

THIS INSTRUMENT PREPARED BY:
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117 East Main Street
Murfreesboro, TN 37130

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
GEORGETOWN SQUARE TOWNHOMES

WILLIS L. HUNTER, MELVIN R. ADAMS and THOMAS L. REED, JR., d/b/a HUNTER, ADAMS AND REED, a partnership (hereinafter referred to as "Declarant"), are the owners of certain real property in the 13th Civil District of Rutherford County, Tennessee, being more particularly described in Exhibit A, attached hereto and incorporated herein, hereby make the following grants, submissions and declarations.

W I T N E S S E T H:

WHEREAS, Declarant is the owner and developer of the real property more particularly described in Exhibit A, attached hereto, and

WHEREAS, Declarant desires to develop a common interest ownership project on the following property.

NOW, THEREFORE, Declarant hereby declares that all the property described in said Exhibit A as well as any further properties incorporated therein in the future shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties, having any right, title or interest to the property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITION

Section 1.1 Association shall mean and refer to GEORGETOWN SQUARE TOWNHOMES HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 1.2 Owner shall mean and refer to the record owner, (including Declarant) whether one or more persons or entities, of a common fee simple title to any lot which is a part of the property, including the contract seller, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.3 Properties shall mean and refer to that certain real property described in Exhibit A, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 1.4 Common areas shall mean all real property owned by the association for the common use and enjoyment of the owners, common area to be owned by the association at the time of the conveyance of the first lot is as described in the attachment hereto as Exhibit B, or said common area shown on the plat of record at Plat Book 9, page 47, Register's Office of Rutherford County.

Section 1.5 Lot shall mean and refer to any numbered plot of land shown upon any recorded subdivision map for the

For Supplementary Declaration, See Deed Book 335, page 777.
For Second Supplementary Declaration, See Deed Book 341, page 181.
For Third Supplementary Declaration, See Deed Book 360, page 786.
For Fourth Supplementary Declaration, See Deed Book 408, page 601.

properties with the exception of the common areas and dedicated streets. Title to lots will be held by an Owner or Owners in fee simple.

Section 1.6 Unit shall mean and refer to any portion of a building situated upon the properties designed and intended for use and occupancy as a residence by a single family.

Section 1.7 Board of Managers or Board shall mean the governing body of the Association as provided in this Declaration, the Articles of Incorporation and the By-Laws thereof.

Section 1.8 Member shall mean and refer to every person or entity who holds membership in the association.

Section 1.9 Declarant shall mean and refer to WILLIS L. HUNTER, MELVIN R. ADAMS and THOMAS L. REED, JR., their successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purposes of development. Declarant shall be synonymous with developer for the purposes of this declaration.

Section 1.10. Common expenses mean and include (a) expenses of administration, operation, management, repair or replacement of the Common Areas of the project, (b) expenses declared common by the provisions of the Declaration or the Charter or By-Laws of the Association against the Common Area of the project, (c) all sums lawfully assessed by the Board, and (d) expenses as provided in any duly authorized management agreement.

ARTICLE TWO

THE ASSOCIATION

Section 2.1 Organization.

(a) The Association is a non-profit Tennessee corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor the By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (i) members of the Association; or (ii) officers, directors, agents, representatives or employees of Declarant or a successor to Declarant.

(b) A Board of the Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the GEORGETOWN SQUARE TOWNHOMES documents. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration.

Section 2.2 Membership.

(a) Qualifications: Each Owner (including Declarant) shall be a member of the Association and shall be entitled to one (1) membership for each lot or unit owned. Ownership of a lot or unit shall be sole qualification for membership in the Association.

For Fifth Supplementary Declaration, see Deed Book 411, page 601.
For Eighth Supplementary Declaration, see Deed Book 415, page 545.
For Ninth Supplementary Declaration, see Deed Book 454, page 36.
For Sixth Supplementary Declaration, see Deed Book 498, page 115.

(b) Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in the applicable GEORGETOWN SQUARE TOWNHOMES documents.

(c) Transfer of Membership. The Association membership of each Owner (including Declarant) shall be appurtenant to the lot or unit giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said lot or unit and only to the transferee of title to such lot or unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot or unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

Section 2.3 Voting Rights - Members, Classes of Members.

(a) Class A Members: Class A Members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot or unit owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast, with respect to any lot in this class.

(b) Class B Members: Class B Members shall be the Declarant and any successor thereto and shall be entitled to three (3) votes for each lot owned. The Class B Membership shall cease and be converted to Class A Membership upon the happening of either of the following events, whichever occurs earlier: (i) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership, including any Class B membership created by expansion of the project, or (ii) on the 24th day of February, 1989.

Section 2.4 Duties of the Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions, (subject to the provisions of this Declaration), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the properties.

(a) Additional lands. Accept as part of the property all real estate annexed or added pursuant to this Declaration and accept all owners thereof as members of the Association, subject to the membership requirements set forth herein and in the By-Laws.

(b) Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitation, covenants, affirmative obligations, conditions, and other provisions of this Declaration, and the other GEORGETOWN SQUARE TOWNHOMES documents.

(c) Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and; to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order, condition and repair; and to

For Amendment to Declaration of Covenants, etc.,
See Record Book 798, page 3207.

maintain any parking areas free and clear of obstructions and unsafe conditions for vehicular use at all times.

(d) Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area.

(e) Taxes and Assessments. To pay all real and personal property taxes and assessments (if any) separately levied upon or assessed against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring a payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes. It is the intent of this Declaration in as much as the interest of each Owner to use and enjoy the Common Area appurtenant to such Owner's lot and/or unit is an interest in real property on a proportionate basis appurtenant to each lot and/or unit, that the value of the interest of each Owner in such Common Area shall be included in the assessment for each lot, and/or unit and as a result any assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various lots and/or units.

(f) Dedication for Public Use. Upon being directed from time to time prior to the 24th day of February, 1989, by Declarant or its successor to do so, to promptly dedicate such streets, roads and drives and such water, sewer or other utility lines or facilities and appropriate easements as may be specified by Declarant or its successor to such municipalities, utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated by Declarant or its successor.

(g) Insurance. To obtain and maintain insurance as provided for by either the By-Laws, this Declaration or the mortgagee protective agreement referred to in later sections of this Declaration.

(h) Rule Making. To make, establish, promulgate, amend and repeal the Association rules as provided for by this Declaration and the other Association documents except as otherwise provided.

(i) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration as may be reasonably necessary or appropriate to enforce or effectuate any of the provisions of this Declaration and the Association rules.

(j) Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Declarant, or by a successor to Declarant, during the period in which Declarant is continuing to develop this project or other areas to be annexed into this project to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming the GEORGETOWN SQUARE TOWNHOMES documents to the requirements of such mortgagees or insurers, providing that any such agreements do not contravene the requirements of the GEORGETOWN SQUARE TOWNHOMES documents or any applicable law.

Section 2.5 Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

(a) Assessments. To levy assessments on the owners of lots and units and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

(b) Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent there to, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any GEORGETOWN SQUARE TOWNHOMES documents and to enforce, by mandatory injunction or otherwise, all the provisions thereof.

(c) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, [1] overhead or underground lines, cables, wires, conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television, radio and audio antennae facilities and for other appropriate purposes; [2] public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and [3] any similar public or quasi-public improvements or facilities.

(d) Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such manager and employees shall have the right of ingress and egress over such portion of the properties as is reasonably necessary for the purpose of performing such business, duties and obligations.

(e) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action relevant to this Declaration of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sale or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots or units; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the Owners of lots, and/or units; (iii) any act or admission which may change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected

upon the properties, or the maintenance of party walls, party fences, driveways, or the upkeep of lawns or plantings located upon the properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, form and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots and/or units to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance policies and to secure new hazard insurance coverage on the lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

(f) Right of Entry. Without liability to any Owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in the documents and for the purpose of maintaining or repairing any portion of the properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the properties.

(g) Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance.

(h) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Declaration or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended coverage insurance covering the Common Areas, liability insurance, worker's compensation insurance, malicious mischief insurance, automobile non-ownership insurance, and performance of fidelity bonds.

(i) Utility Service. To contract and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

(j) Professional Services. To contract and pay for or otherwise provide for, the services of architects, engineers, attorneys, certified public accountants and such other professional and non-professional services as the Association deems necessary.

(k) Road Maintenance. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, drives or other paved areas upon any portion of the properties not dedicated to any governmental unit.

(l) Protective Services. To contract and pay for, or otherwise provide for, fire, and such other protective services as the Association shall from time to time deem appropriate for the benefit of the properties, the Owners and their guests.

(m) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary.

(n) Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Areas on account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(o) Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the common areas or any part thereof. In the event of a taking or acquisition of part or all of the common areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the termination of a project shall be made on a reasonable and equitable basis by the Board or by a special committees appointed by the Board for that purpose.

ARTICLE THREE

PROPERTY RIGHTS

Section 3.1 Owner's easement of enjoyment. Every owner in addition to a perpetual unrestricted right of ingress and egress to his own unit which passes with title shall have the right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

A. The right of the association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area; and to limit the number of guests and adopt rules regulating the use and enjoyment of the Common Areas.

B. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period in which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days after notice and hearing as may be provided for in the By-Laws for an infraction of its published rules and regulations;

C. The right of the Association to dedicate or transfer any part of the common area to any public agency, authority, or utility for the purpose of providing utilities or any similar purpose.

Section 3.2 Delegation of Use. Any Owner may delegate, in accordance with the by-laws, his rights of enjoyment of the

common area and the facilities to the members of his family, or contract purchasers, who reside on the property.

Section 3.3 Parking rights. The use of parking areas within the Common Area, together with the terms and conditions with regard to such use, shall be subject to the Association rules as same are in effect from time to time.

Section 3.4 Land Use. No lot, unless shown on plat as a commercial area, shall be used except for residential purposes.

ARTICLE FOUR

COVENANTS FOR MAINTENANCE ASSESSMENT

Section 4.1 Creation of the Lien and Personal Obligation of Assessments.

A. The Declarant, for each lot or living unit owned within the properties, hereby covenants, and each Owner for any lot, by said acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or losses, such assessments to be established and collected as hereinafter provided.

B. The annual and special assessments, together with interest, costs and reasonable attorneys' fees shall be a charge on the land, and shall be a continued lien upon the property against which each such assessment is made. Each such assessment together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment, fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them, but no such assumption shall relieve any Owner personally obligated from his personal liability.

Section 4.2 General Assessments.

A. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties, the improvement, operation and maintenance of the Common Area, and exterior maintenance, the duties and exercise of the powers of the Association, the payment of the proper expenses of the Association and all costs incurred in the performance by the Association of its duties, and the establishment of reasonable reserves for the maintenance, repair, and replacement of roads and other improvements upon the Common Area.

B. General Assessments levied by the Association for each fiscal year shall be adequate to finance the operation and activities of the Association, to satisfactorily maintain the Common Area, and maintain adequate repair and replacement reserves.

C. A capital fund shall be established containing two (2) months of the annual assessment as set forth in §4.3 for each lot. This is not an advance payment of the assessment, but a capital reserve fund to meet unforeseen or necessary equipment or services. Each lot's share of the capital fund will be collected at closing and paid to the Association to be held in a segregated fund. Within sixty (60) days of the close of the first unit, Declarant will pay each unsold unit's

share of this fund and the amount collected at the closing of that unit will be paid to the Declarant as reimbursement.

Section 4.3 Initial Assessment Period. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be 780 per unit that is substantially complete and 300 for each lot on which no building has been constructed or which any such building is not substantially complete or occupied. All units in a particular phase will pay full assessment no later than sixty days after the first unit in that phase is conveyed. (a) from and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than 15 per cent above the maximum assessment of the previous year without a vote of the membership; (b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above 15 percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at meeting duly called for this purpose; and (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4.4 Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of one-half (1/2) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4.5 Notice and Quorum for any Action Authorized under Section 4.3 and 4.4. Written notice for any meeting called for the purpose of taking any action authorized under Section 4.3 and/or 4.4, shall be sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting and shall state the purpose of such meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Rate of Annual Assessment. Annual assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis, subject to the provisions dealing with incomplete construction or vacant lot, the other provisions herein, and subject to amendment if future phases require a different assessment base.

Section 4.7 Date and Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all lots or living units on the first day of the month following the conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the

Board of Directors shall fix the amount of the annual assessment of every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment, but failure to fix shall not constitute a waiver of this right. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of the assessments on a lot or living unit is binding upon the Association as of the date of its issuance.

Section 4.8 Effect of Non-payment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by state law and shall be a lien against the lot, and shall further be the personal obligation of the person owning the unit at the time the assessment comes due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common area or abandonment of his lot.

Section 4.9 Subordination of the Lien to Mortgages.

A. The liens provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer or any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof or the payments thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve said lot from liability for any assessment thereafter becoming due or from the lien thereof.

B. For purposes of this section a sale or transfer of a lot or unit shall occur on the date of recordation of an instrument of title evidencing the conveyance of record title.

Section 4.10 Assessment Lien. All sums assessed but unpaid for the share of common expenses or any special assessment chargeable to any lot shall constitute a lien on such lot superior to all other liens and encumbrances, except only for tax and special assessment liens made by governmental entities on the lot in favor of any assessing governmental entity, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums that may be provided by such encumbrances. To evidence such a lien, the Board or managing agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of any accrued interest and late charges thereon, the name of the owner of the lot and a description of the lot. Such notice of lien shall be signed by a member of the Board or by a managing agent on behalf of the Board and shall be recorded in the office of the Register of Deeds in Rutherford County, Tennessee. Such lien shall attach and be effective from the due date of the assessment until all sums, with interest and other charges thereon, shall have been fully paid.

Section 4.11 Foreclosure on Liens. Such lien provided for in Section 4.10 may be enforced by the foreclosure of the defaulting owner's lot by the Association in a like manner as a mortgage on real property upon the recording of a notice of claim thereof. If the Owner fails to pay the said sums of money due, together with the cost of collection, including reasonable attorney fees, the Association or managing agent is hereby authorized and empowered upon giving 21 days notice, by publication once a week for three consecutive weeks in some newspaper published in Rutherford County, Tennessee, to sell said unit at the East Door of the Rutherford County Courthouse to the highest bidder for cash and free from equity and redemption, homestead, dower and all other exemptions of every kind, which are hereby expressly waived by the lot owner, and the Association or managing agent is authorized to make a Deed to the purchaser. In any such proceeding, the Owner shall be required to pay the cost, expenses and reasonable attorney's fees incurred for filing the lien; and in the event of foreclosure proceedings, all additional costs, all expenses and attorneys fees incurred in connection with such proceeding. The Owner of the lot being foreclosed shall be required to pay to the Association on the monthly assessment for the lot during the period of foreclosure and the Association shall be entitled to a receiver during foreclosure to collect the same from the defaulting owner or successors to such owner or from profits accruing from the sale of the lot. The Association shall have the power to bid in the lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same.

Section 4.12 Exempt property. All property dedicated to, and adopted and accepted by a local public authority and all properties owned by charitable or non-profit organizations exempt from taxation by the laws of the State of Tennessee, shall be exempt from the assessments created herein. However, no land or improvements devoted to any dwelling use shall be exempt from said assessments in any case.

Section 4.13 Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith and for value, but said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

Section 4.14 Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any any liability arising from the claim of any lien claimant or judgment debtor against the lot or unit of any other Owner of the Common Area. The Association or any affected Owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law.

ARTICLE FIVE

ARCHITECTURAL CONTROL

Section 5.1 No building, fence, wall, clothesline or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of same, shall have been submitted to

and approved in writing as to the harmony of external design and location in relation to the surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee comprised of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Each Owner acknowledges that the decor, color scheme and design of the property has been selected in such a manner as to be consistent and harmonious with other units in the subdivision and agrees to maintain and perpetuate the visual harmony of the properties.

ARTICLE SIX

PARTY WALL

Section 6.1 General Rules of Law Apply. Each wall which is built as a part of the original construction of the homes upon the property and placed on the dividing line between lots shall constitute a party wall, and to the extent to which it is consistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damaged due to negligence, or willful acts or admissions shall apply thereto.

Section 6.2 Share of repair and maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use by each Owner.

Section 6.3 Destruction by fire or other casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use by each Owner without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or admissions.

Section 6.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful acts causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6.5 Rights of Contribution to Run with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6.6 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrator shall choose one (1) additional arbitrator, and the decision shall be by majority of all arbitrators.

ARTICLE SEVEN

INSURANCE

Section 7.1 Casualty insurance on insurable area. The Association shall keep all insurable improvements and fixtures, the common area, insured against loss or damage by fire for the full insurable replacement cost thereof, and

shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all common areas with coverage of at least One Million Dollars (\$1,000,000.00) for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. Any insurance coverage with respect to the common area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are common expenses included in the common assessments made by the Association.

Section 7.2 Replacement or Repair of Property. In the event of damage to or destruction of any part of the common area improvements, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot Owner.

Section 7.3 Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, members of the Board and any standing Committee, tenants or guests, including, but without limitation, workers compensation, malicious mischief, auto non-ownership insurance, and performance of fidelity bonds.

In the event the Association has more than thirty (30) units, then the Association shall maintain blanket fidelity bonds for anyone who handles or is responsible for funds held or administered by the Association.

Section 7.4 Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of property which may be damaged or destroyed.

Section 7.5 Hazard, Flood, and Fire Insurance. Each owner shall obtain and maintain in effect fire and appropriate extended insurance coverage and other appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each unit owned by such owner, which insurance shall be subject to such additional requirements as may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board or Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the properties.

Section 7.6 Obligation to Repair and Restore.

(a) Subject only to the rights of an institutional holder of the first mortgage lien on the damaged unit, insurance proceeds from any insurance policy covering a unit shall be first applied to the repair, restoration, or replacement of such unit. Each Owner shall be responsible for the repair, restoration, or replacement of each unit owned by such owner pursuant to the terms hereof. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and in currently generally accepted design criteria) be generally harmonious with the other Georgetown Townhomes Units, and reconstruction must be consistent with plans approved by the appropriate architectural control committee. Such repair will be commenced as soon as possible.

(b) If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a unit, the owner of such unit shall be responsible for and make as soon as possible, the payment of any such deficiency necessary to complete the repair, restoration or replacement.

(c) If the insurance proceeds are in excess of the amount necessary for the repair, restoration or replacement of a unit, the owner of such unit shall be entitled to such excess in accordance with the provisions of the applicable insurance policy or policies and subject to the terms of any mortgage covering such unit.

Section 7.7 Association Rights. If any owner fails to obtain the insurance required in this article, or fails to pay the premiums therefor when and as required or fails to otherwise perform the obligations of an owner under this article, the Association may (but shall not be obligated to) obtain such insurance, make such payments for any such owner, and/or perform such obligations, and add the cost of such payments or performance, as a special assessment, to the general assessment of such owner in a like manner as a general assessment.

Section 7.8 Proof of Insurance. Each owner shall provide the Association with a copy of an appropriate insurance policy and a paid receipt thereof, showing that the Owner has proper hazard and extended insurance coverage. Failure to so provide such insurance proof on an annual basis or at such other times as the Association may reasonably require will be construed as a default of the obligations under this article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said Unit, with the Owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the Homeowner's Association, and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. This is subject to the Association's right to procure such insurance on a master plan as set forth below.

Section 7.9. Procurement of Individual Unit Insurance by Association: In order to facilitate an orderly, efficient and cost effective insurance coverage, the Association at the option of the Board, and in its discretion, may procure the insurance coverage required herein on behalf of each individual unit owner covering each unit and charging the cost of such insurance directly to the owner of the unit. The charge for this insurance shall be paid by the owner of the unit immediately upon its becoming due and shall be in

addition to any other general or special assessment against such lot. The purpose of this procedure is to allow the Board to, at its option, obtain all hazard, fire and homeowner policies from the same company in order to procure uniform coverage at lower rates and expedite the handling of claims. The Board, in its sole discretion shall decide whether to institute this procedure and when, but if it elects to do so, it shall procure such insurance only after reasonable investigation and comparison of the various policies and prices obtainable, and may ask, but is not required to do so, for bids for such coverage. If the Board uses this procedure to procure the individual unit insurance, then the owner is obligated to accept the insurance so procured and cannot opt out or avoid payment for the insurance in any manner. The charge for such insurance will be a continuing lien on the lot for which it is procured in the manner of a general assessment and can be enforced in the same manner. If the Board institutes this procedure then it must provide each lot owner with at least fifteen (15) days notice prior to cancelling any such insurance to allow the owner to procure such insurance on his own. If the Association does not elect this option through the Board, then the remaining provisions of this document with regard to insurance shall control, and shall control in any event insofar as they are not contradictory or conflicting with this section.

ARTICLE EIGHT

EXTERIOR MAINTENANCE

In addition to maintenance upon common areas, the Association shall provide exterior maintenance upon each lot which is subject to assessment, hereunder, as follows: Paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair is caused by the willful or negligent act of the Owner, his family, or guest or invitees, the cost of such maintenance or repairs will be added to and become a part of the general assessment to which such lot is subject. But in no case shall an assessment be made under this section for repair or maintenance occasioned by normal wear and tear.

ARTICLE NINE

USE RESTRICTION

Section 9.1 Land use and building type. No lot shall be used except for residential purposes, provided that plots of land designated commercial area on recorded plats may be used for any commercial purposes permitted by applicable municipal and county zoning ordinances.

Section 9.2 No noxious or offensive activity shall be conducted upon any lot nor shall anything be done thereon which may be or become annoying or a nuisance to the neighborhood.

Section 9.3 No animals, livestock or poultry of any kind shall be kept or maintained on any lot or any dwelling except that dogs, cats or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes and provided further that this is expressly subject to the Association's right to regulate the keeping and maintaining of household pets including the total ban on such pets if the Association shall deem it necessary or desirable.

Section 9.4 Outside antennae. No outside radio or television antennae shall be erected on any lot or dwelling unit within the properties unless and until permission from the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 9.5 Temporary structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

Section 9.6 Signs. No sign of any kind shall be displayed to the public view on any lots except that one sign of not more than five square feet advertising the property for sale or for rent, or signs used by a builder to advertise the property during the construction and sales.

Section 9.7 Oil and mining operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon, in or under any lot.

Section 9.8 Garbage and refuse disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 9.9 Lawful use. No immoral, improper, offensive or unlawful use shall be made of the common area or lots and living units nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 9.10 Commercial businesses. No commercial business may be maintained on the common area or in the living units.

Section 9.11 Alterations. Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Association.

Section 9.12 Rules of the common area. The Board is authorized to adopt rules for the use of the common areas and such rules shall be furnished in writing to the Owners. All such use of the common areas shall be subject to said rules as adopted.

Section 9.13 Sports and apparatus. No basketball backboard standard or fixed sports apparatus shall be attached to any living unit or garage or be erected on the lot of any unit.

Section 9.14 Repair of vehicles. No vehicles of any type shall be permanently or semi-permanently parked upon the properties or in the vicinity of any living unit or in the common area for purposes of accomplishing repairs thereto, or the reconstruction of except as permitted by the rules and regulations adopted by the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired.

Section 9.15 Each Owner shall keep his storage area in a neat and orderly condition with all storage area completely enclosed. Garage doors must be closed at all times except when a vehicle is entering or leaving said garage or when an individual is involved in some activity directly involving the garage.

Section 9.16 Recreational vehicles. There shall be no parking of recreational vehicles, including, but not limited to camping trailers, boats, motor homes, and the like, on the property unless they can be fitted in the garage and are kept there, except in areas specifically designated for this purpose by the Board, if the Board allows same.

Section 9.17 Commercial vehicles shall be parked in the garage or left at place of business and shall not be parked on the property, a lot or any Common Area.

Section 9.18 All curtains, draperies or shades shall exhibit a white backing to the outside.

Section 9.19 Notwithstanding anything to the contrary, Declarant, its agents, employees, contractors, successors and assigns shall be permitted to maintain during the periods of construction and sale of these units or any units contained on property described herein to be annexed, such facilities as in the sole opinion of the Declarant may be reasonably required or convenient to the construction, sale or rental of lots and units.

Section 9.20 Any lease or rental agreement for a unit must be in writing and filed with the Association. All such leases shall be subject to the rules and restrictions of the project and must have an initial term of at least three months. No unit may be leased or rented for a shorter term than three months.

ARTICLE TEN

EASEMENTS, ENCROACHMENTS, COMMON AREA

Section 10.1 Easements for Utilities. Easements for installation of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels and easements.

Section 10.2 Common Areas. The Common Area shall be conveyed to the Association in fee simple for the use, enjoyment and convenience of all Owners. Each lot and unit is hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or unit, the Owners of such

lot or unit and each of them, and for their respective families, guests, invitees and contract purchasers, for recreation and other appropriate intended purposes and uses and without limiting the generality of the foregoing, for ingress and egress over and through the common areas, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual grant deeds and mortgages to each lot and unit may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot or unit.

Section 10.3 Encroachment. Each lot and unit, and all lands in the Common Area, are hereby declared to have an easement over all adjoining lots, units and Common Area for the purpose of accomodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, in the encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachment so long as they shall exist, and the rights and obligations of Owner shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a structure on any lot or unit is partially or totally destroyed, and then repaired or rebuilt, the Owners of each lot and units agree that minor unintentional encroachments over adjoining lots and units shall be permitted, and there shall be valid easements for the maintenane of said encroachments so long as they shall exist as well as a right of entry to repair and replace.

Section 10.4 Association Functions. There is hereby reserved to Declarant, any successor to Declarant, and the Association, or the duly authorized agents, representatives and managers, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration and the other GEORGETOWN SQUARE TOWNHOMES documents.

Section 10.5 Covenants Running with Land. Each of the easements provided for in this Declaration shall be deemed to have been established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the lots and units, and common areas as the case may be, superior to all other encumbrances applied against or in favor of any portion of the properties which is the subject of this Declaration.

Section 10.6 Subject to prior utility easements. Notwithstanding anything herein expressly or impliedly to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Declarant for the installation and maintenance of utilities, sewers, television, drainage, and similar facilities that are necessary or appropriate for the development of the properties.

Section 10.7 Utility Easements, Duties and Rights. The rights and duties of the Owners of lots with respect to sanitary sewers and water, electricity, television, gas and telephone, shall be governed by the following:

(a) Whenever sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the properties, which connections or any portion thereof lie in or upon lots owned by others, then the Owners of the lots served by said connections, shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon lots or to have the utility company enter upon the lots within the properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

(b) When sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the properties, which connections serve more than one (1) lot, the Owner of each lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his lot.

ARTICLE ELEVEN

GENERAL PROVISIONS

Section 11.1 Enforcement. The Association, Declarant, or any Owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The expense of enforcement shall be chargeable to the Owner of the lot violating the provisions hereof and shall constitute a lien on the lot collectable in the same manner as a general assessment. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event constitute a waiver of the right to do so thereafter. Any lot owner shall likewise have a right of action against the Association for failure to comply with its duties.

Section 11.2 Severability. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 11.3 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of 30 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years. The Declaration may be amended during the first 30-year period by an instrument signed by not less than seventy percent (70%) of the lot Owners, and thereafter by an instrument signed by not less than sixty-seven percent (67%) of the lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or effect any lien for the payment thereof established herein. Any amendment must be properly recorded to be valid.

In addition, with regard to amendments of a material nature, approval must be obtained from eligible mortgage holders representing at least fifty-one percent (51%) of the votes of Unit estates which are subject to mortgages held by eligible holders, eligible holders being those holders of a first mortgage on a Unit estate who have requested the Owner's Association to notify them on any proposed action that requires a consent of a specified percentage of eligible mortgage holders. A change to any of the following would be considered as material: Voting rights; assessments; assessment liens or subordination of assessment liens;

reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interest in the general limited common areas, or rights to their use; boundaries in any Unit; convertability of units into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project, except as provided herein; insurance or fidelity bonds; leasing of units; imposition of any restrictions on a Unit owner's right to sell or transfer his or her unit; a decision by the Owner's Association to establish self-management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after a substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

When Unit owners are considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, the eligible mortgage holders representing at least sixty-seven percent (67%) of the votes of the mortgaged units must agree.

With regard to non-material changes such as correction of a technical error or clarification of a statement if a mortgagee fails to respond to a written proposal for an amendment within thirty (30) days, approval will be implied.

Section 11.4 Mortgage Approval. As long as there is Class B membership, the following actions will require the prior approval of any secondary mortgagee lender or insurer if appropriate and if they have loans on any of the properties contained herein. Annexation of additional property except as set forth in Article Twelve, dedication of Common Area, an amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 11.5 Headings and Interpretation.

(a) The headings introducing the text of the several sections of this Declaration are solely for the convenience of reference and shall not constitute part of this Declaration or affect its meaning in any way.

(b) In the event of any conflict between the provisions of this Declaration and the provisions of the By-Laws or the Articles of the Association, the provisions of this Declaration shall prevail.

ARTICLE TWELVE

ANNEXATION AND/OR ADDITION OF OTHER AREA TO PROPERTY

Section 12.1 General. All or any portion of the real property described in Exhibit C, Georgetown Square Condominiums, Section I, and Exhibit D to this Declaration may, from time to time and at any time hereafter be annexed to the scheme of this Declaration by Declarant or successor without the consent of the Association or its members or of any mortgagees or other lienholders (other than those holding mortgages or liens on the real property being annexed and except as set forth hereafter) by the recordation of a supplementary Declaration as provided herein. Such additional property will contain a maximum of 75 additional units.

No provision of this Declaration shall be construed to require the Declarant or any other person or entity to annex any real property to the scheme of this Declaration nor shall any provision to the scheme of development prohibit any real property whether or not included within the description contained in the exhibits attached hereto owned by Declarant or any other person from being subjected to another Declaration or scheme of development. The community contemplated by this Declaration including parcels of grounds to be annexed hereto may include a diversity of housing types and styles. In the event that either the Veterans Administration or any other agency of the United States initially loans or insures any unit mortgage or provides funds to finance any units, and the regulation or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development, then such approval or determination shall be a prerequisite to such annexation.

Section 12.2 All annexation of additional property will be completed within seven (7) years from the recordation of this Declaration.

Section 12.3 Method of Annexation. The additions authorized herein shall be effectuated by the recordation of a supplemental declaration. Such supplementary declaration shall be executed by the Declarant and the Owners of real property sought to be annexed to the scheme of this Declaration by the recordation thereof of said supplementary declaration and a description of said property to be annexed.

Section 12.4 Contents of Supplementary Declaration.

(a) The supplementary declaration referred to herein shall describe the real property to be annexed to the scheme of this Declaration and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the property described in the supplementary declaration to the scheme of this Declaration and extending the jurisdiction of the Association to cover the real estate so described therein. The supplementary declaration may contain such complimentary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics or development approaches to which the annexed land or parts thereof may be subjected to.

(b) Owners, including those owners of units in the annexed area, upon recordation of any supplementary Declaration, shall have a right and non-exclusive easement for enjoyment in and to the Common Area within the real property so annexed and the real property described herein in Exhibit "B", in accordance with the provisions of such supplementary Declaration and the original documents and an obligation to contribute to the cost of improvement, operation and maintenance of such Common Area within the annexed lands and the original area in like manner as if such Common Area had been originally located within the properties as described in Exhibit A to this Declaration subject to such amendments to this Declaration as may be necessary.

(c) Any supplementary declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any supplementary declaration in accordance with the provisions hereof and subject to the provisions of

such supplementary declaration, the real property described therein shall be subject to the provisions of this Declaration and all of the applicable Georgetown Square Townhomes documents, the jurisdiction of the Association pursuant to the terms of this Declaration, the By-Laws, and the Articles.

Section 12.5 Membership in Association. Upon the recording of any supplementary declaration, those lot owners contained therein shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the Supplemental Declaration.

Section 12.6 Substantial Completion. All improvements on any future phase will be substantially complete prior to annexation and such improvements will be consistent with the initial units in terms of quality of construction.

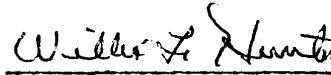
Section 12.7 Common Area. All common area in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration.

ARTICLE THIRTEEN

RIGHTS OF MORTGAGE HOLDERS, INSURERS OR GUARANTORS

The holder, insurer or guarantor of the first mortgage on any unit shall be given notification in writing by the Association upon its sending to the Association a written request stating its name, address of the unit it has the mortgage on, of any of the following actions: Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage; any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any unit on which it holds a mortgage; a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owner's Association; and any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

IN WITNESS WHEREOF we have hereunto executed this instrument on this the 23rd day of February, 1984.


WILLIS L. HUNTER


MELVIN R. ADAMS


THOMAS L. REED, JR.

STATE OF TENNESSEE)
 : SS:
RUTHERFORD COUNTY)

Personally appeared before me, the undersigned authority, a Notary Public in and for said county and state, the within named WILLIS L. HUNTER, MELVIN R. ADAMS and THOMAS L. REED, JR., with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who acknowledged that they executed the within and foregoing (DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, GEORGETOWN SQUARE TOWNHOMES) instrument for the purposes therein contained.

WITNESS MY HAND and official seal at Murfreesboro, Tennessee, this 23rd day of February, 1984.

Larry H. Neal
Notary Public

My commission expires: 3-22-86

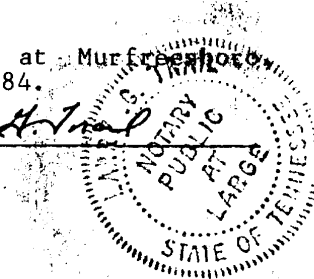


EXHIBIT A

Phase I, Georgetown Square Townhomes

BEGINNING at a steel pin in the east line of West Northfield Boulevard southward 490.10 feet along said east line from the west line of Battleground Drive; thence S 68° 40' E, 180.0 feet along the south line of Section I, Georgetown Square to a steel pin; thence S 21° 20' W, 147.93 feet to a steel pin; thence S 68° 40' E, 81.12 feet to a steel pin; thence S 4° 20' W 150.0 feet to a steel pin; thence S 85° 40' W, 115.0 feet to a steel pin; thence S 21° 20' W, 225.0 feet to a steel pin; thence N 68° 40' W, 195.0 feet to a steel pin in the east line of West Northfield Boulevard; thence N 21° 20' E, 550.0 feet along said east line to the point of beginning, being an area of 2.744 acres, according to survey of W. Henry Huddleston, III, Civil Engineer, dated June 7, 1983.

Being a portion of the property conveyed to Willis L. Hunter et al by Deed dated May 27, 1983, of record in Deed Book 320, page 826, Register's Office of Rutherford County, Tennessee. Being all the property shown on the Plat of Georgetown Square Townhomes Phase I on Plat of record at Plat Book 9, page 47, Register's Office of Rutherford County, Tennessee.

EXHIBIT B

Common Area Georgetown Square Townhomes

BEGINNING at a steel pin in the east line of West Northfield Boulevard southward 490.10 feet along said east line from the west line of Battleground Drive; thence S 68° 40' E, 180.0 feet along the south line of Section I, Georgetown Square to a steel pin; thence S 21° 20' W, 147.93 feet to a steel pin; thence S 68° 40' E, 81.12 feet to a steel pin; thence S 4° 20' W 150.0 feet to a steel pin; thence S 85° 40' W, 115.0 feet to a steel pin; thence S 21° 20' W, 225.0 feet to a steel pin; thence N 68° 40' W, 195.0 feet to a steel pin in the east line of West Northfield Boulevard; thence N 21° 20' E, 550.0 feet along said east line to the point of beginning, being an area of 2.744 acres, according to survey of W. Henry Huddleston, III, Civil Engineer, dated June 7, 1983.

EXCEPTION FROM THIS DESCRIPTION all those lots and units: 5.1; 5.2; 5.3; 5.1G; 5.2G; 5.3G; 6.1; 6.2; 6.3; 6.1G; 6.2G; 6.3G; 7.1; 7.2; 7.3; 7.1G; 7.2G; 7.3G; 8.1; 8.2; 8.3; 8.1G; 8.2G; 8.3G; and the additional areas shown in blue, inner area white representing the lot lines thereon.

Being a portion of the property conveyed to Willis L. Hunter et al by Deed dated May 27, 1983, of record in Deed Book 320, page 826, Register's Office of Rutherford County, Tennessee. Being all the property shown on the Plat of Georgetown Square Townhomes Phase I on Plat of record at Plat Book 9, page 47, Register's Office of Rutherford County, Tennessee.

Georgetown Square Condominiums Phase I

BEGINNING at a steel pin in the west line of Battleground Drive S 4° 20' W, 20.0 feet from the south line of Northfield Boulevard; thence S 4° 20' W, 334.00 feet along the west line of Battleground Drive to a steel pin; thence N 85° 40' W, 110.0 feet to a steel pin; thence N 4° 20' E, 12.58 feet to a steel pin; thence N 68° 40' W, 274.83 feet to a steel pin in the southeast line of Northfield Boulevard; thence northeastward 470.10 feet along said southeast line on a 15.5298° curve to the right and a deflection of 73° 00' to a steel pin; thence southeastward along said line on a 286.48° curve to the right and a deflection of 90° 00' to the point of beginning being an area of 2.15 acres.

Being the property shown as Georgetown Square Condominiums by Plat of record at Plat Book 8, page 93, Register's Office of Rutherford County, Tennessee.

Being a portion of the property with the exception of the condominium units thereon conveyed to Willis L. Hunter et al by Deed dated May 27, 1983 of record at Deed Book 320, page 826, Register's Office of Rutherford County, Tennessee.

EXHIBIT D

Property Owned by Declarant

BEGINNING at a steel pin in the west line of Battleground Drive, 30.0 feet west of the center line, and 20.0 feet south of the south line of Northfield Boulevard; thence S 4° 08' W 603.1 feet along the west line of Battleground Drive to a steel pin; thence S 3° 21' W, 587.4 feet along said west line to a steel pin in a fence; thence N 86° 55' W., 498.1 feet along said fence to a steel pin at a fence corner; thence N 86° 18' W, 184.9 feet to a steel pin in the east line of Northfield Boulevard; thence northward 100.0 feet along said east line on a 3.86508° curve to the left on a deflection of 8° 30' to a steel pin; ;thence N 21° 20' E, 907.7 feet along said east line to a steel pin; thence northeastward 470.1 feet along said east line on a 15.5298° curve to the right on a deflection of 73° 00' to a steel pin; thence southeastward 31.4 feet along said line on a 286.48° curve to the right on a deflection of 90° 00' to the point of beginning being an area of 13.2 acres. According to survey made by W. Henry Huddleston, III, Civil Engineer dated June 19, 1978.

INCLUDED in this description BUT EXCLUDED herefrom is the property described in previous Exhibits A, B, and C hereto.

Being a portion of the property with the exception of the condominium units thereon conveyed to Willis L. Hunter et al by Deed dated May 27, 1983, of record at Deed Book 320, page 826, Register's Office of Rutherford County, Tennessee.

ALL CONVEYANCES ARE SUBJECT TO THE RESTRICTIONS, EASEMENTS, and other record items that affect title as shown by the records in the Register's Office of Rutherford County, Tennessee.

RECORDING FEE 81.00
STATE TAX
REGISTER'S FEE
TOTAL PAID 81.00
RECEIPT NO. 51499

STATE OF TENNESSEE
RUTHERFORD COUNTY
OFFICE OF THE REGISTER Feb 24 1984
I, HOMER JONES, REGISTER DO CERTIFY THAT THE
FOREGOING INSTRUMENT AND CERTIFICATE ARE REGIS-
TERED IN MY SAID OFFICE IN BOOK NO. 330
PAGE NO. 391 AND THAT THEY WERE
RECEIVED Feb 24 1984 AT 3:20
O'CLOCK P. M. AND ENTERED IN NOTE BOOK 27
PAGE 55
BY Gaylene Terry HOMER JONES, Register
DEP. REG.