

For supplemental declaration of Cov. & Rest. (Bk. 15+16), see S.B. 360, pg. 305. 7-20-88. U.M.M.

CUMBERLAND GARDENS

FIRST AMENDMENT TO DECLARATION
OF COVENANTS AND RESTRICTIONS

WHEREAS, on July 26, 1972, American Recreation Services, Inc., Recreation Unlimited, Inc., and Renegade Community Club, executed a document entitled, Declaration of Covenants and Restrictions for Renegade Resort, that instrument being of record in the Register's Office of Cumberland County, Tennessee in Deed Book 124, page 5, et seq., Register's Office, Cumberland County, Tennessee; and,

WHEREAS, the original Declaration of Covenants and Restrictions was supplemented by a Supplemental Declaration of Covenants and Restrictions dated March 14, 1973, of record at Deed Book 132, page 364, et seq., Register's Office, Cumberland County, Tennessee; and,

WHEREAS, Cumberland Gardens Limited Partnership (the Developer), a Tennessee limited partnership, is the current developer of the real property formerly known as Renegade Resort, now known as Cumberland Gardens; and,

WHEREAS, Cumberland Gardens Community Club (the Club) is the successor to Renegade Community Club; and,

WHEREAS, Cumberland Gardens Limited Partnership and Cumberland Gardens Community Club desire to amend the Declaration of Covenants and Restrictions adopted on July 26, 1972; and,

WHEREAS, by this First Amendment, the undersigned parties hereby state the substance of said Amendment, as adopted by the Club and the Developer.

NOW, THEREFORE, in consideration of the mutual covenants herein expressed and the approval of the Club and Developer herein expressed the Declaration of Covenants and Restrictions for Cumberland Gardens is hereby amended as follows:

1. ARTICLE I - DEFINITIONS, Section 1(C) - "Club" is deleted in its entirety and in its place and stead is substituted the following language:

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This instrument prepared by:
LOONEY & LOONEY, ATTORNEYS
Crossville, Tennessee 38555

(C) "Club" shall mean and refer to CUMBERLAND GARDENS COMMUNITY CLUB, its subsidiaries, successors, and assigns. The terms "Club" and "Community Club" shall be synonymous.

2. ARTICLE I - DEFINITIONS, Section 1 (D), "Common Properties". The following language is added as a new paragraph under the existing paragraph:

Notwithstanding any other provision of the Declaration of Covenants and Restrictions to the contrary, the Developer may, in its sole, exclusive and unfettered discretion choose:

- (i) to retain legal title to the common properties; or,
- (ii) to convey legal title to some or all of the common properties to the Community Club, or other persons or entities; or,
- (iii) to build new or additional facilities without designating those facilities as common properties.

3. ARTICLE I - DEFINITIONS, Section 1(E) - "Limited Common Properties". The following language is added as a new paragraph under the existing paragraph:

Notwithstanding any other provision of the Declaration of Covenants and Restrictions to the contrary, the Developer may, in its sole, exclusive and unfettered discretion choose:

- (i) to retain legal title to the limited common properties; or,
- (ii) to convey legal title to some or all of the limited common properties to the Community Club, or other persons or entities; or,
- (iii) to build new or additional facilities without designating those facilities as limited common properties.

4. ARTICLE I - DEFINITIONS, Section 1(S) - "Developer" is deleted in its entirety and in its place and stead is substituted the following language:

(S) "Developer" shall mean American Recreation Services, Inc., its subsidiaries, and its successors and assigns, specifically including Cumberland Gardens Limited Partnership, a Tennessee limited partnership, and when used collectively shall include Recreation Unlimited, Inc.

5. ARTICLE I - DEFINITIONS, Section 1(T), "Assessments", "Dues", "Dues Assessments". The period at the end of the existing paragraph is changed to a comma and the following language is added thereafter:

", . . . and shall also include the social membership fee described in Article I - Definitions (U)."

6. ARTICLE I - DEFINITIONS. A new paragraph designated as Paragraph (U) is added as follows:

(U) "Social Membership Fee". Owners of lots or living units at Cumberland Gardens, deriving title to their property from or through Cumberland Gardens Limited Partnership, Renegade Limited Partnership, Chauncey Enterprises, Inc., or American Recreation Services, Inc. (that is to say, those owners of lots or living units who acquired title directly from one of the three companies named or in which one of the three companies appeared as a grantor in the chain of title), shall be required to pay an annual social membership fee to the Developer, which fee be payable through the Community Club, but shall be the property of the Developer. The social membership fee shall entitle the property owner to preferential property owner rates as established from time to time by the Developer for the use of the amenities and facilities at Cumberland Gardens. The amount of such social membership fee shall be subject to change by the Developer. The collection of the social membership fee shall be by the Community Club and in the event of non-payment, the collection mechanism provided in Article X of the Declaration of Covenants and Restrictions may be employed, including the imposition of liens against the property of the delinquent property owner and the foreclosure and sale of the property in satisfaction of the lien. The use of the collection mechanism of Article X may be used for both collection of delinquent dues owing to the Community Club and the social membership fee herein established. The Community Club and Developer may enter into contracts from time to time regarding the collection of said social membership fee and the remittance of that fee from the Community Club to the Developer. The Developer shall have no obligation to pay a social membership fee on any lots or living units owned by it. Failure to pay the social membership fee shall disentitle the property owner from the use of the facilities and amenities at Cumberland Gardens except to the extent that members of the general public may use said facilities and amenities. Owners of timeshare property shall be obligated to pay a social membership fee to the extent required by their contracts of purchase and the organizational documents of the timeshare regime in which they own property.

7. ARTICLE I - DEFINITIONS. A new paragraph designated as Paragraph (V) is added as follows:

(V) "Interval Ownership" shall mean a concept whereby lots or living units are conveyed for periods of time, the owner receiving a stated period for a period of years, together with the remainder over in fee simple as tenants in common with all other owners of unit weeks in each particular lot or living unit from such date under such conditions as may be provided in the Declaration creating such interval ownership. The terms "Interval Ownership" and "Timeshare" or "Timesharing" shall be considered interchangeable herein.

8. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 2, "Dedicated Properties" is amended to delete the preamble phrase preceding the property descriptions, and in its place and stead to substitute the following language:

Section 2 - Dedicated Properties. As of July 26, 1972, the following lands were dedicated and fully subject to said Declaration, all situated in the County of Cumberland, State of Tennessee, as follows:

9. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 3, "Additions to Property" is amended to add the following language at the end of the existing subparagraph (a):

The Developer has previously added the following properties to the operation of the Declaration:

(i) Cumberland Point Condominium added by Supplemental Declaration dated March 26, 1987, of record at Deed Book 333, page 688, et seq., Register's Office, Cumberland County, Tennessee.

(ii) Laurel Hills Timeshare Regime added by Supplemental Declaration dated March 26, 1987, of record at Deed Book 334, page 1, et seq., Register's Office, Cumberland County, Tennessee.

(iii) Woodridge Timeshare Regime added by Supplemental Declaration dated March 26, 1987, of record at Deed Book 333, page 601, et seq., Register's Office, Cumberland County, Tennessee.

10. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 3, "Additions to Property", subparagraph (c) is amended to change the two references to "Supplementary Declaration" to read "Supplemental Declaration".

11. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 3, "Additions to Property" is amended to add an additional subsection (d) as follows:

(d) The Developer shall specifically have the right to add timeshare property by the filing of Supplemental Declarations of Covenants and Restrictions, which shall extend the plan of the Covenants and Restrictions of this Declaration to such timeshare property under the terms and conditions set out in the Supplemental Declaration of Covenants and Restrictions creating the timeshare regime.

12. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 4, "Additions Limited to Developer" is amended to delete the existing paragraph and to substitute in its place and stead the following:

Section 4 - Additions Limited to Developer. Only the Developer shall have the right to place additional lands under the covenants and restrictions or to cause additional land to be entitled to the benefits arising hereunder, unless the Developer shall agree, in writing, with the Club that such additional lands may be included hereunder.

The real property described in the original Declaration is deleted and removed from the operation of the Declaration.

13. ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION, ADDITIONS THERETO, Section 5, "Severability as to Each Property" is amended to delete the existing paragraph and to substitute in its place and stead, the following:

Section 5 - Severability as to Each Property. Notwithstanding any provision contained herein, if any lot, living unit, timeshare property, or other parcel or interest in land described in this Article II or in the future added to this Declaration as provided herein, shall for any reason fail to be validly bound by the terms of this agreement, such failure as to such lot, living unit, timeshare property, or other parcel or interest in land shall in no way prevent or limit the effectiveness of this agreement with respect to all other properties that are properly included hereunder.

14. ARTICLE III - MEMBERSHIP AND VOTING RIGHTS IN THE CLUB, Section 1, "Membership" is amended to add the following language after the phrase ". . . shall be a member of the Club,

provided . . ." in the seventh line and the phrase ". . . that any such person or entity . . ." in the eighth line, to-wit:

. . . however, that such membership shall continue for only so long as all dues, assessments and social membership fees are paid current, and further provided, . . .

15. ARTICLE III - MEMBERSHIP AND VOTING RIGHTS IN THE CLUB, Section 2, "Classes of Membership and Voting Rights" and Section 3, "Rights of Membership" are deleted in their entirety, and following language is substituted in the place and stead thereof:

Section 2 - Classes of Membership and Voting Rights.
The following classes of membership are established:

1. PRE-1972 MEMBERSHIPS: Each owner of a lot or living unit at Cumberland Gardens, who acquired the lot or living unit by or through Resort Development Corporation or Renegade, Inc. (that is to say, those owners of lots or living units who acquired title directly from one of the two companies named, or in which one of the two companies appeared as grantor in the chain of title), shall be considered a Pre-1972 Member. Each such member shall have one (1) vote per deeded lot or living unit, but in no event shall there be more than one (1) vote per such lot or living unit. The privilege of Pre-1972 Membership shall be transferable upon conveyance of the lot or living unit, and any such member shall be entitled to resign such membership. Such membership may be terminated by delinquency in dues payment, if any, if such delinquency shall continue for 30 days past the due date for dues payments as herein established. Should a Pre-1972 Membership be terminated by resignation or a delinquency in dues payment, if any, it cannot be renewed. Dues on Pre-1972 Memberships shall be as established in their contract of purchase.

2. REGULAR MEMBERSHIPS: In order to be eligible to become a regular member of the corporation, a person must own at least an undivided one-half (1/2) interest, in fee simple, in a lot or living unit. There shall be one (1) vote for each lot or living unit and if there is more than one owner, then the co-owners must designate the member who is entitled to vote. There shall be no more than two (2) members per lot or living unit.

3. BUSINESS MEMBERSHIPS: Each entity, other than a natural person, which owns the fee simple interest in a lot or living unit shall be eligible to hold a business membership. As such, the entity shall be entitled to designate two persons to enjoy the privileges of membership in accordance with the rules of the Club. The persons designated to enjoy the privileges of membership shall designate the member who is entitled to vote. There shall be no more than two (2) members for each lot or living unit owned by an entity other than a natural person.

4. ASSOCIATE MEMBERSHIPS: Any person or entity who entered into a contract for purchase and who has not paid the Developer in full under the contract of purchase shall be entitled to be an associate member. An associate member shall be entitled to all the privileges of membership, except the right to vote, which shall remain in the Developer until the contract of purchase is paid in full. Cancellation or rescission of the contract of purchase shall terminate the associate membership.

5. DEVELOPER MEMBERSHIPS: The Developer, its successors or assigns, shall be entitled to ten (10) votes for each lot or living unit of which it is the record owner, whether such lot or living unit is subject to an outstanding contract of sale to a purchaser or not, and irrespective of whether said Lot is registered for sale with the Office of Interstate Land Sales Registration, United States Department of Housing and Urban Development or not. Developer shall be entitled to all of the privileges of issuing temporary guest cards to the Club as it may deem necessary to assist in sale and development of the properties, so long as it shall be a member. Should the Developer deplat previously platted Lots, that is, return an area previously subdivided into lots back into acreage, the Developer shall have no obligation to pay dues on the lots so deplatted and shall have no right to vote on those lots so deplatted.

Section 3 - Rights of Membership. The privileges of Pre-1972, regular, business, associate and developer members shall be defined in this Declaration and in the By-Laws of the Community Club.

16. ARTICLE III - MEMBERSHIP AND VOTING RIGHTS IN THE CLUB, a new Section 4, "Voting Rights of Timeshare Owners" is added as follows:

Section 4 - Voting Rights of Timeshare Owners. Each full unit of timeshare property shall be entitled to one (1) vote in the Community Club. Individual unit week owners shall not be entitled to a vote in the Community Club. The method of voting the vote of a unit committed to interval ownership shall be as established in the documents creating the timeshare regime, including but not limited to, the Supplemental Declaration of Covenants and Restrictions and Master Deed, and By-Laws.

17. ARTICLE IV - UTILITY EASEMENTS, Section 2 - "Reservations of Utility Easements" is amended to add the following phrase at the end of the existing language:

"The Developer may also reserve easements by so noting such reservations on recorded plats of subdivisions."

18. ARTICLE VI - PLAN FOR CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES, Section 1 - "Water System". The last sentence of Section 1 is amended to read as follows:

Developer shall determine the most feasible manner of providing for a permanent central water system and may, but shall not be obligated to, transfer ownership to the Club; in which event, the water system shall become a Common Property and shall be operated, maintained and improved by the Club and all revenue shall belong to the Club.

19. ARTICLE VI - PLAN FOR CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES, Section 3 - "Golf Course and Other Recreational Facilities". The first sentence in the Section shall remain as currently written and the remainder of the Section shall read as follows:

Although the Developer shall be under no obligation to do so, if and when the Developer chooses to sell and convey the Golf Course and/or any other Common Properties to the Club, the terms of such sale and conveyance shall be mutually agreed upon by the Developer and the Club at that time, and thereafter the costs of maintenance, capital improvements, operation, taxes and other expenses incident to such Common Properties shall be the obligation of the Club, and shall be paid from dues or assessments against each Lot and Living Unit as herein provided, and also from fees for the use of the Common Properties. The Developer shall be the sole judge as to the time when the Golf Course and other Recreational Facilities shall be constructed, and if the Developer shall decide that it is not economically feasible to construct any or a portion of such facilities due to the failure to sell sufficient Lots or Living Units, it shall not be obligated to construct same.

20. ARTICLE VII - PLAN FOR CONSTRUCTION AND MAINTENANCE OF LIMITED COMMON PROPERTIES, Section 1 - "Construction and Maintenance". The following language is added at the end of the existing paragraph:

Developer may build facilities without being required to designate those facilities as Common or Limited Common Properties.

21. ARTICLE VIII - PROPERTY RIGHTS OF THE COMMON PROPERTIES, Section 1 - "Members' Easement of Enjoyment". The existing paragraph under Section 1 is deleted and in its place and stead is substituted the following language:

Subject to the provisions of Article IV, Article VI and Section 3 of this Article VIII, every member, so long as such membership shall continue shall have a right and easement of enjoyment in and to the Common Properties, provided, however, any person owning a lot in Cumberland Gardens who acquired the same by or through Resort Development Corporation or Renegade, Inc. (that is to say, those owners of Lots or Living Units who acquired title directly from one of the two companies named or in which one of the two companies appeared as grantor in the chain of title) shall have the right, by giving written notice to the Community Club within sixty (60) days after the effective date of the By-Laws of the Community Club, to elect either:

(a) to become a regular or a business member (as the case might be) of the Community Club, as provided for in the By-Laws of the Community Club, having the same privileges and being subject to the same liabilities as any other such regular or business member, including the obligation to pay the social membership fee described in Article I, Section (U); or,

(b) to retain their current status in this corporation, in which case such person;
(i) will be required to pay the amount specified in his or her prior contract as dues to the Community Club; (ii) will be allowed to use the amenities and facilities at Cumberland Gardens on the same terms and at the same fees as members of the general public. In the event amenities or facilities are closed to the use of the general public, persons in this category shall have no right to use the amenities or facilities; (iii) will have no liability for any additional dues or assessments to this corporation over and above what is charged to similar members, unless those dues are changed for Pre-1972 members as provided herein, or in the By-Laws of the Community Club, and (iv) will be entitled to vote as provided in Article III.

All other owners of Lots or Living Units at Cumberland Gardens for so long as they pay all maintenance fee assessments due the Club and social membership fees due the Developer shall have a right and easement of enjoyment in and to the Common Properties and such easements shall be appurtenant to and pass with the title to each Lot or Living Unit.

The right of a timeshare unit week owner to use the common facilities shall be limited to the term of his unit week, provided, however, the Developer reserves the right to allow timeshare owners to use

the facilities at times other than the term of their particular unit week by the payment of additional fees and the execution of additional contracts between the purchaser and the Developer as may from time to time be established.

22. ARTICLE VIII - PROPERTY RIGHTS OF THE COMMON PROPERTIES, Section 2, "Title to Common Properties". The existing paragraph under Section 2 - Title to Common Properties is deleted in its entirety and in its place and stead is substituted the following language:

The Developer may, but shall not be obligated to, convey the Common Properties to the Club after the construction of same is completed, or at an earlier date, and if the Developer chooses to convey said Common Properties to the Club, such sale shall be on such terms and conditions as may be mutually agreeable by and between the parties.

23. ARTICLE VIII - PROPERTY RIGHTS OF THE COMMON PROPERTIES, Section 3, "Extent of Members' Easements". Paragraph (e) is amended to read:

(e) the right of the Club to make such recreational facilities to which it holds legal title available by lease or otherwise, subject to sub-paragraph (f) hereof, to another Country Club, which shall be a non-profit corporation, with the right of the other country club to charge dues to members and permit persons who are not members to become members of the other country club for a membership payment and also for payment of dues, and with the understanding the other country club shall have the right to make rules and regulations which shall be enforceable as to members; and,

24. ARTICLE VIII - PROPERTY RIGHTS OF THE COMMON PROPERTIES, Section 3, "Extent of Members' Easements". Paragraph (g) is deleted and Paragraph (h) is renumbered as Paragraph (g) and is amended to read as follows:

(g) the right of the Club to dedicate or transfer all or any part of the Common Properties to which it holds legal title, to any public agency, authority or utility, for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer shall be effective unless such action shall be approved by a vote

of 51% of the membership, and unless written notice of the proposed agreement and action thereunder is sent to every member at least ninety (90) days in advance of any action taken.

25. ARTICLE IX - PROPERTY RIGHTS OF THE COMMON PROPERTIES, Section 4, "Parking Rights". The first sentence of the existing paragraph is amended to read as follows:

Subject to reasonable rules and conditions, the Club shall attempt to maintain and designate at least one (1) parking space conveniently located with respect to each living unit for which the Developer may request same and such parking space shall be for the exclusive use of members residing therein, their families, or guests. . .

26. ARTICLE IX - PROPERTY RIGHTS OF THE LIMITED COMMON PROPERTIES, Section 2, "Title to the Limited Common Properties" is deleted in its entirety and in its place and stead is substituted the following language:

The Developer may retain the legal title to the Limited Common Properties until construction of any improvements is completed and may then, in its discretion, convey the title of the particular Limited Common Properties to the non-profit corporation created to serve such Limited Common Properties as provided in Article VII; or, if Developer deems it more desirable and the Club agrees, then Developer may convey to the Club and it shall perform as provided in Section 2, Article VII hereof.

27. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS, Section 1, "Limitation with Respect to certain Article II, Section 1 Properties" is deleted in its entirety and in its place and stead is substituted the following language:

Section 1 - Limitation with Respect to certain Article II, Section 1 - Properties. Section 2 of this Article X shall not apply to any Property described in Article II, Section 1, if such Property to any Property described in Article II, Section 1, if such Property was acquired by or through Resort Development Corporation or Renegade, Inc. (that is to say, those owners of lots or living units who acquired title directly from one of the two companies named, or in which one of the two companies appeared as grantor in the chain of title). On such properties, the Developer

may indicate the exception of such Property by reference in the deed or by a subsequent written and recorded statement, provided, however, that owners may subject their property to all of the terms and conditions of this Declaration by becoming regular or business members in accordance with the terms and provisions of the By-Laws of the Community Club.

28. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS, Section 2, "Creation of Lien" is deleted in its entirety and in its place and stead is substituted the following language:

Section 2 - Creation of Lien. Except as provided in Section 1, the Developer for each Living Unit and Lot owned by it within The Properties registered for sale with the Office of Interstate Land Sales Registration, United States Department of Housing and Urban Development, hereby covenants and each Owner of any Lot or Living Unit by acceptance of a deed therefor, or by entering into a contract of purchase with the Developer, whether or not it shall be so expressed in any such deed, contract of purchase, or other conveyance, shall be deemed to covenant and agree to pay to the Club: (1) annual assessments of charges; (2) special assessments for capital improvements; and, (3) the social membership fee described in Article I, Section (U), such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual, special assessments and social membership fee, together with such interest thereon and costs of collection thereof as herein provided shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. The Developer shall have no obligation to pay a social membership fee on any Lot or Living Unit owned by it. The Developer shall have no obligation to pay a social membership fee on any timeshare property owned by it. Should the Developer deplat previously platted Lots, that is, return an area previously subdivided into lots back into acreage, the Developer shall have no obligation to pay dues on the lots so deplatted and shall have no right to vote on those lots so deplatted.

29. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS, Section 4, "Basis and Maximum of Annual Dues Assessments". The first paragraph under Section 4 is deleted in its entirety and in its place and stead is substituted the following language:

Section 4 - Basis and Maximum of Annual Dues Assessment. Effective August 1, 1972, the annual dues assessment shall be \$120.00 per lot or living unit for all memberships, except Pre-1972 members, who shall be obligated to pay the amounts specified in their contract to purchase. The Developer shall be obligated to pay dues only on lots registered for sale with the Office of Interstate Land Sales Registration, United States Department of Housing and Urban Development, and on

living units owned by it. The Developer shall have no obligation to pay a social membership fee on any lot or living unit owned by it. The annual assessment may be changed by the Board of Directors of the Community Club for all except Pre-1972 Charter members in accordance with the By-Laws. The amount of the social membership fee shall be established by the Developer, or its successors or assigns. The amount of assessment for individual unit week owners shall be calculated by multiplying the annual dues assessment for a lot or living unit for a regular membership by 3 and dividing that product by 50. The resulting quotient will be the amount required to be paid by a timeshare unit week owner to the Community Club.

30. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS,
Section 9, "Delegation of Collection of Assessment" is deleted in its entirety and in its place and stead is substituted the following language:

The Club may delegate to Developer, or to other persons or entities, the duty of collecting the dues assessments, but all such collections shall belong to the Club, with the exception of the social membership fee, which shall be the property of the Developer. Due to the common interest of the Developer and the Club, the Club in the delegation of the collection of the assessments may agree that the failure on the part of an Owner to pay an assessment as herein provided shall be a reason or ground for which the Developer may rescind a contract of sale as to a Lot or Living Unit.

Any partial payment of the annual maintenance fee assessment and social membership fee tendered by a property owner to the Community Club or its designated representative for collection shall first be applied to the payment of unpaid maintenance fee assessments and then to unpaid social membership fees.

31. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS,
Section 10, "Effect of Non-Payment of Assessment; The Lien; Remedies of Club." In the second line of Section 10, after the word "assessments" is added the following phrase:

". . . and social membership fee . . ."

32. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS, Section 10, "Effect of Non-Payment of Assessment; The Lien; Remedies of Club". In the second paragraph of Section 10 in the third line, the phrase, ". . . at the rate of 6% per annum . . ." is deleted and in its place and stead is substituted the following language:

". . . at a rate of interest established by the Board, but not in excess of the highest rate of interest allowed by Tennessee law."

33. ARTICLE X - COVENANT FOR MAINTENANCE ASSESSMENTS, Section 12, "Exempt Property". A new paragraph at the end of the existing section is added with the following language:

The Developer shall have no obligation to pay any maintenance fee assesement on any lot owned by it, which is not registered for sale with the Office of Interstate Land Sales Registration, United States Department of Housing and Urban Development. The Developer shall have no obligation to pay maintenance fees on any lot reacquired from a private third party owner. The Developer shall have no obligation to pay social membership fees on any lots, living units, or timeshare property owned by it. Should the Developer deplat previously platted Lots, that is, return an area previously subdivided into lots back into acreage, the Developer shall have no obligation to pay dues on the lots so deplatted and shall have no right to vote on those lots so deplatted.

34. ARTICLE XII - ARCHITECTURAL CONTROL COUNCIL, Section 1, "Review by Council". The word, "colors" is added after the word, "height" and before the word, "materials", in the fifth line of Section 1.

35. ARTICLE XII - ARCHITECTURAL CONTROL COUNCIL, Section 1, "Reveiw by Council". The period at the end of the first sentence which ends in the ninth line of Section 1 is changed to a comma and the following language is added thereafter:

". . . , provided, however, that the Developer may delegate the authority of selecting the Architectural Control Council to the Board of Directors of the Community Club if it chooses to do so."

36. ARTICLE XII - ARCHITECTURAL CONTROL COUNCIL, Section 1, "Review by Council". The following language is added at the end of the existing paragraph:

The Board may, from time to time, adopt such rules and regulations governing the Architectural Control Council as they deem appropriate. The authority of the Architectural Control Council shall specifically extend to residential or commercial property, which may be proposed to be built at Cumberland Gardens, but shall specifically not apply to any Developer improvements.

37. ARTICLE XV - GENERAL PROVISIONS, Section 3, "Enforcement". The following language is added at the end of the existing paragraph:

If the Club, or the Developer, institutes suit to enforce any portion of this Declaration or the Protective Covenants and are successful in the prosecution of said suit, then and in that event, the Club and/or the Developer may recover its costs of prosecuting said suit, including its reasonable attorney fees.

38. ARTICLE XV - GENERAL PROVISIONS, Section 6, "Limitation with Respect to Certain Article II Section 1 Properties". The period at the end of the existing paragraph is changed to a comma and the following language is added thereafter:

". . . , unless they choose to become regular or business members in accordance with the By-Laws of the Community Club.

39. PROTECTIVE COVENANTS, No. 19, "Signs", (b) is deleted in its entirety and in its place and stead is substituted the following language:

19. Signs . . .
(a) . . .

(b) Signs of a temporary nature, advertising improved property for sale, which signs shall be to the specifications established by the ACC. No FOR SALE signs shall be allowed on unimproved property;

(c) . . .

. . .

40. PROTECTIVE COVENANTS, No. 24, "Livestock and Poultry".

The period at the end of the existing paragraph is changed to a comma and the following language is added thereafter:

". . ., and provided further, that any dogs, cats or other pets shall be restrained on leashes when off of the property. Any cages or fencing for pets and any doghouses or other pet housing shall be approved by the ACC."

41. PROTECTIVE COVENANTS. The following new section, numbered 29 is added to the Protective Covenants:

29. No satellite dishes or similar devices shall be allowed, except under such rules as may be established by the ACC. The installation of any such system shall be subject to the approval of the ACC.

42. PROTECTIVE COVENANTS. The following new section, numbered 30 is added to the Protective Covenants:

30. No parking of recreational vehicles, boats, motor homes, commercial trucks, or other similar vehicles or objects shall be allowed on any lot or at any living unit.

43. With regard to the Supplemental Declaration of Covenants and Restrictions, dated March 14, 1973, executed by American Recreational Services, Inc., Recreational Unlimited, Inc., and Renegade Community Club, of record at Deed Book 132, page 364, et seq., Register's Office, Cumberland County, Tennessee, all properties added to the Declaration by that document, with the exception of Block 10-A, Renegade Resort, Lots 1 through 33, and Reserved Properties described in Paragraph II on Page 365 of that document, are deleted.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the 19th day of October, 1987.

CUMBERLAND GARDENS LIMITED PARTNERSHIP,
a Tennessee limited partnership

BY: CUMBERLAND GARDENS MANAGEMENT
COMPANY, INC., General Partner

BY J. Miller

CUMBERLAND GARDENS COMMUNITY CLUB

BY [Signature]

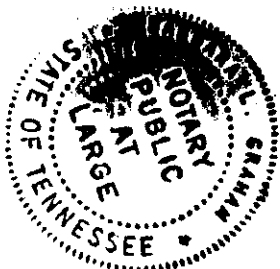
State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Heiner Schuster, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Senior Vice-President of Cumberland Gardens Management Company, Inc., a corporation, general partner for Cumberland Gardens Limited Partnership, a Tennessee limited partnership, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as general partner by himself as such officer.

WITNESS my hand and signature on this 19th day of October, 1987.

Bessie L. Graham
NOTARY PUBLIC

My commission expires: 4/25/89



State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Jonathan Cameron-Hayes, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of Cumberland Gardens Community Club, a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and signature on this 19th day of October, 1987.

Barbara L. Beahm
NOTARY PUBLIC

My commission expires: 4/25/89



STATE OF TENNESSEE, CUMBERLAND COUNTY
The foregoing instrument and certificate were noted in Note Book 1, Page 158 on Nov. 5 1987
and recorded in Deed Book 347, Series _____ Page 76 State Tax Paid \$ _____ Fee _____ Recording Fee 22.00 Total \$ 22.00
Witness My hand.
Receipt No. 11192

Judy Shaban
Register
by: Maie Burnett D.K.