

This Instrument Prepared by:  
CREATIVE COMPASSION, INC.  
P. O. BOX 4021  
CROSSVILLE, TN 38557

DECLARATION OF RESTRICTIVE COVENANTS FOR OWNER-OCCUPIED PROPERTIES  
HOUSING OPPORTUNITIES USING STATE ENCOURAGEMENT PROGRAM

THIS DECLARATION OF RESTRICTIVE COVENANTS dated FEBRUARY 28, 1997, (the "Restrictive Covenants") by and between ROBERT L. DYER and WENDY DYER whose address is 53 Cottonwood Drive, Crossville, TN 38555, ("Owners"), and CREATIVE COMPASSION, INC. whose address is P. O. Box 4021, Crossville, TN 38557 ("Grantee").

WITNESS

WHEREAS, Owners own certain real property with an address of 53 COTTONWOOD DRIVE, CROSSVILLE, TENNESSEE, as more particularly described in "Exhibit A" which is attached hereto and made a part hereof by this reference (the "Property"); and

WHEREAS, Grantee is the recipient of certain funds from the Tennessee Housing Development Agency ("THDA") under the Housing Opportunities Using State Encouragement Program (the "HOUSE Program") pursuant to that certain Working Agreement (Contract Number HS-95D-004) between THDA and Grantee dated JUNE 1, 1995, (the "Working Agreement"); and

WHEREAS, Owners are receiving funds from the Grantee to carry out certain activities as specified in the Working Agreement and in compliance with the rules, regulations and requirements of the HOUSE Program (the "HOUSE Program Requirements") for construction of a house on the Property upon certain terms and conditions as set forth in the HOUSE Program Requirements and the Working Agreement; and

WHEREAS, as a condition of participating in the HOUSE Program and receiving funds from THDA through Grantee, the Owners agree to encumber the Property to ensure that the Property will be used as affordable housing in compliance with the restrictions contained herein and in the HOUSE Program Requirements.

NOW, THEREFORE, in consideration of Owners' participation in the HOUSE Program, Owners' receipt of HOUSE Program benefits and of the premises and the mutual covenants contained in these Restrictive Covenants, the Owners and Grantee hereby agree as follows:

1. Use. The Property shall be used solely for residential purposes by households that qualify as low or very low income families as defined from time to time by THDA under the HOUSE Program Requirements and for no other purpose.

2. Term. The term of these Restrictive Covenants shall be fifteen (15) years beginning on the date hereof.

3. Covenant Running with the Land. These Restrictive Covenants shall run with the land and shall bind the Property, Owners and Owners' successors, successors in interest, successors in title and permitted assigns. These Restrictive Covenants shall be binding upon and inure to the benefit of the respective successors and permitted assigns of Grantee and Owners.

4. Severability. The invalidity of any clause, part or provision of these Restrictive Covenants shall not affect the validity of the remaining portions hereof.

5. Notices. Unless otherwise set forth herein, all notices given pursuant to these Restrictive Covenants shall be deemed given to Owners when mailed and to Grantee when received. All notices hereunder shall be sent by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses set forth above or to such different address or addresses as either party may notify the other from time to time in writing.

BOOK D526 PAGE 691

6. Amendment. Owners shall take all actions deemed necessary by Grantee to amend these Restrictive Covenants to comply with the HOUSE Program Requirements, and any and all applicable rules, regulations, policies, procedures, and rulings or other official statements pertaining to the HOUSE Program.

7. Compliance With Applicable Laws. Owners shall comply with all HOUSE Program Requirements and all other applicable federal, state or local laws, statutes, ordinances, codes, rules or regulations, as the same may be amended from time to time.

YAG

8. Governing Law. These Restrictive Covenants shall be governed by the laws of the State of Tennessee and, where applicable, laws of the United States of America.

9. Recovery of Attorney's Fees. In the event Grantee or THDA incurs legal fees or other expenses in enforcing these Restrictive Covenants, Owners shall reimburse Grantee or THDA for all such fees and expenses within ten (10) days of receipt of written demand therefor. All fees and expenses not so paid by Owners shall become a lien upon the Property.

10. Assignment. Owners' obligations hereunder shall not be assigned without the express written consent of Grantee, which consent may be withheld at Grantee's sole discretion.

11. Definitions. All terms not otherwise defined herein shall have the meaning ascribed to them in the HOUSE Program Requirements.

12. HOUSE Note. In connection with the recordation of these Restrictive Covenants, Owners have executed a Promissory Note evidencing the funds advanced to Owners by Grantee under the HOUSE Program. The Promissory Note is immediately due and payable upon the sale of or transfer of any interest in the Property unless the holder of the Promissory Note and THDA consent, in writing, prior to any such sale or transfer.

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have executed these Restrictive Covenants as of the date above written.

OWNER: Wendy Dyer  
Wendy Dyer

GRANTEE: CREATIVE COMPASSION, INC.  
By Michael Smathers, Exec. Dir.  
Michael Smathers,  
Executive Director

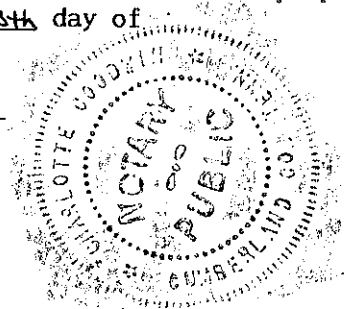
STATE OF TENNESSEE  
COUNTY OF CUMBERLAND

Before me, Charlotte Goodwin, a Notary Public of the state and county mentioned, personally appeared Robert Lee Dyer and Wendy Dyer, the within named bargainors, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that they executed the foregoing instrument for the purpose therein contained. Witness my hand and seal, at office, this 28th day of March, 1997.

My commission expires:

5-4-97  
[Signature]  
Notary Public

(SEAL)



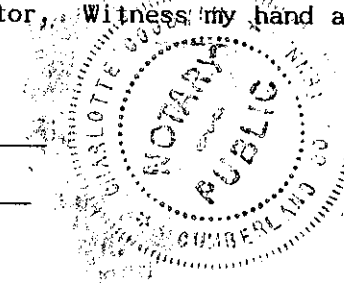
STATE OF TENNESSEE  
COUNTY OF CUMBERLAND

Before me, Charlotte Goodwin, a Notary Public of the state and county mentioned, personally appeared MICHAEL SMATHERS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he is Executive Director of Creative Compassion, Inc., the within named bargainor and that he, as such Executive Director, executed the foregoing instrument for the purpose therein, by signing the name of Creative Compassion, Inc. by himself as Executive Director, Witness my hand and seal, at office, this 28th day of February, 1997.

My commission expires:

5-4-97  
[Signature]  
Notary Public

(SEAL)



**EXHIBIT A**

In the FIRST CIVIL DISTRICT of Cumberland County, Tennessee, described as follows:

Being Lot No. 105 of the BENT TREE ESTATE Subdivision, a plat of which is recorded in Plat Book 8, page 156, Register's Office, Cumberland County, Tennessee, to which said plat specific reference is hereby made for the metes and bounds description of said lot.

This conveyance is subject to restrictive covenants of record in Deed Book 249, page 626, Register's Office, Cumberland County, Tennessee.

This conveyance is subject to all easements, restrictions and setback lines as shown on the plat of said lot as recorded in Plat Book 8, page 156, Register's Office, Cumberland County, Tennessee.

This conveyance is subject to a Declaration of Restrictive Covenants for Owner-Occupied Properties Housing Opportunities Using State Encouragement Program of record in Deed Book 526, pages 691, Register's Office, Cumberland County, Tennessee.

No boundary survey was made at the time of this conveyance, and the legal description is not different from the previous deed of record.

Being all of the same property conveyed to the Grantee herein by a deed from Charles R. Bohannon, et ux, dated June 26, 1996 of record in Deed Book 512, pages 567, Register's Office, Cumberland County, Tennessee.

*W.D.*

PAGE 3 OF 3  
(END)

State of Tennessee, County of CUMBERLAND  
Received for record the 28 day of  
FEBRUARY 1997 at 3:04 PM. (RECH 171710)  
Recorded in official records DEED  
Book D526 Page 691- 693  
Notebook 10 Page 62  
State Tax \$ .00 Clerks Fee \$ .00,  
Recording \$ 12.00, Total \$ 12.00,  
Register of Deeds JUDY GRAHAM SWALLOWS  
Deputy Register VELMA DAUGHERTY

BOOK D526 PAGE 693