must include at least three three-inch caliper trees at least twelve feet in height. Landscaping in accordance with the approved landscape plan must be substantially completed within one year after completion of construction of the house. Shrubbery plantings adjacent to roadways and trails shall not impede the vision of vehicle operators.

3.19 Windows. Materials to be used in windows and glass doors must be approved by the Developer or the Architectural Review Committee. Aluminum awnings or jalousie-type windows are not permitted. Window shutters must be sized to match window openings and must be mounted to appear functional.

3.20 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats or other household pets is permitted, providing that nothing herein shall permit the keeping of dogs, cats, or other animals for commercial purposes. Pet owners shall not allow pets to roam unattended. The pet owners shall also muzzle any pet which consistently barks. If the barking persists, the pet owner shall have the pet removed from the Development. If the pet owner refuses, it shall be deemed an "offensive activity".

3.21 Zoning. Whether expressly stated so or not in any deed conveying any one or more of said Lots, each conveyance shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.

3.22 Unsightly Conditions. All of the Lots in the Development must, from the date of purchase, be maintained by the Owner in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees, and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot in the Development fails, of his own volition, to maintain his Lot in a neat and orderly condition, Developer, or its duly appointed agent, or the Board, or its duly appointed agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition, billing the cost of such work to the Owner. All Owners in the Development are requested to keep cars, trucks and delivery trucks off the curbs of the streets.

3.23 Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment or nuisance to the Development.

3.24 No Detached Buildings. There shall be no detached garages, outbuildings or servants quarters, without the prior written consent of the Developer or the Architectural Review Committee.

3.25 Sewage Disposal. Before any dwelling on a Lot shall be occupied, a connection with the municipal sewer system meeting applicable municipal codes shall be made.

3.26 Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, and to maintain unsightly Lots, the Developer or the Board, or their respective agents, may enter upon any Lot on which a dwelling residence has not been constructed and upon which no landscaping plan has been implemented, such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Developer or the Board detracts from the overall beauty, setting and safety of the Property or Lots. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Developer and its agents or the Board and its agents may likewise enter upon a Lot to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this section shall not be construed as an obligation on the part of the Developer and its agents or the Board and its agents to mow, clear, cut or prune any Lots or to provide garbage or trash removal services.

3.27 Tree Removal. No trees or shrubs shall be removed prior to obtaining approval of the Developer or the Architectural Review Committee. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

3.28 Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and such tanks or receptacles may be installed only within a dwelling unit, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be visible from adjoining Lots, houses, or from any street. All containers must be heavy duty green plastic.

3.29 Wells. No private wells may be drilled or maintained on any residential Lot without the prior written consent of the Developer or the Architectural Review Committee.

3.30 No Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be attached to or

installed on the exterior portion of any dwelling or other structure on the Property or any Lot within the Development without the prior written consent of the Developer or the Architectural Review Committee; nor shall radio, television signals, nor any other form of electromagnetic radiation be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals upon any other of such properties. Notwithstanding the foregoing, the provisions of this section shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Development.

3.31 Excavation. No owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of a Lot unless the consent of the Developer or the Architectural Review Committee is obtained.

3.32 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon Lots within the Development. The playing of loud music from any balconies or porches shall be offensive, obnoxious activity constituting a nuisance.

3.33 Laundry. No Owner, guest, or tenant, shall hang laundry from any area within or outside a dwelling residence if such laundry is within the public view, or hang laundry in full public view to dry, such as on balcony or terrace railings. This provision may, however, be temporarily waived by the Developer or the Board during a period of severe energy shortages or other conditions where enforcement of this section would create a hardship.

3.34 Mailboxes. Mailboxes of a type consistent with the character of the property shall be selected and placed by the Owner of each Lot and shall be maintained by the Owner to compliment the residences and the neighborhood. Design for mail boxes must be approved by the Developer or the Architectural Review Committee.

3.35 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economical value of all Lots within the Development, each Owner and Developer (with respect to improved Property owned by Developer) shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building, structure, and improvement or significant vegetation which shall be damaged or destroyed by fire, or other casualty. Variations and waivers of this provision may be made only upon Developer or the Board establishing that the overall purpose of these Restrictive Covenants would be best effected by allowing such a variation. Variations to this section are to be strictly construed and the allowance of a variance by the Developer or the Board shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.

3.36 Vehicle Parking. Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. No inoperable vehicle, tractor or other machinery shall be stored outside on the premises at any time, even if not visible from the street. No house trailer or such vehicle shall be stored on the premises. Vacation trailers, campers and boats must be stored and hidden from view within the garage. Such vehicles may not be stored anywhere else on the property.

3.37 Maintenance. Each Lot Owner shall, at all times, maintain in good repair all structures located on such Lot, including driveways and permitted fences, and shall keep all vegetation and landscaping in good and presentable condition.

3.38 Approved Builders. Only builders that have been approved by the Developer shall be permitted to construct Dwelling Units in the Development. The Developer shall maintain a list of approved builders which list shall be made available to Lot Owners and prospective purchasers. The Developer may from time to time, in its sole discretion, change the approved builders list by adding names of additional builders and/or by deleting names of builders no longer approved; provided, however, that the number of approved builders shall not fall below four (4). An Owner shall be permitted to contract with a particular builder for construction of a Dwelling Unit only if that builder is on the approved builders list at the time the construction contract is entered into.

3.39 Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of these Restrictive Covenants, the Developer, its successors or assigns, or the Association, its successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots to which provisions of these Restrictive Covenants apply, may bring an action or actions against the Owner in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorneys fees incident to any such proceeding, which costs and fees shall constitute liquidated damages. In the event of a violation of setback lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the Developer, its successors or assigns or the Board. Further, the Developer or the Board may grant variances of the restrictions set forth in these Restrictive Covenants if such variances do not, in the sole discretion of the Developer or the Board, adversely affect the purposes sought to be obtained hereby.

By reason of the rights of enforcement of the provisions of this section being given unto Owners of Lots (subject to rights of variances reserved by the Developer and the Board), it shall not be incumbent upon the Developer or the Board to enforce the provisions of these Restrictive Covenants or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of these Restrictive Covenants by any person other than itself.

ARTICLE IV
SPECIAL DEFINITIONS AND RESTRICTIONS AFFECTING
GOLF COURSE AND GOLF FAIRWAY RESIDENTIAL AREAS

4.01 Golf Course Defined. The Developer is developing within or adjacent to the Property a Golf Course and related facilities. The area of the fairways, greens, tees and cart paths shall upon completion be designated as a Private Recreational Tract and may be owned, leased or operated by the Club.

4.02 Golf Fairway Residential Areas Defined. "Golf Fairway Residential Areas" is defined as all those Residential Lots, tracts or blocks of land intended for residential and/or multi-family development located adjacent to the Golf Course.

4.03 Landscape Requirements. That portion of any Golf Fairway Residential and/or multi-family Lot or residential and/or multi-family tract within twenty (20) feet of the Lot or tract line bordering the Golf Course shall be in general conformity with the overall landscaping pattern for the Golf Course fairway area established by the Golf Course architect. All individual Lot or tract landscaping plans must be approved by the Developer or the Architectural Review Committee before implementation.

4.04 Golf Course Maintenance Easement. There is reserved to the Developer a "Golf Course Maintenance Easement Area" on each Lot or tract adjacent to the Golf Course. This reserved easement shall permit the Developer at its election, to go onto any Golf Course Maintenance Easement Area for the purpose of landscaping or maintaining said area. Such maintenance and landscaping may include regular removal of underbrush, trees less than five (5) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such Lots within twenty (20) feet of the Lot line(s) or tract line bordering the Golf Course, or such lesser area as may be shown as a "Golf Course Maintenance Area". The described maintenance and landscaping rights shall apply to the entire Lot or tract until there has been filed with the Developer or the Architectural Review Committee a landscaping plan for such Lot or tract by the Owner thereof, or alternatively, a residence constructed on the Lot or Dwelling Units constructed on the tract. The Developer reserves the right to waive the easement herein reserved in whole or in part in its sole discretion.

4.05 Golf Tournament Easement. There is reserved to the Developer, the Club and their respective successors, assigns, members, guests, and invitees an easement upon the Golf Course Maintenance Easement Area during golf tournaments (whether amateur or professional) for the location of spectators. During such tournaments the Developer and the Club shall have the right to rope off the boundaries of the Golf Course Maintenance Easement Area to prevent spectators from straying outside the bounds of such Area. The Developer shall further have the right to direct and control traffic in the Development during golf tournaments and to close streets, if neces-

sary, with the approval of local government bodies if such streets are public thoroughways.

4.06 Golf Course, Ingress, Egress and Utility Easements. The Developer reserves unto itself, its successors and assigns, easements for unlimited egress and ingress in, on, over, across, and under roadways and utilities within the Common Properties for the benefit of the Golf Course. These easements are in addition to all other easements reserved under this Declaration.

4.07 Permissive Easement Prior to Dwelling Construction. Until such time as a residence is constructed on a Lot, the Developer and the Association reserve an easement to permit and authorize registered golf course players and their caddies to enter upon a Lot to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a Dwelling Unit is constructed, such easement shall be limited to that portion of the Lot included in the Golf Course Maintenance Easement Area, and recovery of balls only, not play, shall be permitted in such Easement Area. Golfers or caddies shall not be entitled to enter any such Lot with a golf cart or other vehicle, nor spend unreasonable time on such Lot, or in any way commit a nuisance while on such Lot. After construction of a Dwelling Unit on a Golf Fairway Lot, "Out of Bounds" markers may be placed on said Lot at the expense of the Developer.

4.08 Distracting Activity Prohibited. Owners of Golf Fairway Lots or Dwelling Units shall be obligated to refrain from any actions which would detract from the playing qualities of the Golf Course or the development of an attractive overall landscaping plan for the entire Golf Course area. Such prohibited actions shall include, but are not limited to, such activities as burning trash on a Lot or residential tract adjacent to the Golf Course when the smoke would cross on to the fairway, and the maintenance of unfenced dogs or other pets on the Lot or residential tract adjacent to the Golf Course under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

4.09 Reserved Approval Rights. Notwithstanding the provisions of Section 4.04, the Developer hereby reserves the right to allow an Owner to construct a dwelling over a portion of the "Golf Course Maintenance Easement Area" in those cases where the Developer, in its uncontrolled discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent Golf Course.

ARTICLE V
SPECIAL RESTRICTIONS AFFECTING
ALL WATERFRONT AND WOODED AREAS

5.01 Prohibition on Docks and Decks. Owners of Lots, Dwelling Units or other residential tracts fronting on streams,

lakes and ponds of Council Fire may not erect docks or decks over such bodies of water.

5.02 No Waterway Use. No boat of any kind shall be permitted upon, nor any swimming or fishing permitted in, any waterway, stream, lake or pond of Council Fire. No garbage, trash, or other refuse shall be dumped into any waterway, stream, lake or pond on the Property. Owners will be assessed a \$50.00 fine for each violation of this provision in addition to assessments for the cost of removal.

5.03 Entry Not Trespass. Whenever the Developer is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

5.04 Lake, Pond or Waterway Failure. In the event that a lake, pond or waterway shown on the Master Plan by the Developer cannot be developed, or if developed, fails to retain water, the Developer, in its sole discretion, may develop alternate plans for such lake, pond or waterway, including, without limitation, reclamation of the land used in the development of such failed lake, pond or waterway and reforestation. In no event shall such reclaimed site be designated by the Developer or the Association for Residential Lots, Dwelling Units, or Development Unit Parcels.

ARTICLE VI
ARCHITECTURAL CONTROL

6.01 Architectural and Design Review.

A. In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the development, and to promote and protect the value of the Property, the Developer or the Board shall create a body of rules and regulations covering details of dwelling placements, which shall be available for all Owners or prospective Owners of Lots.

B. The Developer shall have sole architectural and design reviewing authority for the Development until the Board has established an Architectural Review Committee in accordance with the Bylaws, which the Board shall establish as soon as is practicable. When such Committee has been established, the Developer shall transfer reviewing authority to it.

C. No building, fences, exterior lighting, walls, swimming pools, children's play areas, decorative appurtenances, or structures of any type, shall be erected, placed, added to, or altered and no trees or shrubs shall be cut or removed and no grading shall be commenced until the proposed building plans and specifications (including height, and composition of roof, siding, or other exterior materials and finish), plot plan (showing the proposed loca-

tion of such building or structure, drives and parking areas), drainage plan, landscape plan or construction schedule, as the case may be, shall have been submitted to the Developer or the Architectural Review Committee for approval at least thirty (30) days prior to the proposed date of construction. In addition, any repainting of a substantial portion of the exterior of any structure in a manner not previously approved by the Developer or the Architectural Review Committee shall be subject to prior approval of the Developer or the Architectural Review Committee as provided in the preceding sentence. The Developer or the Architectural Review Committee shall give written approval or disapproval of the plans within 30 days of submission. However, if written approval or disapproval is not given within 30 days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review Committee may, by written notice given from time to time to the Owners of Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or the Architectural Review Committee. In the event of the completion of any dwelling house on any Lot, without any proceedings having been instituted in the courts of Hamilton County, Tennessee or Catoosa County, Georgia to enjoin the construction thereof, the said dwelling shall be conclusively presumed to have had such approval.

D. The Developer or Architectural Review Board shall charge a fee for each application submitted for review. The amount of the fee shall be set in the sole discretion of the Developer or Architectural Review Board and shall initially be set at \$200.00.

E. The architectural and design review shall be directed toward preventing excessive or unsightly grading, indiscriminate clearing of property, removal of trees and vegetation which could cause disruption of natural water courses, insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon, and insuring that plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots.

6.02 Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under Section 6.01 will be withheld unless such plans, location and specifications comply with the applicable Restrictive Covenants and Conditions of this Declaration and unless such construction schedule complies with the provisions of Section 6.03. Approval of the plans and specifications by the Developer or the Architectural Review Committee is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.

6.03 Exterior Completion. The exterior of all Dwelling Units and other construction must be completed within six (6) months after the construction of the same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities.

ARTICLE VII
ASSESSMENTS

7.01 Creation of the Lien and Personal Obligation of Assessments. Each Owner by acceptance of a deed conveying a Lot or Dwelling Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of these covenants and pay to the Association annual assessments and special assessments for the purposes set forth in Sections 7.02 and 7.04 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Owner of each Lot or Dwelling Unit shall be personally liable, such liability to be joint and several if there are two or more Owners, to the Association for the payment of all assessments, whether annual or special, which may be levied while such party or parties are Owners of a Lot or Dwelling Unit. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot or Dwelling Unit and all of the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from due date to date of payment at the rate set by the Board, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation. In the event that two or more Lots are combined into a single Lot by an Owner, the assessments will continue to be based upon the number of original Lots purchased.

7.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Common Properties. The special assessments shall be used for the purposes set forth in Section 7.04 of this Article.

7.03 Amount of Annual Assessment. Until the transfer of governing authority from the Developer to the Board takes place as described in the Bylaws, the amount of the annual assessments shall be set by the Developer in its sole discretion as it deems appropriate. Thereafter, the amount of the annual assessments shall be set by the Board unless three-fourths (3/4ths) of the Members who are in attendance or represented by proxy at the annual or any special meeting of the Association vote to increase or decrease the said annual assessment set by the Board. At any such meeting, the Developer shall have the number of votes as provided in Section 4.02 of the Bylaws. The amount of assessments per Lot or Dwelling Unit need not be the same throughout the Development. (For example, the amount of the assessment on a Townhouse Unit may be less than the amount of the

assessment on a Single-Family Residential Lot.) However, the amount of assessments per Lot or Dwelling Unit must be equal throughout any Neighborhood Area.

7.04 Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 7.03 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, or the cost of any addition to the Common Properties, provided that any such assessment shall have the assent of three-fourths (3/4ths) of the vote of the Members who are in attendance or represented at a duly called meeting of the Association, written notice of which shall be sent to all Members at least thirty (30) days in advance setting forth the purpose of the meeting. At any such meeting, the Developer shall have the number of votes as provided in Section 4.02 of the Bylaws. As with annual assessments, the amount of special assessments per Lot or Dwelling Unit need not be the same throughout the Development, but must be the same throughout any Neighborhood Area.

7.05 Property Subject to Assessment. Only land within the Properties which has been subdivided into Lots or Dwelling Units, and the plats thereof filed for public record, shall constitute a Lot or Dwelling Unit for purposes of these assessments. Projected locations for future platted Lots or Dwelling Units shown on the Master Plat will not be subject to assessment, unless and until such locations are subdivided into Lots or Dwelling Units, filed of record, and subjected to this Declaration.

7.06 Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot or Dwelling Unit by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot or Dwelling Unit in any other way.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantee of a utility easement.
- (b) All properties dedicated and accepted by a local public authority and devoted to public use.
- (c) All Common Properties as defined in Article I hereof.
- (d) All Properties exempted from taxation by the laws of the State of Tennessee or of the State of Georgia, upon the terms and to the extent of such legal exemptions. This exemption shall not include special exemptions, now in force or enacted hereinafter, based upon age, sex, income levels or similar classification of the Owners.

7.07 Date of Commencement of Annual Assessments.

A. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Developer to be the date of commencement, but not earlier than January 1, 1991.

B. The amount of the first annual assessment on a Lot or Dwelling Unit shall be based pro rata upon the balance of the calendar year and shall become due and payable on the closing of the Lot or Dwelling Unit. The assessments for any year, after the first year, shall become due and payable the first day of January of said year.

C. The due date of any special assessment under Section 7.04 hereof shall be fixed in the resolution authorizing such assessment.

7.08 Lien. Recognizing that the necessity for providing proper operation and management of the Properties entails the continuing payment of costs and expenses therefor, the Association is hereby granted a lien upon each Lot or Dwelling Unit and the improvements thereon as security for the payment of all assessments against said Lot or Dwelling Unit, now or hereafter assessed, which lien shall also secure all costs and expenses, and reasonable attorney's fees, which may be incurred by the Association in enforcing the lien upon said Lot or Dwelling Unit. The lien shall become effective on a Lot or Dwelling Unit immediately upon the closing of that Lot or Dwelling Unit. The lien granted to the Association may be foreclosed as other liens are foreclosed in the States of Tennessee or Georgia. Failure by the Owner or Owners to pay any assessment, annual or special, on or before the due dates set by the Association for such payment shall constitute a default, and this lien may be foreclosed by the Association.

7.09 Lease, Sale or Mortgage of Lot. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, which lease, sale or Mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Lot or Dwelling Unit, shall furnish to the proposed lessee, purchaser or Mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Lot or Dwelling Unit; and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot or Dwelling Unit and the Association under this Declaration. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or Mortgagee may rely upon such statement in concluding the proposed lease, purchase or Mortgage transaction, and the Association shall be bound by such statement.

In the event that a Lot or Dwelling Unit is to be leased, sold or mortgaged at the time when payment of any assessment against said Lot or Dwelling Unit shall be in default, then the rent,

proceeds of such purchase or mortgage shall be applied by the lessee, purchaser or Mortgagee first to payment of any then delinquent assessment or installments thereof due to the Association before payment of any rent, proceeds of purchase or Mortgage to the Owner of any Lot or Dwelling Unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a Lot or Dwelling Unit, the grantee(s) shall be jointly and severally liable with the grantor(s) for all unpaid assessments against the grantor(s) and the Lot or Dwelling Unit made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee(s) to recover from the grantor(s) the amounts paid by the grantee(s) therefor.

ARTICLE VIII
MORTGAGES, MORTGAGEES AND PROCEDURES AND
RIGHTS RELATING THERETO

8.01 Register of Owners and Mortgages. The Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot or Dwelling Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Lot or Dwelling Unit, together with such recording information that shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Lot or Dwelling Unit. Further, the Owner shall at all times notify the Association of any Mortgage and the name of the Mortgagee on any Lot or Dwelling Unit, and the recording information which shall be pertinent to identify the Mortgage and Mortgagee. The Mortgagee may, if it so desires, notify the Association of the existence of any Mortgage held by it, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

8.02 Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage on any Lot or Dwelling Unit if, and only if, all assessments, whether annual or special, with respect to such Lot or Dwelling Unit having a due date on or prior to the date such Mortgage is recorded have been paid. In the event any such First Mortgagee (i.e., one who records a Mortgage on a Lot or Dwelling Unit for which all assessments have been paid prior to recording) shall acquire title to any Lot or Dwelling Unit by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot or Dwelling Unit subsequent to date of acquisition of such title. In the event of the acquisition of title to a Lot or Dwelling Unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessments, whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties

liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

8.03 Amendments. No Amendment to this Article VIII shall adversely affect the rights of any First Mortgagee whose Mortgage was recorded prior to the Amendment unless such Amendment is approved by the affirmative three-fourths (3/4ths) vote of the Mortgagees of which the Association has been notified in accordance with Section 8.01 (based upon one vote for each Lot or Dwelling Unit on which a First Mortgage is held) and who vote within the period of time set by the Board, which shall be at least ten (10) days and no more than sixty (60) days.

8.04 Extension of Benefits to Other Mortgagees. By subordination agreement executed by the Board on behalf of the Association, the benefits of Sections 8.02 and 8.03 of this Article may be extended to Mortgagees not otherwise entitled thereto.

8.05 Mortgagees' Approval of Certain Actions. Unless at least three-fourths (3/4ths) of the First Mortgagees of which the Association has been notified in accordance with Section 8.01 of the Lots or Dwelling Units have given their prior written approval (based upon one vote for each Lot or Dwelling Unit on which a First Mortgage is held) in accordance with and within the time periods set out in Section 8.03, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties owned, directly or indirectly, by the Association;

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or Dwelling Unit Owner;

C. By act or omission change, waive or abandon the plan of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of the units, the maintenance of the Common Properties or the upkeep thereof; or

D. Use hazard insurance proceeds for losses to any Common Properties for other than the repair, replacement or reconstruction of such Common Properties.

8.06 Notice of Default to First Mortgagees. If requested by a First Mortgagee, the Association shall notify each First Mortgagee of any default by the Mortgagor of a Lot or Dwelling Unit in the performance of said Mortgagor's obligations under this Declaration which is not cured within sixty (60) days.

8.07 Examination of Books. Each Owner and each Mortgagee of a Lot or Dwelling Unit shall be permitted to examine the books and records of the Board and Association during regular business hours.

ARTICLE IX
OWNER COMPLAINTS

9.01 Scope. The procedures set forth in this Article for Owner Complaints shall apply to all complaints regarding the use or enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Association, including, without limitation, decisions of the Association or of the Board of Directors of the Association.

9.02 Grievance Committee. There shall be established by the Board a Grievance Committee (referred to in this Article as "the Committee") to receive and consider all Owner complaints. The Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board of Directors.

9.03 Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the President of the Association and sent in the manner provided in Section 12.03 for sending notices.

9.04 Consideration by the Committee. Within twenty (20) days of receipt of a complaint, the Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefor. Within ten (10) days after notice of the decision, the complainant may proceed under Section 9.05; but if complainant does not, the decision shall be final and binding upon the complainant.

9.05 Hearing Before the Committee. Within ten (10) days after notice of the decision of the Committee, the complainant may, in a writing addressed to the President of the Association, request a hearing before the Committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his expense, and the Committee, at the expense of the Association, shall be entitled to legal representation at such hearing. The hearing shall be conducted before at least two members of the Committee and may be adjourned from time to time as the Committee in its discretion deems necessary or advisable. The Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefor within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Section 9.07, the decision shall be final and binding upon the complainant.

9.06 Questions of Law. Legal counsel for the Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.

9.07 Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Committee or the

complainant may, at their option, within ten (10) days after notice of the decision as provided for in Section 9.05, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator shall be final and binding upon the complainant and the Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.

9.08 Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy, and no Owner shall bring suit against the Committee, the Association, the Board of Directors or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.

9.09 Expenses. All expenses incurred by complainant, including, without limitation, attorneys' fees and arbitration expenses and the like, shall be the sole responsibility of complainant. All expenses of the Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE X REMEDIES ON DEFAULT

10.01 Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.

10.02 Grounds for and Form of Relief. Failure to comply with any of the Covenants of this Declaration, the Bylaws, or the Rules and Regulations promulgated by the Board which may be adopted pursuant thereto shall constitute a default and shall entitle the Developer or the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Developer or the Association or, if appropriate and not in conflict with the provisions of this Declaration or the Bylaws, by an aggrieved Owner.

10.03 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Developer or the Association, if successful, shall, in addition to the relief provided for in Section 10.02, be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court, but in no event shall the Owner be entitled to such attorneys' fees.

10.04 Waiver. The failure of the Developer, the Association or an Owner to enforce any right, provision, covenant or condi-

tion which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce such Covenant(s) in the future.

10.05 Election of Remedies. All rights, remedies and privileges granted to the Developer, the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE XI
EMINENT DOMAIN

11.01 Board's Authority. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by Eminent Domain, the Board or the Developer is authorized and directed to proceed as follows:

A. To obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Board in its discretion deems necessary or advisable, to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.

B. To negotiate with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary or advisable in connection with the same.

C. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in Boards of Directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.

11.02 Notice to Owners and Mortgagees. Each Owner and each First Mortgagee on the records of the Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by the Developer or the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity to be heard

with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

11.03 Reimbursement of Expenses. The Developer and/or Board shall be reimbursed for all attorneys', engineers', architects' and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

ARTICLE XII
GENERAL PROVISIONS

12.01 Duration. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Board, the Association, the Developer or Owner, their respective legal representatives, heirs, successors and assigns, as follows:

A. For that portion of the Property lying within the State of Tennessee, these Covenants shall be of perpetual duration, unless amended or terminated as provided herein.

B. For that portion of the Property lying within the State of Georgia, these Covenants shall be effective for a period of twenty (20) years following the Effective Date hereof, and may be continued thereafter as provided by Georgia law.

12.02 Amendments. This Declaration may be amended in accordance with the following procedure:

A. An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided, however, that, if considered at an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in the Bylaws, and, if considered at a special meeting, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment shall also be sent to each Mortgagee listed upon the register of the Association.

B. At any such meeting of the members of the Association, the amendment must be approved by an affirmative three-fourths (3/4ths) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, the Developer shall have the number of votes as provided in Section 4.02 of the Bylaws. Any amendment which adversely affects the rights of the Mortgagees must be approved by an affirmative three-fourths (3/4ths) vote of the Mortgagees of which the Association has been notified in accordance with Section 8.01 hereof (based upon one vote for each Lot or Dwelling

Unit on which a First Mortgage is held) and who vote within the period of time set by the Board to vote, which shall be at least ten (10) days and no longer than sixty (60) days.

C. An amendment adopted under Paragraph B of this Section shall become effective upon its recording with the Recorders, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this Section; provided, that in the event of the disability or other incapacity of either, the Vice President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including, without limitation, any Mortgagee, prospective purchaser, tenant, lienor or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

D. The certificate referred to in Paragraph C of this Section shall be in substantially the following form:

C E R T I F I C A T E

I, _____, do hereby certify that I am the Secretary of Council Fire Residential Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions of Council Fire was duly adopted by the Owners of said Association and the Mortgagees, if applicable, in accordance with the provisions of Section 12.02 of said Declaration.

Witness my hand this ___ day of _____, ____.

Secretary
Council Fire Residential
Association, Inc.

12.03 Notices. Any notice required to be sent to any Owner or Mortgagee under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner or Mortgagee on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot or Dwelling Unit shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, or the Developer under the provisions of this Declaration shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

Suite 500, One Central Plaza
835 Georgia Avenue
Chattanooga, Tennessee 37402

The address for the Board, the Association, or any officer thereof may be changed by the Secretary or President of the Association by executing, acknowledging and recording an amendment to this Declaration stating the new address or addresses. Likewise, the Developer may change its address by executing, acknowledging, and recording an amendment to this Declaration stating its new address.

12.04 Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

12.05 Captions. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.

12.06 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.

12.07 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

12.08 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State; provided, however, that any question pertaining to the Declaration's validity, enforceability, construction or administration with respect to real property located wholly within the State of Georgia shall be determined in accordance with the laws of Georgia.

12.09 Effective Date. This Declaration shall become effective upon its recording in the office of the Register of Hamilton County, Tennessee with respect to the Property located within the State of Tennessee, and upon its recording in the Office of the Clerk of Superior Court of Catoosa County, Georgia with respect to the Property located within the State of Georgia.

IN WITNESS WHEREOF, the Developer has executed, or caused to have executed by its duly authorized officers this Declaration on the date first above written.

COUNCIL FIRE, L.P.

By: *J.M. Kinsey*
Title: GEN. PARTNER

Signed, sealed and delivered this 26th day of November, 1990, in the presence of:

Leigh Susan
Unofficial Witness

Dixie R. Smoot
Notary Public
My Commission Expires: Jan. 19, 1994

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Personally appeared before me, Dixie R. Smoot, Notary Public, Jon M. Kinsey, with whom I am personally acquainted, and who acknowledged that he/she executed the within instrument for the purposes therein contained, and who further acknowledged that he/she is the General Partner of the Maker, COUNCIL FIRE, L.P., and is authorized by the Maker to execute this instrument on behalf of the Maker.

WITNESS my hand, at office, this 26th day of November, 1990.

Dixie R. Smoot
Notary Public
My Commission Expires: Jan. 19, 1994

Z2K2A282/BE

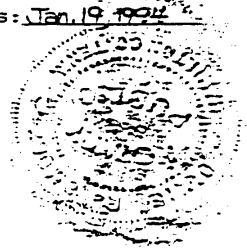


EXHIBIT A

BOOK 3793 PAGE 624

The property that is subject to this Declaration consists of Lots 1 through 78 as shown on that certain plat titled "Final Plat - Council Fire Phase 1A" recorded in Plat Book 46, Page 63 in the Register's Office of Hamilton County, Tennessee.

Sources of Developer's title to the above-referenced property in this Exhibit "A" are: (1) Quitclaim Deed from Jeffrey B. Leonard, Jon M. Kinsey, Darrell Ferguson, Frederick L. Copeland and Frank E. Fowler to Council Fire, L.P., effective August 24, 1990, recorded in Book 3766, Page 443, in the Register's Office of Hamilton County, Tennessee, and (2) Warranty Deed from Virginia M. Million to Council Fire, L.P., dated July 3, 1990, recorded in Book 3747, Page 135, in the Register's Office of Hamilton County, Tennessee.

EXHIBIT B

BOOK 3793 PAGE 625

The property, or any part thereof, which the Developer, its successors and assigns, may bring within the plan and operation of the Declaration pursuant to Section 2.02 thereof, consists of contiguous lands located and lying within Hamilton County, Tennessee and Catoosa County, Georgia, being more particularly described as follows:

I. Tennessee Property

Being a tract of land located in the Second Civil District, Hamilton County, Tennessee and within the Corporate Limits of the City of Chattanooga, said tract being formerly the property of Bluewater Investments, Deed Book 3613, Page 891, ROHC and Virginia W. Million, Deed Book 3612, Page 378, ROHC, Tract 2, 3, and 14, and being a portion of Sections 23, 24, 25, and 26, Township 2 South Range 3 West of the Basis Line, Ocoee District with said tract being bounded on the East by Denny Ross and Gail Anne Lawler, Deed Book 3308, Page 290, on the South by the Tennessee-Georgia State Line, the common line of Countryside Associates, Deed Book 321, Page 375, ROCC, on the West by the approximate centerline of South Chickamauga Creek and the approximate centerline of a sluice, the common line of Lee, Deed Book 2974, Page 849; Flinn, Deed Book 2132, Page 366; Walker, Deed Book 1112, Page 556, Deed Book 1131, Page 21, Deed Book 1743, Page 58, and Deed Book 1743, Page 293; and Wooden, Deed Book 1629, Page 312; and on the North by the State of Georgia for and by the use of the Western and Atlantic Railroad, Deed Book D1, Page 366, Deed Book 1056, Page 592, and Deed Book 1056, Page 597, including two parcels of 1.603 acres and 2.192 acres located North of said railroad and being more particularly described as follows:

TRACT 1

BEGINNING at a point in the southerly margin of the said Western and Atlantic Railroad, 60 feet South of the centerline of tracks for said railroad, said point being the common North corner of the property of Denny Ross and Gail Anne Lawler and the tract herein described, and further, being located on the approximate extension of Julian Road where Julian Road intersects the said railroad from the North and, South 48°40'42" East, 13.19 feet along the southern margin of the said railroad to its intersection with the centerline of a City of Chattanooga sanitary sewer line approximately parallel with the hereinafter described East line of the herein described tract;

THENCE, South 32°22'49" West, 1315.50 feet along the common line of Lawler to an iron rod old at the northerly margin of an unpaved traveled way, also known as State Line Road, passing at approximately 195 feet a City of Chattanooga Sanitary Sewer Easement, Deed Book 3240, Page 74, of unspecified width for service to said Lawler and passing at 682.55 feet the centerline of an unspecified width, City of Chattanooga, Sanitary Sewer Easement, Deed Book 3240, Page 74;

THENCE, South 00°22'49" West, 16.54 feet to the approximate centerline of the said traveled way to a point on the approximate Tennessee-Georgia State Line;

THENCE, South 89°12'18" West, 4,190.12 feet along the said Tennessee-Georgia Line and the approximate centerline of the said traveled way to a point in the approximate centerline of South Chickamauga Creek, said point being the southwestmost corner of the herein described tract, passing at 1,526.93 feet the westerly margin of the said traveled way as it runs south into the State of Georgia, passing at 1,096.02 feet the eastern margin of a 70-foot-wide, Southern Natural Gas Company, Natural Gas Line Easement, Deed Book 1803, Page 121 with said easement margins being 55 feet East and 15 feet West of the centerline of the pipe as installed, passing at 3,334.30 feet the eastern margin of a 30-foot-wide Plantation Pipeline Company, Petroleum Pipeline Easement, Deed Book 1801, Page 576 with said easement margins being 15 feet on each side of the centerline of the pipe as installed, passing at 3,365.15 feet the eastern margin of a 200-foot-wide, United States of America (Tennessee Valley Authority) Transmission Line Easement, Deed Book 1945, Page 111, with said line not constructed, and passing at 4,121.95 feet the beginning of a Survey Reference Line for the boundary line located along the approximate centerline of South Chickamauga Creek and the approximate centerline of sluice;

THENCE, North 07°19'02" West, 56.33 feet along the approximate centerline of South Chickamauga Creek to a point;

THENCE, North 23°35'38" West, 285.83 feet continuing with said centerline of creek to a point;

THENCE, North 42°13'18" West, 362.38 feet continuing with said centerline of creek to a point, passing at 54.84 feet the eastern margin of a 150-foot-wide, United States of America (Tennessee Valley Authority) Transmission Line Easement, Deed Book 1067, Page 270, with the margins for said easement being 75 feet on each side of the centerline of the transmission line as constructed;

THENCE, North 02°30'22" West, 100.96 feet continuing with said centerline of creek to a point;

THENCE, North 23°52'38" East, 273.21 feet continuing with said centerline of creek to a point;

THENCE, North 28°21'45" East, 351.15 feet continuing with said centerline of creek to a point in the southern line of the property of now or formerly, Virginia W. Million, Deed Book 3612, Page 378, ROHC, Tract 14, the southwesternmost corner of the said Million tract, and further, North 66°21'32" East 86.15 feet from an iron pin old marking a Survey Reference Line for said centerline creek line;

THENCE, North 28°21'45" East 173.68 feet along the approximate centerline of South Chickamauga Creek to a point;

THENCE, North 26°26'01" East 178.81 feet continuing with said creek centerline to a point;

THENCE, North 30°13'51" East 213.24 feet continuing with said creek centerline to a point;

THENCE, North 35°32'07" East 233.65 feet continuing with said creek centerline to a point;

THENCE, North 44°21'19" East 201.15 feet continuing with said creek centerline to a point;

THENCE, North 52°25'30" East 248.40 feet continuing with said creek centerline to a point;

THENCE, North 35°11'53" East 174.45 feet continuing with said creek centerline to a point;

THENCE, North 29°59'17" East 143.75 feet continuing with said creek centerline to a point;

THENCE, South 82°05'39" East 76.36 feet leaving the centerline of said creek and with the approximate centerline of the said sluice to a point;

THENCE, North 65°37'50" East 216.39 feet continuing with the said sluice centerline to a point, passing at 119.50 feet, the western margin of the said 30-foot-wide Plantation Pipeline Company, Petroleum Pipeline Easement;

THENCE, North 76°29'16" East 182.82 feet continuing with the said sluice centerline to a point, passing at 42.22 feet the western margin of a 30-foot-wide City of Chattanooga Sanitary Sewer Easement and passing at 101.41 feet the western margin of the said 70-foot-wide Southern Natural Gas Company, Gas Line Easement;

THENCE, South 60°52'34" East 98.95 feet continuing with the said sluice centerline to a point;

THENCE, North 82°25'56" East 191.98 feet continuing with the said sluice centerline to a point;

THENCE, South 83°32'25" East 240.54 feet continuing with the said sluice centerline to a point;

THENCE, South 75°09'03" East 116.47 feet continuing with the said sluice centerline to a point;

THENCE, South 82°40'01" East 120.98 feet continuing with the said sluice centerline to a point;

THENCE, North 81°32'03" East 130.11 feet continuing with the said sluice centerline to a point;

THENCE, North 55°01'37" East 246.98 feet continuing with the said sluice centerline to a point;

THENCE, North 28°04'38" East 76.49 feet continuing with the said sluice centerline to a point;

THENCE, North 03°43'17" East 66.44 feet continuing with the said sluice centerline to a point;

THENCE, North 11°14'51" West 86.38 feet continuing with the said sluice centerline to a point;

THENCE, North 22°36'20" West 228.84 feet continuing with the said sluice centerline to a point in the common line of Sections 23 and 26, the dividing line of Tracts 2 and 14 of the said Virginia W. Million property;

THENCE, North 24°18'50" West 192.58 feet continuing along said centerline of sluice to a point;

THENCE, North 14°02'07" East 90.01 feet continuing along said centerline of sluice to a point;

THENCE, North 24°51'35" West 98.79 feet continuing along said centerline of sluice to a point;

THENCE, North 38°36'37" West 239.61 feet continuing along said centerline of sluice to a point;

THENCE, North 48°26'15" West 117.19 feet continuing along said centerline of sluice to a point;

THENCE, North 62°12'51" West 137.64 feet continuing along said centerline of sluice to an existing iron pin, the southwesternmost corner of the herein described tract and being the common corner with the lands of said Walker, and Ira and Leomia Wooden, and further, being the end of the said Survey Reference Line for the herein described boundary along the approximate centerline of South Chickamauga Creek and the centerline of sluice;

THENCE, North 24°21'24" East 62.54 feet along the common line of Wooden and parallel to the common line of Sections 23 and 24 to a point in the southern margin of the said Western and Atlantic Railroad, said point being 60 feet from the centerline of the track;

THENCE, 134.72 feet continuing with said southerly margin and along the arc of a curve to the right having a radius of 2,143.87 feet, a chord of South 50°28'48" East 134.69 feet to the point of curve of said railroad;

THENCE, South 48°40'42" East 1,565.33 feet continuing with said southerly margin to a point, the point of intersection of said southerly margin of the railroad and the common line of Sections 24 and 25, passing at 1,101.5 feet the western margin of the said 150-foot-wide United States of America (Tennessee Valley Authority) Transmission Line Easement, and passing at 1,227.90 feet the western margin of the said 175-foot-wide United States of America (Tennessee Valley Authority) Transmission Line Easement, there being a 25-foot and parallel overlap of said Transmission Line Easements;

THENCE, South 48°40'42" East, 1,150.90 feet continuing with said southerly railroad margin to a point at an existing fence corner;

THENCE, South 48°40'42" East, 1,210.58 feet continuing with said southerly margin to the POINT OF BEGINNING, the end of Tract, passing at 1,197.39 feet the centerline of an unspecified width City of Chattanooga, Sanitary Sewer Easement, Deed Book 3240, Page 74;

CONTAINING, in Tract 1, 256.678 acres, more or less.

RECORDERS MEMO

Legibility of writing, typing or printing in this document unsatisfactory when received.

There exists a City of Chattanooga Sanitary Sewer Easement of an unspecified width as recorded in Deed Book 3240, Page 74, and Deed Book 3225, Page 881, crossing the hereinabove described Tract 1 with the centerline of said easement being more particularly described as follows:

BEGINNING at a point in the common line of Lawler and the above described Tract 1, said point being South 32°22'49" West, 682.55 feet from the Tract 1, POINT OF BEGINNING;

THENCE, North 13°48'21" East, 33.86 feet along said centerline to an existing sanitary manhole, also the end of a second sanitary sewer line leading to the railroad and approximately parallel to the common line of Tract 1 and Lawler;

THENCE, North 52°29'30" West, 398.03 feet along said centerline to an existing sanitary manhole;

THENCE, North 42°49'35" West, 406.38 feet along said centerline to an existing sanitary manhole;

THENCE, North 42°32'28" West, 399.79 feet along said centerline to an existing sanitary manhole;

THENCE, North 44°53'25" West, 400.26 feet along said centerline to an existing sanitary manhole;

THENCE, North 45°06'14" West, 398.43 feet along said centerline to an existing sanitary manhole;

THENCE, North 57°59'26" West, 327.27 feet along said centerline to an existing sanitary manhole;

THENCE, North 86°01'13" West, 221.20 feet along said centerline to a point in the easterly margin of Million, said point being South 24°21'24" West, 678.43 feet along the common section line of Sections 25 and 26 from the common corner of Sections 23, 24, 25, and 26, and the end of easement as described in Deed Book 3240, Page 74;

THENCE, North 86°01'13" West, 78.84 feet along said centerline to an existing sanitary manhole;

THENCE, North 86°03'40" West, 350.24 feet along said centerline to an existing sanitary manhole;

THENCE, North 85°49'30" West, 347.62 feet along said centerline to an existing sanitary manhole;

THENCE, North 60°43'54" West, 324.70 feet along said centerline to an existing sanitary manhole;

THENCE, North 76°24'54" West, 400.30 feet along said centerline to an existing sanitary manhole, the end of said centerline of the unspecified width sanitary sewer easement, Deed Book 3225, Page 881, said manhole also being the end of the centerline of a 30-foot-wide, City of Chattanooga Sanitary Sewer Easement recorded in Deed Book 3225, Page 880, RCHC.

There exists a portion of a 30-foot-wide traveled way, also known as State Line Road and utilized also for ingress and egress to the Blackwell Cemetery which crosses the hereinabove described Tract 1 and being more particularly described as follows:

BEGINNING at an existing iron pipe in the northerly margin of said traveled way, said point being South 32°22'49" West, 1,315.50 feet from the Tract 1, POINT OF BEGINNING;

THENCE, South 00°22'49" West, 15.54 feet along the eastern margin of Tract 1 to a point in the approximate centerline of said traveled way also known as State Line Road with said point also being on the approximate Tennessee-Georgia State Line;

THENCE, South 89°12'18" West, 1,626.93 feet continuing along said State Line and traveled way to a point in the westerly margin of said traveled way;

THENCE, North 02°58'31" East, 20.14 feet along the said westerly margin to a point where the northerly margin turns south into Georgia;

THENCE, North 89°19'49" East, 1,625.95 feet along said northerly margin to the POINT OF BEGINNING.

There exists a Southern Natural Gas Company, Gas Line Easement, Deed Book 1803, Page 121 and Deed Book 1693, Page 205, ROHC, 70 feet in width, approximately 55 feet to the East and 15 feet to the West of the centerline of the pipeline as installed, crossing the hereinabove described tract and being more particularly described as follows:

BEGINNING at the point of intersection of the easterly margin of the herein described easement and the Tennessee-Georgia State Line, said point being South 89°12'18" West, 3,096.02 feet along the said State Line from the southeasternmost corner of the hereinabove described Tract located in the approximate centerline of a traveled way also known as State Line Road;

THENCE, South 89°12'18" West, 70.24 feet continuing with the said State Line to a point in the westerly margin of the herein described easement;

THENCE, North 03°56'10" East, 718.65 feet along said westerly margin and approximately 15 feet West and parallel to the centerline of pipe to a point in the southern line of Million, Deed Book 3612, Page 378, ROHC;

THENCE, North 65°35'28" West, 1.94 feet along the line of Million to a point in the western margin of the herein described tract as it crosses the said Million tract;

THENCE, North 03°40'47" East, 1,657.89 feet along said western easement margin to a point;

THENCE, North 04°30'27" East, 212.24 feet along said western easement margin to a point hereinabove described in the centerline of sluice;

THENCE, North 76°29'16" East, 73.61 feet along the centerline sluice boundary line of the hereinabove described tract to a point in the eastern margin of said easement;

THENCE, South 04°30'27" West 234.50 feet along said eastern margin to a point;

THENCE, South 03°40'47" West, 1,683.88 feet continuing along said eastern margin to a point in the southern line of said Million;

THENCE, South 65°35'28" East, 1.81 feet along the said southern line of Million to a point, said point being 693.78 feet along said southern line from the southeastern corner of said Million;

THENCE, South 03°56'10" West, 686.72 feet along the eastern margin of the herein described easement to the easement POINT OF BEGINNING.

There exists a Plantation Pipeline Company, Petroleum Pipeline Easement, Deed Book 827, Page 668 and Deed Book 1801, Page 576, ROHC, 30 feet in width, approximately 15 feet on each side of the centerline of the pipe as installed, crossing the hereinabove described tract and being more particularly described as follows:

BEGINNING at the point of intersection of the easterly margin of the herein described easement and the Tennessee-Georgia approximate State Line, said point being South 89°12'18" West, 3,334.20 feet along said State Line from the southeastern corner of the hereinabove described tract, said corner being in the approximate centerline of a traveled way, also known as State Line Road;

THENCE, South 89°12'18" West, 30.11 feet continuing with said State Line to a point on the westerly margin of the herein described easement;

RECORDER'S MEMO

Legibility of writing, typing, or printing in this document unsatisfactory when received.

THENCE, North 04°02'22" East, 802.63 feet along said westerly margin to a point;

THENCE, North 04°09'48" East, 5.55 feet continuing along said westerly margin to a point in the southern line of Million;

THENCE, North 04°09'48" East, 1,721.27 feet along said western margin to a heretofore described point in the centerline of sluice in the hereinabove described tract;

THENCE, North 65°37'50" East, 34.15 feet along the hereinabove described centerline sluice line to a point in the eastern margin of the herein described easement;

THENCE, South 04°09'48" West, 1,743.09 feet along said eastern margin of easement to a point;

THENCE, South 04°02'22" West, 5.56 feet continuing along said eastern margin to a point in the southern line of said Million;

THENCE, South 04°02'22" West, 794.50 feet continuing along said eastern margin to the easement POINT OF BEGINNING.

There exists a United States of America (Tennessee Valley Authority) Transmission Line Easement, Deed Book 1799, Page 483, Deed Book 1945, Page 111, and Deed Book 1911, Page 661, ROHC, 200 and 175 feet in width with said transmission line not constructed, crossing the hereinabove described tract and being more particularly described as follows:

BEGINNING at the point of intersection of the easterly margin of the herein described easement and the Tennessee-Georgia approximate State Line, said point being South 89°12'18" West, 3,365.35 feet along said State Line from the southeastern corner of the hereinabove described tract, said corner being in the approximate centerline of a traveled way, also known as State Line Road;

THENCE, South 89°12'18" West, 200.73 feet along said State Line to a point on the westerly margin of the herein described easement;

THENCE, North 04°05'12" East, 898.00 feet along said westerly margin, 200 feet West and parallel to the easement easterly margin, to a point in the southerly line of Million, said point being 1,190.78 from the southeasterly corner of said Million tract;

THENCE, North 04°05'12" East, 178.74 feet along said western margin and 200 feet West of the easements East margin to a point 25 feet northwest of the East margin of 150-foot-wide United States of America (Tennessee Valley Authority Transmission Line Easement);

THENCE, North 49°52'12" East, 2,739.91 feet along a line, the western margin of the herein described easement, 25 feet West and parallel to the said East margin of the said 150-foot-wide easement to a point in the common line of Sections 23 and 26, the common line of Million, Tract 2 and Tract 14;

THENCE, North 49°52'12" East, 110.10 feet along the said western margin, and further, 25 feet West and parallel to the eastern margin of the hereinafter described 150-foot-wide Transmission Line Easement to a point in the said southern margin of the aforesaid railroad;

THENCE, South 48°40'42" East, 176.97 feet along said southern margin of railroad to a point in the eastern margin of the herein described easement;

THENCE, South 49°52'12" West, 52.45 feet along said eastern margin to a point in the common line of Sections 24 and 25, the northeastern line of Bluewater Investments, and further, South 65°48'40" East, 109.54 feet from the common corner of Sections 23, 24, 25, and 26;

THENCE, South 49°52'12" West, 254.32 feet continuing along said eastern margin and across Bluewater Investments to a point in the eastern line of Million, said point being South 24°21'24" West, 229.20 feet along the common line of Sections 25 and 26 from the common corner of Sections 23, 24, 25, and 26.

THENCE, South 49°52'12" West, 2,460.97 feet along the said eastern margin, 175 feet East and parallel to the herein described easement West margin to a point;

THENCE, South 04°05'12" East, 236.61 feet along the said eastern margin, 200 feet East and parallel to the herein described easement West margin to a point in the southern line of Million, said point being 978.02 feet from the southeastern corner of Million;

THENCE, South 04°05'12" East, 808.36 feet along said eastern margin, 200 feet East and parallel to the herein described easement west margin to the easement POINT OF BEGINNING.

There is a Survey Reference Line as noted above for field reference to the unmarked property line along the approximate centerline of South Chickamauga Creek and the approximate centerline of sluice, said Survey Reference Line being more particularly described as follows:

BEGINNING at a point in the Tennessee-Georgia State Line, the southern line of the hereinabove described tract, said point being North 89°12'18" East, 69.06 feet along said State Line from the centerline of South Chickamauga Creek, the said southwesternmost corner of the hereinabove described tract;

THENCE, North 01°22'17" West, 60.69 feet to an iron rod new;

THENCE, North 23°12'12" West, 327.41 feet to an iron rod new;

THENCE, North 42°35'34" West, 362.49 feet to an iron rod new;

THENCE, North 26°46'06" East, 651.74 feet to an iron rod old in the southern line of the now or former Million tract and being further North 66°21'32" West, 86.15 feet from the centerline of South Chickamauga Creek;

THENCE, North 33°20'40" East, 158.50 feet to an iron rod new;

THENCE, North 25°09'28" East, 193.01 feet to an iron rod new;

THENCE, North 35°46'56" East, 194.73 feet to an iron rod new;

THENCE, North 35°46'50" East, 233.65 feet to an iron rod new;

THENCE, North 35°46'40" East, 198.90 feet to an iron rod new;

THENCE, North 57°15'04" East, 216.40 feet to an iron rod new;

THENCE, North 29°11'38" East, 220.53 feet to an iron rod new;

THENCE, North 29°11'27" East, 143.74 feet to an iron rod new;

THENCE, North 73°10'31" East, 186.30 feet to an iron rod new;

THENCE, South 88°34'38" East, 210.26 feet to an iron rod new;

THENCE, South 88°34'38" East, 521.27 feet to an iron rod new;

THENCE, South 78°37'41" East, 251.19 feet to an iron rod new;

THENCE, North 73°39'16" East, 261.28 feet to an iron rod new;

THENCE, North 27°10'29" East, 337.08 feet to an iron rod new;

THENCE, North 01°05'48" West, 151.17 feet to an iron rod new;

THENCE, North 29°03'03" West, 108.28 feet to an iron rod new in the common line of Sections 23 and 26 with said iron rod being North 65°48'40" West, 534.75 feet from the section corner of Sections 23, 24, 25, and 26;

THENCE, North 33°23'35" West, 294.58 feet to an iron rod new;

THENCE, North 11°41'28" West, 187.80 feet, crossing twice said approximate centerline sluice property line location, to an iron rod new;

THENCE, North 37°18'00" West, 253.77 feet to an iron rod new;

THENCE, North 58°11'57" West 156.42 feet to an iron rod new;

THENCE, North 80°20'44" West, 71.00 feet to an existing iron pin, the common corner of said Wooden, Walker, and the hereinabove described parcel and the END of the Survey Reference Line.

There exists a United States of America (Tennessee Valley Authority) Transmission Line Easement, Deed Book 1067, Page 270, Deed Book 1066, Page 400 and Deed Book 1073, Page 493, ROHC, 150 feet in width, 75 feet on each side of the centerline of the transmission line as installed, crossing the hereinabove described tract and being more particularly described as follows:

BEGINNING at a point in the eastern margin of the herein described easement, said point being in the centerline of South Chickamauga Creek as referenced in the hereinabove Tract 1 description;

THENCE, North 42°13'18" West, 150.10 feet along said creek centerline and crossing said easement to a point in the westerly margin of the herein described easement;

THENCE, North 49°52'12" East, 3,984.90 feet along said westerly margin to a point in the southerly margin of the said Western and Atlantic Railroad, passing at 867.50 feet the southerly line of the now or former property of Virginia W. Million, Tract 14 and passing at 3,833.29 feet the common section line of Sections 23 and 26, also the common line of Tracts 2 and 14 of the now or former property of Virginia W. Million;

THENCE, South 48°40'42" East, 151.68 feet along said southerly margin of railroad and crossing the herein described easement to a point in the easterly margin of the herein described easement;

THENCE, South 49°52'12" West, 3,990.05 feet along said easterly margin of easement to the easement's POINT OF BEGINNING, passing at 102.03 feet the said common section line of Sections 23 and 26 and passing at 3,054.13 feet the southerly line of said Tract 14 of Virginia W. Million.

There exists a City of Chattanooga Sanitary Sewer Easement, Deed Book 3225, Page 880, ROHC, said easement being 30 feet in width, 15 feet on each side of the centerline of said sewer as installed, which crosses onto the hereinabove described tract and being more particularly described as follows:

BEGINNING at a point in the western margin of the herein described easement, said point being on the centerline of sluice boundary as described in the hereinabove described tract;

THENCE, North 76°29'16" East 21.50 feet along the said centerline of sluice boundary to a point in the eastern margin of the herein described easement;

THENCE, South 04°14'40" West 54.54 feet along said eastern margin to the southeasternmost point of said easement;

THENCE, North 85°45'20" West 20.00 feet along the southern easement margin to a point and passing at 15.00 feet a sanitary manhole, the end of heretofore described unspecified width sanitary sewer easement;

THENCE, North 04°14'40" East 41.93 feet along the western margin of the herein described easement to the easement POINT OF BEGINNING.

There exists a second line of City of Chattanooga Sanitary Sewer Easement of unspecified width as recorded in Deed Book 3240, Page 74, crossing the hereinabove described Tract 1 with the centerline of said easement being more particularly described as follows:

BEGINNING at a point in the southern margin of the hereinabove described Western and Atlantic Railroad right-of-way, said point being 60 feet South of the centerline of the track, and further, being North 48°40'42" West, 13.19 feet from the POINT OF BEGINNING of the hereinabove described Tract 1;

THENCE, South 32°53'20" West, 196.47 feet along said centerline and approximately parallel to said tract's east line to an existing sanitary manhole with a lateral sewer line to the lands of Lawler;

THENCE, South 33°20'54" West, 200.20 feet along said centerline and approximately parallel to said tract's east line to an existing sanitary manhole;

THENCE, South 33°44'20" West, 264.61 feet along said centerline and approximately parallel to said tract's east line to an existing sanitary manhole on the first described City of Chattanooga unspecified width sanitary sewer easement, and further, being North 13°48'21" East, 33.86 feet from the POINT OF BEGINNING of said easement, said manhole being the END of the centerline of the herein described easement.

TRACT 2

Being a part of a tract of land located in Section 25 Township 2 South, Range 3 West of the Basis Line, Ocoee District, Hamilton County, Tennessee and within the Corporate Limits of the City of Chattanooga, said part of tract being a triangular shaped parcel of land located North and adjacent to the property of the State of Georgia, Deed Book D1, Page 366 and Deed Book 1056, Page 597, used for and by the Western and Atlantic Railroad and South and adjacent to the common section line of Sections 24 and 25, the South line of the property of Wesley and Margaret Rhodes, Deed Book 1727, Page 43, ROHC and further bounded on the East by William J. and Velma H. Johnston, Deed Book 1979, Page 974, ROHC and being more particularly described as follows:

BEGINNING at a point in the northerly margin of the said Western and Atlantic Railroad right-of-way, said point being 60 feet north of the centerline of the tracks for said railroad, and further, said point being the point of intersection of said northerly margin of railroad with the common section line of Sections 24 and 25 and being South 65°48'40" East, 407.35 feet from said point of intersection and South 65°48'40" East, 692.96 feet from the section corner for Sections 23, 24, 25, and 26;

THENCE, South 65°48'40" East, 672.93 feet continuing along the common line of Sections 24 and 25 to an iron pin old, the common corner with said property of Rhodes and of Johnston;

THENCE, South 24°06'50" West, 207.52 feet along the common line of Johnston to a point in the northerly margin of said railroad right-of-way, said point being 60 feet North of the centerline of tracks;

THENCE, North 48°40'42" West, 704.46 feet along said northerly margin of said right-of-way to the POINT OF BEGINNING, the end of Tract 2;

CONTAINING in Tract 2, 69,821 square feet or 1.603 acres, more or less.

TRACT 3

Being a parcel of land located in the Second Civil District, Hamilton County, Tennessee and within the Corporate Limits of the City of Chattanooga and being a part of Section 23, Township 2 South, Range 3 West of the Basis Line, Ocoee District, said Parcel bounded on the North by James C. and Julia W. Price, Deed Book 2431, Page 344, ROHC, on the East by Wesley and Margaret Rhodes, Deed Book 1727, Page 43, on the South by the State of Georgia for and by the use of the Western and Atlantic Railroad, Deed Book D1, Page 366, ROHC, and on the West by Steven H. and Tamara Childs, Deed Book 2754, Page 544, ROHC, and being more particularly described as follows:

BEGINNING at a point in the northerly margin of the State of Georgia (Western and Atlantic Railroad) right-of-way, said point being 60 feet, at a right angle, from the centerline of the track of said railroad, and further, said point being on the common line of Sections 23 and 24 and North 24°21'24" East 213.43 feet from the common corner of Sections 23, 24, 25, and 26;

THENCE, North 48°40'42" West 423.95 feet along the said northerly margin, 60 North and parallel to the centerline of track, to a point, the northwestern corner of the herein described parcel, passing at 80.24 feet the easterly margin of a 30-foot-wide, Electric Power Board of Chattanooga, Transmission Line Easement and passing at 110.48 feet the western margin of a 150-foot-wide, United States of America (Tennessee Valley Authority) Transmission Line Easement, said easement extending East from said western margin and also being the common western margin of the aforesaid Electric Power Board of Chattanooga, Transmission Line Easement;

THENCE, North 24°21'24" East 235.50 feet along a fence line, the common line of Childs, to a point, passing at 8.42 feet the southern margin of a 40-foot-wide, Electric Power Board of Chattanooga, Transmission Line Easement;

THENCE, South 48°40'42" East 423.95 feet along a line parallel to the said railroad and common to the southern line of Price to a point, the southeastern corner of the herein described parcel, passing at 415.95 feet the common western margin of the United States of America (Tennessee Valley Authority) and the Electric Power Board of Chattanooga, Transmission Line Easements;

THENCE, South 24°21'24" West 235.50 feet along the common line of Sections 23 and 24 and the property of Rhodes to the POINT OF BEGINNING, passing at 51.27 feet the easterly margin of the aforesaid Electric Power Board of Chattanooga, Transmission Line Easement;—

CONTAINING in Tract 3, 95,495 square feet or 2.192 acres, more or less.

There exists an Electric Power Board of Chattanooga, 30-foot-wide, Transmission Line Easement, Deed Book 1783, Page 688, ROHC, crossing the hereinabove described Tract 3 and being more particularly described as follows:

BEGINNING at a point in the eastern margin of said easement, said point also being in the northerly margin of the Western and Atlantic Railroad, 60 feet from the center of said track, and North 48°40'42" West 80.24 feet from the hereinabove described parcel POINT OF BEGINNING;

THENCE, North 48°40'42" West 30.24 feet continuing with said northerly margin of said railroad right-of-way to a point, also the common westerly margin of the 175-foot-wide, United States of America (Tennessee Valley Authority) Transmission Line Easement;

THENCE, North 49°52'12" East 227.78 feet along the common western margin of said power line easements to a point in the common line of Price and the hereinabove described parcel;

THENCE, South 48°40'42" East 8.01 feet along the said common line of Price and said parcel to the southeastern corner of the hereinabove described parcel;

THENCE, South 24°21'24" West 51.27 feet along the common line of Sections 23 and 24 to a point in the eastern margin of the herein described easement;

THENCE, South 49°52'12" East 178.19 feet along said eastern margin to the easement POINT OF BEGINNING.

There exists an Electric Power Board of Chattanooga, 40-foot-wide, Transmission Line Easement, Deed Book 1833, Page 451, ROHC, crossing the hereinabove described Tract 3 and being more particularly described as follows:

BEGINNING at a point in the common line of Childs and the hereinabove described parcel, said point being North 24°21'24" East 8.42 feet from the southwestern corner of the said above described parcel;

THENCE, North 24°21'24" East 41.20 feet along the said common line of Childs and said parcel to a point in the northerly margin of the herein described easement;

THENCE, South 51°47'37" East 399.43 feet along said northerly margin to a point;

THENCE, South 38°12'23" West 40.00 feet along the easterly margin of the herein described easement to a point in the southerly margin of said easement;

THENCE, North 51°47'37" West 389.57 feet along said southerly margin to the easement POINT OF BEGINNING.

There exists a portion of a United States of America (Tennessee Valley Authority) 150-foot-wide Transmission Line Easement, Deed Book 1073, Page 493, ROHC, crossing the eastern portion of the hereinabove described Tract 3 and being more particularly described as follows:

BEGINNING at the POINT OF BEGINNING of the hereinabove described parcel and being North 24°21'24" West 213.43 feet from the common corner of Sections 23, 24, 25, and 26;

THENCE, North 48°40'42" West 110.48 feet along the northerly margin of the aforesaid Western and Atlantic Railroad to a point in the western margin of the herein described easement, also being the common western margin of the aforesaid Electric Power Board of Chattanooga, Transmission Line Easement;

THENCE, North 49°52'12" East 227.78 feet along said western margin to a point in the common line of Price and the above described parcel;

THENCE, South 48°40'42" East 8.01 feet along the said line of Price and said parcel to a point, the southeastern corner of the hereinabove described parcel;

THENCE, South 24°21'24" East 235.50 feet along the common line of Sections 23 and 24, and the line of Rhodes to the portion of easement POINT OF BEGINNING.

CONTAINING, in Tracts 1, 2, and 3: 11,346,213 square feet or 260.473 acres, more or less, as shown on survey of Hensley-Schmidt, Inc., entitled "Boundary Survey, Bluewater Investments, Countryside Associates, Dortha Jean Roberts Lowe, Jesse Carroll Roberts, James F. Lowe and Dortha J. Lowe, Jesse C. and Thelma N. Roberts, and Virginia W. Million, Tracts 2, 3, and 14, Deed Book 3612, Page 378," revised dated July 20, 1990, having Drawing Number 9842-2.0.

II. Georgia Property

Being a tract of land located in a portion of Land Lots 3, 4, 5, 6, 31, and 32, 28th District, 3rd Section, Catoosa County, Georgia, said tract being now or formerly the property of Countryside Associates, Deed Book 321, Page 375, Register's Office of Catoosa County, Dortha Jean Roberts Lowe, Deed Book 290, Page 501, James F. and Dortha J. Lowe, Deed Book 81, Page 60, Jesse Carroll Roberts, Deed Book 290, Page 498, and Jesse C. and Thelma N. Roberts, Deed Book 77, Page 459, said tract being bounded on the East by Joseph Fine, Deed Book 281, Page 714, on the South and West by South Chickamauga Creek and on the North by the approximate Tennessee-Georgia State Line, the south line of Bluewater Investments, Deed Book 3613, Page 891, Register's Office of Hamilton County, and the southern margins of a traveled way known as State Line Road and Julian Road, said tract being more particularly described as follows:

BEGINNING at a point of the southerly margin of State Line Road, a 30-foot-wide right-of-way, said point being North 25°42'34" East, 10.74 feet from the southerly margin of Julian Road, a 50-foot-wide right-of-way, leading in an easterly direction and along the approximate centerline of Julian Road leading from Tennessee in a southerly direction extended South along the approximate centerline of a 20-foot-wide ingress/egress easement;

THENCE, South 25°42'34" West, 10.74 feet along an offset line between the southerly margin of said State Line Road and the southerly margin of Julian Road leading East to a point in the said southerly margin of Julian Road;

THENCE, South 84°10'46" East, 115.26 feet continuing along the said southerly margin of Julian Road to a point, the common North corner of the herein described tract with said Jesse Carroll Roberts;

THENCE, South 84°10'46" East, 190.61 feet continuing along said southerly margin to a point;

THENCE, South 78°43'46" East, 123.00 feet continuing along said southerly margin to a point, the northwest corner of Jesse C. and Thelma N. Roberts, Deed Book 77, Page 459;

THENCE, South 73°26'14" East 98.99 feet continuing along said southerly margin to a point, the northeasternmost corner of Jesse C. and Thelma N. Roberts;

THENCE, South 74°26'22" East, 172.59 feet continuing with said southerly margin to an iron rod old, the common North corner with Joseph Fine and the northeasternmost corner of the herein described tract;

THENCE, South 00°32'33" East, 2,530.39 feet along the West line of Fine, Deed Book 281, Page 714, to a point in the approximate centerline of South Chickamauga Creek, the southeasternmost corner of the herein described tract, passing at 348.67 feet, the northerly margin of the northernmost 20-foot-wide City of Chattanooga sanitary sewer easement, passing at 957.17 feet, the southerly margin of the southernmost 20-foot-wide City of Chattanooga sanitary sewer easement, and passing at 2,498.39 feet the centerline of a 10-inch tree, the beginning of a Survey Reference Line for the unmarked centerline boundary of South Chickamauga Creek;

THENCE, South 47°19'18" West, 153.65 feet along the said creek centerline to a point;

THENCE, South 54°30'37" West, 405.76 feet along the said creek centerline to a point;

THENCE, South 81°07'38" West, 195.83 feet along the said creek centerline to a point, the common South corner of Dortha Jean Roberts Lowe and Jesse Carroll Roberts, said corner being South 00°47'13" West 38.56 feet from the survey reference line;

THENCE, South 81°07'38" West, 33.52 feet along the approximate centerline of creek to a point;

THENCE, North 71°49'32" West, 502.88 feet along the approximate centerline of creek to a point;

THENCE, North 62°15'14" West, 98.78 feet along the approximate centerline of creek to a point, the common South corner of Dortha Jean Roberts Lowe and Countryside Associates, said corner being South 00°15'54" East 57.31 feet from the survey reference line;

THENCE, North 52°55'22" West 377.78 feet continuing along the centerline of said South Chickamauga Creek to a point;

THENCE, North 43°58'18" West 377.28 feet continuing along said creek to a point;

THENCE, North 21°15'17" West 290.35 feet continuing along said creek to a point;

THENCE, North 30°12'15" West 290.89 feet continuing along said creek to a point;

THENCE, North 43°38'47" West 665.56 feet continuing along said creek to a point;

THENCE, North 67°06'55" West 232.07 feet continuing along said creek to a point;

THENCE, North 85°40'03" West 293.92 feet continuing along said creek to a point;

THENCE, North 77°19'02" West 188.96 feet continuing along said creek to a point;

THENCE, North 80°56'47" West 291.59 feet continuing along said creek to a point;

THENCE, North 71°21'52" West 720.17 feet continuing along said creek to a point;

THENCE, North 71°25'45" West 151.14 feet continuing along said creek to a point;

THENCE, North 70°15'31" West 420.74 feet continuing along said creek to a point;

THENCE, North 80°56'43" West 457.97 feet continuing along said creek to a point, passing at 100.62 feet the easterly margin of a 285-foot-wide, Southern Natural Gas Company easement, Deed Book 163, Page 155 and passing at 185.12 feet the easterly margin of a 30-foot-wide Plantation Pipeline Company petroleum pipeline easement, Deed Book, 39, Page 99, which overlaps the Southern Natural Gas easement by 1.44 feet, and passing at 415.89 feet the easterly margin of a 200-foot-wide, not constructed, United States of America (Tennessee Valley Authority) transmission line easement, Deed Book 178, Page 495;

THENCE, South 75°06'49" West 301.15 feet continuing along said creek to a point, passing at 168.12 feet the western margin of said TVA transmission line easement;

THENCE, South 52°18'09" West 208.51 feet continuing along said creek to a point;

RECORDERS MEMO

Legibility of writing, typing or printing in this document unsatisfactory when received.

THENCE, South 35°23'33" West 274.14 feet continuing along said creek to a point;

THENCE, South 77°46'24" West 127.12 feet continuing along said creek to a point;

THENCE, North 52°41'11" West 141.30 feet continuing along said creek to a point;

THENCE, North 40°17'08" West 154.88 feet continuing along said creek to a point;

THENCE, North 17°07'38" East 202.65 feet continuing along said creek to a point;

THENCE, North 50°22'01" East 227.95 feet continuing along said creek to a point;

THENCE, North 03°53'59" East 200.00 feet continuing along said creek to a point;

THENCE, North 07°19'02" West 300.25 feet continuing along said creek to a point on the approximate Tennessee-Georgia State Line;

THENCE, North 89°12'18" East 4,190.12 feet leaving said creek and along the said Tennessee-Georgia State Line to a point in the approximate centerline of a 30-foot-wide traveled way known as State Line Road, passing at 69.06 feet the end of a survey reference line for the unmarked boundary line along the approximate centerline of said creek, passing at 624.04 feet the westerly margin of the said 200 foot Tennessee Valley Authority transmission line easement, passing at 825.71 feet the westerly margin of the said 30-foot-wide petroleum pipeline easement, passing at 1,023.86 feet the westerly margin of a 70-foot-wide segment of the said 285-foot Southern Natural Gas Company natural gas line easement, and passing at 2,563.19 feet the westerly margin of said State Line Road as it turns south into Georgia and leading to the Blackwell Cemetery;

THENCE, South 00°22'49" West 13.46 feet crossing the southern half of said State Line Road to a point in the southerly margin of said road;

THENCE, North 89°19'49" East 465.92 continuing along said southerly margin to a point, the common North corner of the now or former property of Countryside Associates and Dortha Jean Roberts Lowe;

THENCE, North 88°46'39" East 543.00 feet continuing along said southerly margin to the POINT OF BEGINNING and passing at 3.02 feet the westerly margin of a 20-foot-wide City of Chattanooga, sanitary sewer easement.

CONTAINING 9,428,323 square feet or 216.445 acres, more or less, as shown by survey of Hensley-Schmidt, Inc., entitled, "Boundary Survey, Bluewater Investments, Countryside Associates, Dortha Jean Roberts Lowe, Jesse Carroll Roberts, James F. Lowe and Dortha J. Lowe, Jesse C. and Thelma N. Roberts, and Virginia W. Million, Tracts 2, 3, and 14, Deed Book 3612, Page 378, " Revised, dated July 20, 1990, having Drawing Number 9842-3.0.

There exists a 20-foot-wide City of Chattanooga Sanitary Sewer Easement across the hereinabove described tract, said easement being more particularly described as follows:

BEGINNING at a point in the common line of the hereinabove described tract and Joseph Fine, said point being 368.67 feet from the southerly margin of Julian Road, the northeastern most corner of the hereinabove described tract,

THENCE, South 00°32'33" East, 23.41 feet along the line of Fine and crossing to the southerly margin of the hereinabove described sewer to a point;

THENCE, South 58°09'13" West, 1.18 feet to a point;

THENCE, South 00°51'25" East, 183.60 feet to a point again in the line of Fine;

THENCE, South 00°32'33" East, 38.59 feet continuing with Fine to a point;

THENCE, South 00°16'01" East, 320.87 feet to a point;

THENCE, South 73°55'59" East, 1.61 feet to a point again in the line of Fine;

THENCE, South 00°32'33" East, 20.87 feet to a point in the southern margin of a second sanitary sewer crossing the line of Fine;

THENCE, North 73°55'59" West, 22.56 feet leaving the line of Fine to a point;

THENCE, North 00°16'01" West, 347.23 feet to a point;

THENCE, North 85°23'32" West, 288.72 feet to a point;

THENCE, North 82°04'49" West, 281.13 feet to a point in the line of Dortha Jean Roberts Lowe;

THENCE, North 82°04'49" West, 19.73 feet along said southerly margin to a point;

THENCE, North 74°59'36" West, 346.84 feet continuing along said southerly margin to a point;

THENCE, North 45°16'51" West, 360.60 feet continuing along said southerly margin to a point;

THENCE, North 05°18'27" West, 324.58 feet continuing along said southerly margin to a point in the southerly margin of State Line Road, said point being North 88°46'39" East, 3.02 feet from the common North corner of Countryside Associates and the hereinabove described tract;

THENCE, North 88°46'39" East, 20.05 feet along the southerly margin of State Line Road and crossing the herein described easement to a point in the northerly margin of said easement;

THENCE, South 05°18'27" East, 315.88 feet along the said northerly margin to a point;

THENCE, South 45°16'51" East, 348.02 feet continuing along said northerly margin to a point;

THENCE, South 74°59'36" East, 340.30 feet continuing along said northerly margin to a point;

THENCE, South 82°04'49" East 15.98 feet continuing along said northerly margin to a point in the common line of Dortha Jean Roberts Lowe and Jesse Carroll Roberts, said point being South 00°47'13" West 539.52 feet from the southern margin of Julian Road;

THENCE, South 82°04'49" East, 283.06 feet to a point;

THENCE, South 85°23'32" East, 286.32 feet to a point;

THENCE, North 00°51'25" West, 201.94 feet to a point;

THENCE, North 58°09'13" East, 24.66 feet to the easement POINT OF BEGINNING.

There exists a 20-foot ingress/egress easement for the benefit of Jesse Carroll Roberts, Deed Book 290, Page 498, James F. and Dortha J. Lowe, Deed Book 81, Page 60 and Dortha Jean Roberts Lowe, Deed Book 290, Page 501, said ingress/egress easement extending from Julian Road across the property of Dortha Jean Roberts Lowe and along the property of James F. and Dortha J. Lowe to the property of Jesse Carroll Roberts with the centerline being more particularly described as follows:

BEGINNING at the POINT OF BEGINNING for the hereinabove described tract;
THENCE, South 25°42'34" West, 620.10 feet to a point;
THENCE, South 11°41'34" West, 58.51 feet to a point;
THENCE, South 10°19'34" West, 74.53 feet to a point;
THENCE, South 58°13'10" East, 460.81 feet to a point, the END of easement, in the common line of Dortha Jean Roberts Lowe and Jesse Carroll Roberts with said line being 10 feet North and parallel to the North line of James F. and Dortha J. Lowe, further said END of easement point being South 00°47'13" West, 910.75 feet from the southerly margin of Julian Road.

There exists a utility easement of unspecified width for power, telephone, and other general utility purposes across the lands of Dortha Jean Roberts Lowe, Deed Book 290, Page 501, said easement being of unspecified location.

There exists an unspecified width water line easement across the northwestern portion of the hereinabove described tract for the benefit of Jesse C. and Thelma N. Roberts, Deed Book 77, Page 459, said water line being at an indeterminate location.

There exists a power line easement of unspecified width along the northern line of Jesse Carroll Roberts property, Deed Book 290, Page 498, and Dortha Jean Roberts Lowe, Deed Book 290, Page 501.

There is a Survey Reference Line as noted for field reference to the unmarked property line along the approximate centerline of South Chickamauga Creek, said Survey Reference Line being more particularly described as follows:

BEGINNING at a point in the common line of Fine and the hereinabove described tract, said point being North 00°32'33" West, 32.00 feet from the centerline of South Chickamauga Creek, the southeasternmost corner of said tract;
THENCE, South 57°21'31" West, 179.31 feet to an iron rod new;
THENCE, South 50°16'31" West, 369.04 feet to an iron rod new;
THENCE, South 81°17'46" West, 203.50 feet to a point in the common line of Roberts and Lowe, 38.56 feet from the centerline of South Chickamauga Creek, the southwesternmost corner of the Roberts tract.
THENCE, South 81°17'46" West, 7.55 feet to an iron rod new;
THENCE, North 72°18'03" West, 507.35 feet to an iron rod new;
THENCE, North 59°41'51" West, 125.49 feet to an iron rod old in the common line of Lowe and Countryside Associates, North 00°15'51" West, 57.31 feet from the centerline of South Chickamauga Creek, the southwesternmost corner of the Lowe tract;
THENCE, North 52°22'52" West 351.44 feet to an iron rod new;
THENCE, North 42°39'37" West 361.50 feet to an iron rod new;
THENCE, North 14°43'28" West 261.08 feet to an iron rod new;
THENCE, North 36°08'13" West 321.07 feet to an iron rod new;

THENCE, North 36°30'42" West 378.82 feet to an iron rod new;
 THENCE, North 48°52'39" West 299.06 feet to an iron rod new;
 THENCE, North 68°01'08" West 563.99 feet to an iron rod new;
 THENCE, South 83°05'47" West 222.21 feet to an iron rod new;
 THENCE, North 81°21'11" West 270.23 feet to an iron rod new;
 THENCE, North 71°16'20" West 707.04 feet to an iron rod new;
 THENCE, North 71°25'45" West 151.35 feet to an iron rod new;
 THENCE, North 69°34'21" West 418.28 feet to an iron rod new;
 THENCE, North 83°46'07" West 477.03 feet to an iron rod new;
 THENCE, North 73°06'02" West 322.57 feet to an iron rod new;
 THENCE, South 61°56'16" West 247.64 feet to an iron rod new;
 THENCE, South 26°34'09" West 252.50 feet to an iron rod new;
 THENCE, North 79°50'42" West 173.80 feet to an iron rod new;
 THENCE, North 22°12'20" West 169.61 feet to an iron rod new;
 THENCE, North 34°53'30" East 238.20 feet to an iron rod new;
 THENCE, North 42°38'40" East 107.97 feet to an iron rod new;

THENCE, North 01°22'17" West 504.93 feet to a point in the approximate Tennessee-Georgia State Line, the southern line of now or formerly, Bluewater Investments, the end of survey reference line, and further, being North 89°12'18" East 69.06 feet from the centerline of South Chickamauga Creek.

There exists a Southern Natural Gas Company, natural gas line easement varying in width from 285 feet to 70 feet crossing the hereinabove described tract and being more particularly described as follows:

BEGINNING at a point on the easterly margin of said easement in the centerline of South Chickamauga Creek;

THENCE, North 80°56'43" West 286.14 feet along the said centerline of creek and crossing the herein described easement to a point in the westerly margin of said easement and further, 1.44 feet West of the easterly margin of a Plantation Pipeline Company, petroleum pipeline East easement margin;

THENCE, North 03°56'10" East 583.22 feet along the westerly margin of the herein described easement and 185 feet West and approximately parallel to the main or westerly Natural Gas Pipeline to a point, said point being 2.47 feet West of the said Plantation Pipeline easterly margin;

THENCE, South 86°03'50" East 170.00 feet along an easement offset line to an iron rod old approximately 15 feet West of said pipeline;

THENCE, North 03°56'10" East 40.00 feet along a line 15 feet West and parallel to said pipeline to a point in the approximate Tennessee-Georgia State Line, the southern line of now or formerly Bluewater Investments;

THENCE, North 89°12'18" East 70.24 feet along said approximate state line and crossing said easement to an iron rod old in the easterly margin of said easement;

THENCE, South 03°56'10" West 46.00 feet along said easterly margin and further, 55 feet East and parallel to the said pipeline to a point;

THENCE, South 86°03'50" East 45.00 feet along an easement offset line to an iron rod old 100 feet East of said pipeline;

THENCE, South 03°56'10" East 608.75 feet along the easterly margin of easement 100 feet East and parallel to said pipeline to the POINT OF BEGINNING.

There exists a 30-foot-wide Plantation Pipeline Company, petroleum pipeline easement which crosses the hereinabove described tract and being more particularly described as follows:

BEGINNING at a point in the easterly margin of said petroleum pipeline easement, said point being in centerline of South Chickamauga Creek and further, being South 80°56'43" East 1.44 feet from intersection of the west margin of the above described Southern Natural Gas Company natural gas line easement and the centerline of said creek;

THENCE, North 80°56'43" West 30.12 feet along said creek centerline and crossing said easement to a point in the West margin of the herein described easement;

THENCE, North 04°02'22" West 604.52 feet along said West margin to a point in the approximate Tennessee-Georgia State Line, the southern line of, now or formerly, Bluewater Investments;

THENCE, North 89°12'18" East 30.11 feet along said state line and crossing the herein described easement to a point in the east margin of said easement;

THENCE, South 04°02'22" West 609.70 feet along said East margin and crossing the natural gas line easement 2.47 feet East of the gas line's West margin to the easement POINT OF BEGINNING.

There exists a 200-foot-wide, United States of America (Tennessee Valley Authority) transmission line easement which crosses the hereinabove described tract with said transmission line not being constructed and being more particularly described as follows:

BEGINNING at a point in the easterly margin of the herein described easement, said point being in the centerline of South Chickamauga Creek and further, North 80°56'43" West 1.44 feet from the West margin of the Plantation Pipeline Company, petroleum pipeline easement;

THENCE, North 80°56'43" West 41.08 feet along the said creek centerline and crossing the herein described easement to a point;

THENCE, South 75°06'49" West 168.12 feet along the said creek centerline and crossing the herein described easement to a point in the westerly margin of said easement;

THENCE, North 04°05'12" East 638.37 feet along said west margin to a point in the approximate Tennessee-Georgia State Line, the South line of Bluewater Investments;

THENCE, North 89°12'18" East 200.73 feet along said state line and crossing said easement to a point in the easterly margin of said easement and further, being South 89°12'18" West 0.94 feet from the westerly margin of said petroleum pipeline easement;

THENCE, South 04°05'12" West 604.32 feet along said easterly margin to the easement POINT OF BEGINNING.

There exists a portion 30 feet wide, existing traveled way known as State Line Road and a cemetery known as Blackwell Cemetery on the hereinabove described tract and being more particularly described as follows:

State Line Road

BEGINNING at a point in the approximate centerline of said traveled way known as State Line Road, said point being on the approximate Tennessee-Georgia State Line and further being the southeasternmost corner of the property of Bluewater Investments;

THENCE, South 00°22'49" West 13.46 feet crossing said portion of State Line Road to a point in the southerly margin of said road;

THENCE, South 89°19'49" West 1,597.25 feet continuing along said southerly margin to a point in the easterly margin of said road as it turns south at an approximate right angle;

THENCE, South 02°58'31" West 552.11 feet along said easterly margin of road to a point in the northerly margin of said road as it turns East at an approximate right angle;

THENCE, South 83°36'43" East 70.27 feet along said northerly margin of road to the said cemetery POINT OF BEGINNING, the northwestern most corner of said cemetery;

THENCE, South 02°07'57" West 30.08 feet along the West line of said cemetery and crossing the end of said road to a point in the southerly margin of said road;

THENCE, North 83°36'43" West 100.77 feet along said southerly margin to a point in the westerly margin of said road as it turns north at an approximate right angle;

THENCE, North 02°58'31" East 588.38 feet along said westerly margin and 30 feet West and parallel to said easterly margin to a point in the said Tennessee-Georgia State Line and further, being 20.14 feet south of the northerly margin of said road;

THENCE, North 89°12'18" East 1,626.93 feet along said state line and the approximate centerline of said road to the POINT OF BEGINNING.

Blackwell Cemetery

BEGINNING at a point located in the northerly margin of the hereinabove described traveled way known as State Line Road and further, being the northwesternmost corner of the herein described cemetery;

THENCE, South 83°36'43" East 91.00 feet along the North line of said cemetery to a point;

THENCE, South 02°07'57" West 90.06 feet along the East line of said cemetery to a point;

THENCE, North 83°36'43" West 91.00 feet along the south line of said cemetery to a point;

THENCE, North 02°07'57" East 90.06 feet along the West line of said cemetery to the cemetery POINT OF BEGINNING, passing at 59.98 feet the southerly margin of the above described State Line Road.

Notwithstanding the foregoing legal description, the property described in this Exhibit "B" shall not include any property described in Exhibit "A" hereof, which property consists of Lots 1 through 78 as shown on that certain plat titled "Final Plat-Council Fire Phase 1A" recorded in Plat Book 46, Page 63 in the Register's Office of Hamilton County, Tennessee.

Sources of Developer's title to the above-referenced property in this Exhibit "B" are:

1. Quitclaim Deed from Jeffrey B. Leonard, Jon M. Kinsey, Darrell Ferguson, Frederick L. Copeland and Frank E. Fowler to Council Fire, L.P., effective August 24, 1990, recorded in Book 3766, Page 443, Hamilton County Register's Office.
2. Quitclaim Deed from Jeffrey B. Leonard, Jon M. Kinsey, Darrell Ferguson, Frederick L. Copeland and Frank E. Fowler to Council Fire, L.P., effective August 24, 1990, recorded in Book 393, Page 420, Office of the Clerk of Superior Court, Catoosa County, Georgia.
3. Warranty Deed from Thelma N. Roberts, individually and as sole devisee under the will of Jesse C. Roberts to Council Fire, L.P., dated September 10, 1990 recorded in Deed Book 394, Page 216, Office of the Clerk of Superior Court, Catoosa County, Georgia.
4. Warranty Deed from Dortha Jean Roberts Lowe to Council Fire, L.P., dated September 10, 1990 recorded in Deed Book 394, Page 212, Office of the Clerk of Superior Court, Catoosa County, Georgia.
5. Warranty Deed from James E. Lowe and Dortha J. Lowe to Council Fire, L.P., dated September 10, 1990 recorded in Deed Book 394, Page 210, Office of the Clerk of Superior Court, Catoosa County, Georgia.
6. Warranty Deed from Jesse Carroll Roberts to Council Fire, L.P., dated September 10, 1990 recorded in Deed Book 394, Page 206, Office of the Clerk of Superior Court, Catoosa County, Georgia.
7. Warranty Deed from Virginia W. Million, unmarried, dated July 3, 1990, to Council Fire, L.P., recorded in Book 3747, Page 135 in the Hamilton County Register's Office.

Z2K2A363/BH

BOOK 3793 PAGE 645

EXHIBIT C

BYLAWS FOR
COUNCIL FIRE RESIDENTIAL ASSOCIATION, INC.

This Instrument Prepared By:
Brian E. Humphrey
Miller & Martin
1000 Volunteer Building
Chattanooga, Tennessee 37402
(615) 756-6600

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - NAME	1
ARTICLE II - OFFICES	1
ARTICLE III - PURPOSES	1
ARTICLE IV - ASSOCIATION	
4.01 Membership	2
4.02 Voting Rights.	2
ARTICLE V - THE BOARD OF DIRECTORS	
5.01 Board of Directors	2
5.02 Election	2
5.03 Term	3
5.04 Resignation and Removal.	3
5.05 Compensation	3
5.06 Powers and Authority of the Board.	3
5.07 Additional Powers of the Board	5
5.08 Meetings of the Board.	5
5.09 Special Meetings	5
5.10 Notice of Meetings	5
5.11 Waiver of Notice	5
5.12 Developer Performs Functions	6
5.13 Notice of Election	6
5.14 Fiscal Year.	6
5.15 Special Committees	6
5.16 Rules and Regulations.	6
5.17 Limitation on Capital Additions, Etc.	6
5.18 Failure to Insist on Strict Performance Not Waiver	7
ARTICLE VI - THE ASSOCIATION: MEETINGS, OFFICERS, ETC.	
6.01 Quorum	7
6.02 Annual Meeting	7
6.03 Special Meeting.	7
6.04 Parliamentary Rules.	8
6.05 Officers	8

ARTICLE VII - LIABILITY AND INDEMNIFICATION

7.01	Liability of Members of the Board and Officers	9
7.02	Indemnification by Association	9
7.03	Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners	9
7.04	Notice of Suit and Opportunity to Defend	10

ARTICLE VIII - GENERAL PROVISIONS

8.01	General Provisions	10
8.02	Amendment.	10
8.03	Notices.	10
8.04	Conflict	10
8.05	Nonwaiver of Covenants	11
8.06	Agreements Binding	11
8.07	Severability	11
8.08	Books and Records.	11

ADOPTION OF BYLAWS	11
------------------------------	----

SIGNATURE.	11
--------------------	----

BYLAWS FOR
COUNCIL FIRE RESIDENTIAL ASSOCIATION, INC.

ARTICLE I
NAME

The following provisions shall constitute the Bylaws of COUNCIL FIRE RESIDENTIAL ASSOCIATION, INC. (the "Bylaws"), a not-for-profit corporation (the "Association") which shall, along with the provisions of the Declaration of Covenants and Restrictions (the "Declaration") and the rules and regulations adopted by the Board of Directors of the Association (the "Board"), govern the administration of COUNCIL FIRE, a residential development (the "Development"). The terms in these Bylaws (unless otherwise defined) shall have the same meaning as the terms defined in the Declaration for this Development.

ARTICLE II
OFFICES

The principal office of the Association shall be located at

Suite 500, One Central Plaza
835 Georgia Avenue
Chattanooga, Tennessee 37402

or at such other place either within or without the State of Tennessee, as shall be lawfully designated by the Association, or as the affairs of the Association may require from time to time.

ARTICLE III
PURPOSES

The purposes of this Association shall be to provide for the establishment of a residents' association for the government of the Development in the manner provided by the Declaration, these Bylaws and in its Charter (the "Charter"). The aims of this Association are to be carried out through any and all lawful activities, including others not specifically stated in the Declaration, the Charter or these Bylaws but incidental to the stated aims and purposes; provided that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Charter or which are imposed on real estate homeowners' associations by the Internal Revenue Code of 1986 and the regulations thereunder, as presently enacted or as they may hereafter be amended or supplemented. All present or future owners or tenants, or their employees, or any other person who might use the facilities on the Development in any manner, shall be subject to the covenants, provisions or regulations contained in the Declaration and these Bylaws, as amended, and shall be subject to any restriction, condition or regulation hereafter adopted by the Association.

ARTICLE IV
ASSOCIATION

4.01 Membership. The Developer and every person or entity who is a record Owner of a fee simple interest or an undivided fee simple interest in any Lot or Dwelling Unit which is subject to the Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Lot or Dwelling Unit and recording of the deed of conveyance in the Register's Office of Hamilton County, Tennessee or in the Office of the Clerk of Superior Court of Catoosa County, Georgia. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Dwelling Unit which is subject to assessment.

4.02 Voting Rights. (a) Except as hereinafter provided in Section 4.02(b), Members shall be entitled to one vote for each Lot or Dwelling Unit in which they hold the interest required for membership by Section 4.01. When more than one person holds such interest or interests in any Lot or Dwelling Unit, all such persons shall be Members, and the vote for such Lot or Dwelling Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Dwelling Unit. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners.

(b) The Developer shall be entitled to six (6) votes for each Lot or Dwelling Unit owned and unsold until four (4) months after ninety-five percent (95%) of such Lots and Dwelling Units have been conveyed or six (6) years after the first Lot or Dwelling Unit is conveyed by Developer, whichever shall first occur, after which Developer shall be entitled to two (2) votes for each Lot or Dwelling Unit owned and unsold.

ARTICLE V
THE BOARD OF DIRECTORS

5.01 Board of Directors. Subject to Section 5.12 of this Article hereinbelow, the administration of the Property on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of five natural persons of legal age, each of whom shall be an Owner or a member of the household of an Owner at all times during membership on the Board.

5.02 Election. At each annual meeting, subject to the provisions of Section 5.12 hereof, the Association shall elect those

members of the Board as required under Sections 5.01 and 5.03 who shall serve the terms set out in Section 5.03; provided, however, the members of the Board elected to succeed the Developer shall be elected at a special meeting duly and specifically called for that purpose by the Developer. The Board elected at that special meeting shall serve until the first annual meeting of the Association held thereafter. At least thirty (30) days prior to any annual meeting of the Association, the Board shall elect from the Association a Nominating Committee of not less than two (2) Owners (none of whom shall be members of the Board) which shall recommend to the annual meeting one nominee for each position on the Board to be filled at that particular annual meeting. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Owners and by the nominee named therein indicating his willingness to serve as a member of the Board, if elected.

5.03 Term. Members of the Board shall serve for a term of two (2) years; provided, however, that three (3) members of the first Board elected by the Association at the annual meeting thereof shall be elected and shall serve for a term of one (1) year and the other two (2) members shall be elected and serve for a term of two (2) years. Thereafter, all Board members elected each year shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

5.04 Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President, the remaining Board members or the Manager. Any member of the Board may be removed from membership on the Board by a two-thirds (2/3rds) majority affirmative vote of those Members of the Association who are in attendance or represented at an annual or special meeting duly called for such purpose, except that a vacancy on the Board shall be deemed to exist in the event of the death of a member, the disability of a member which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a member shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining members shall elect a successor member to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

5.05 Compensation. The members of the Board shall receive no compensation for their services unless expressly provided for by the Association but shall be reimbursed for reasonable expenses incurred by them in the performance of their duties.

5.06 Powers and Authority of the Board. The Board, for the benefit of the Property and the Association, shall enforce the provisions of the Declaration, these Bylaws, and the Rules and Regulations governing the Property. Subject to any provision herein, the

Board shall have the power and authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

A. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility services for the Common Properties.

B. The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Property, whether such personnel are employed directly by the Board or are furnished by the Manager. All persons employed to manage or assist in the management or maintenance of the Property shall be employed at the will of the Board; provided that a manager may be employed for successive periods not exceeding a three (3) year term in each period. The Board may delegate any of its duties, powers or functions relating to the daily administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

C. The services of a person or firm to provide security for the Development to the extent and in such manner (fixed or roving or a combination thereof) as allowed by law and as determined by the Board to be necessary or proper.

D. Legal and accounting services necessary or advisable in the operation of the Property and the enforcement of this Declaration, these Bylaws, and any Rules and Regulations made pursuant thereto.

E. Officers and Directors Liability Insurance covering the Officers and Directors of the Association acting in such capacity.

F. A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the Board, Association and Owners as obligees, in an amount to be determined from time to time by the Board.

G. Painting, maintenance, repair, replacement and landscaping of the Common Properties. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.

H. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws or any Rules or Regulations promulgated hereunder or which, in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of the Declaration, these Bylaws, or the Rules and Regulations.

The Board shall have the exclusive right to contract for all goods, services, including security personnel, and insurance, payment for which is to be made a Common Expense. The provision shall not be construed to prohibit the Board from delegating such authority to the Manager as it deems proper.

5.07 Additional Powers of the Board. The Board shall have the right to acquire, operate, lease, manage, mortgage and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Owners and as such shall manage, maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with this Declaration, these Bylaws and the Rules and Regulations.

5.08 Meetings of the Board. Meetings of the Board shall be held at such places within or without the State of Tennessee as the Board shall determine. Three (3) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Board or not. The Board shall annually elect all of the officers set forth in Section 6.05 hereof. The meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be or which may be taken by the Board may be taken without a meeting of the Board pursuant to a written consent, setting forth the action so taken, signed by all members of the Board.

5.09 Special Meetings. Special meetings of the Board may be called by the President of the Association or by any two Board members.

5.10 Notice of Meetings. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.11 Waiver of Notice. Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the trans-

action of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

5.12 Developer Performs Functions. The rights, duties and functions of the Board shall be solely exercised by Developer until such time as the Developer in its sole discretion determines to call a special meeting of the Association to elect a Board to succeed Developer pursuant to Section 5.02 hereof.

5.13 Notice of Election. After the election of the Board to succeed the first Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that, in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.14 Fiscal Year. The fiscal year of the Association shall be determined by the Board.

5.15 Special Committees. The Board, by resolution duly adopted, may designate one or more special committees, including without limitation an Architectural Review Committee, each committee to consist of two (2) or more Owners appointed by the Board, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. The Developer shall perform the functions of all Special Committees until such time as provided in Section 5.12 hereof. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Owners to fill vacancies on Special Committees.

5.16 Rules and Regulations. The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Common Properties and setting forth restrictions on, and requirements respecting the use and maintenance of the Common Properties. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

5.17 Limitation on Capital Additions, Etc. The Board shall authorize no structural alterations, capital additions to, or capital improvements of the Common Properties, any of which require an expenditure in excess of Five Thousand Dollars (\$5,000.00) without approval of a majority vote of those Members who are present or represented at any annual or special meeting of the Association; or in excess of Ten Thousand Dollars (\$10,000.00) without approval of two-thirds of the vote of those Members who are present or represented at any annual or special meeting of the Association; provided, however,

that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Common Properties as are necessary, in the Board's reasonable judgment, to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.

5.18 Failure to Insist on Strict Performance Not Waiver. The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in the Declaration or these By-Laws, or the Rules and Regulations or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.

ARTICLE VI
THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

6.01 Quorum. The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Owners of Lots or Dwelling Units subject to assessment under the Declaration or Owners entitled to cast at least fifty (50) votes, whichever is less, in response to notice to all Owners properly given in accordance with Sections 6.02 or 6.03 of these Bylaws, as the case may be, shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of persons entitled to cast a majority of the votes which are represented at such meeting.

6.02 Annual Meeting. There shall be an annual meeting of the Association on the first Monday of February at 6:00 P.M. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the Board shall furnish to the Owners: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Owners who were not present at the annual meeting if not previously provided.

6.03 Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special

meetings shall be called by a majority of the Board, or by at least one-third (1/3) of the Owners by written notice, delivered to all Owners not less than thirty (30) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.

6.04 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with these Bylaws or other such rules adopted by the Board.

6.05 Officers. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer. The Developer shall, in its sole discretion, designate individuals to fill these positions during the period that the Developer is performing the functions of the Board pursuant to Section 5.12 hereof. Such officers designated by the Developer need not be Owners, and may be removed and replaced by the Developer at will. The Developer shall determine the scope of the authority of each such designated officer.

Once the Developer has turned over authority to a successor Board pursuant to Section 5.02 hereof, the following provisions shall become applicable: Each officer shall be required to be an Owner, and the President must be a member of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed and replaced by the Board. In the event an office becomes vacant due to an officer ceasing to be an Owner, or due to the death or disability of an officer, or for any other reason, the Board shall immediately name a successor to that office to serve out the remainder of the term. The Board may, in its discretion, require that officers be subject to fidelity bond coverage.

A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.

B. Vice-President. In the absence or inability of the President, the Vice-President shall perform the functions of the President.

C. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

D. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

ARTICLE VII
LIABILITY AND INDEMNIFICATION

7.01 Liability of Members of the Board and Officers. The members of the Board, the officers and any agents and employees of the Association shall: (i) not be liable to the Owners or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (ii) have no personal liability to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Owners in their capacity as such; (iii) have no personal liability in tort to an Owner or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and (iv) have no personal liability arising out of the use, misuse or condition of the Common Properties, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.

7.02 Indemnification by Association. To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation counsel fees and court costs, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association; provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association of the Board, or otherwise. The indemnification by the Association set forth in this Article VII shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

7.03 Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners. No suit shall be brought by one or more but less than all Owners on behalf of all Owners without approval of a majority of Owners and, if approval is obtained, the plaintiffs' expenses, including reasonable counsel's fees and court costs, shall be a Common Expense unless such suit is brought by one or more Owners against other Owners, the Association or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Owners as defendants, in which event the plaintiffs' expenses, including counsel's fees and court costs, shall not be charged as a Common Expense.

7.04 Notice of Suit and Opportunity to Defend. Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any Mortgagees, and shall be defended by the Board, and the Association and all Owners shall have no right to participate other than through the Board in such defense. Suits against one or more, but less than all Owners shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots or Dwelling Units affected, and shall be defended by such Owners at their expense.

ARTICLE VIII
GENERAL PROVISIONS

8.01 Businesses. Nothing contained in these Bylaws shall be construed to give the Board the authority to conduct any business for profit on behalf of the Association or any Member.

8.02 Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by Developer prior to the election of the first Board and thereafter by not less than two-thirds (2/3rds) of the affirmative vote of those Members of the Association who are present or represented at a meeting duly called for that purpose, PROVIDED, HOWEVER, that the contents of these Bylaws shall always contain those particulars which are required to be contained herein by the laws of the State of Tennessee. At any such meeting the Developer shall have the number of votes as provided in Section 4.02 hereof. Notwithstanding the foregoing, any amendment shall not be required to be recorded with the Recorder's office but must be kept on file with Developer or the Secretary and available to all Owners upon written request.

8.03 Notices. Any notice required to be sent to any Owner under the provisions of these Bylaws shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot or Dwelling Unit shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, under the provisions of these Bylaws shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

Suite 500, One Central Plaza
835 Georgia Avenue
Chattanooga, Tennessee 37402

8.04 Conflict. In the event of any conflict between these Bylaws and the provisions of the Articles of Incorporation, the

latter shall govern and apply. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control and govern.

8.05 Nonwaiver of Covenants. No covenants, restrictions, conditions, obligations or provision contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

8.06 Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Owners, their heirs, successors and assigns.

8.07 Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of these Bylaws, or of any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

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

ADOPTION OF BYLAWS

The undersigned as the Developer of the Property and the Incorporator of the Association hereby adopts the foregoing Bylaws of the Association, this _____ day of _____, 1990.

COUNCIL FIRE RESIDENTIAL ASSOCIATION,
INC.

By: COUNCIL FIRE, L.P. (Developer)

By: _____
Title: _____

Z2K2A281/BH

F 1:9 3:6:

IDENTIFICATION
REFERENCE

Nov 26 10 26 AM '90

SARAH P. DECHISEL
REGISTER
HAMILTON COUNTY
STATE OF TENNESSEE