

Instrument prepared by: Fairfield Communities, Inc., Legal Department

FIRST AMENDMENT TO
SUPPLEMENTAL DECLARATION OF COVENANTS
AND RESTRICTIONS FOR STONECASTLE PLACE TOWNHOUSES
AND BYLAWS OF STONECASTLE PLACE PROPERTY OWNERS ASSOCIATION, INC.

THIS FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS FOR STONECASTLE PLACE TOWNHOUSES AND BYLAWS OF STONECASTLE PLACE PROPERTY OWNERS ASSOCIATION, INC. ("First Amendment"), is made this 20th day of February, 1989, by Fairfield Communities, Inc., a Delaware corporation whose address is 2800 Cantrell Road, Little Rock, Arkansas 72202 ("Developer").

RECITALS

WHEREAS, on the 12th day of October, 1988, Developer, joined by the Fairfield Glade Community Club, Inc. ("P.O.A.") and the Stonecastle Place Property Owners Association, Inc. ("Association"), executed and recorded the "Supplemental Declaration Of Covenants And Restrictions For Stonecastle Place Townhouses" in Deed Book 366, Page 595 et seq. in the Office of the Register of Cumberland County, Tennessee ("Declaration"). Capitalized terms used herein shall have the same meaning as defined in the Declaration, unless the context clearly requires a different meaning; and

WHEREAS, through recordation of the Declaration, Developer also made the real property described in EXHIBIT "A" of the Declaration subject to the provisions of the "Declaration Of Covenants and Restrictions with Protective Covenants," recorded in Deed Book 99, Page 370 et seq., as amended by "Amendment To Declaration Of Covenants and Restrictions" recorded in Deed Book 161, Page 313 et seq., by "Second Amendment To Declaration Of Covenants And Restrictions" recorded in Deed Book 259, Page 108 et seq., and "Third Amendment To Declaration Of Covenants and Restrictions recorded in Deed Book 325, Page 59 et seq. all in the Office of the Register of Cumberland County, Tennessee ("Master Declaration"); and

WHEREAS, through recordation of the Declaration, the Developer created a townhouse regime known as "Stonecastle Place Townhouses," consisting of Townhouse Units and Common Area ("Stonecastle Place"), and reserved the right, pursuant to ARTICLES XV and VII of the Declaration, to amend the Declaration;

WHEREAS, Developer has determined that the following additions and revisions to the Declaration and Bylaws should be made, in the best interest

of the regime, regarding the term of the Board of Directors of the Association and the creation of a Recreational Fee.

NOW, THEREFORE, pursuant to ARTICLE XV of the Declaration, the following amendments shall be made to the Declaration and Bylaws:

I. ARTICLE VII of the Declaration shall be amended by the addition of Section J. as follows:

J. Right to Charge Recreation Fee - Each Owner of a Unit or an Interval Ownership interest shall be required to pay an assessment made by the Developer, its successors or assigns, ("Recreation Fee") for the use, enjoyment and maintenance of recreational facilities at the Development owned and/or operated by Developer. The Recreation Fee shall be collected by the Developer, its successors or assigns. The Owner of a Unit or an Interval Ownership interest, or any Guest of such Owner, by payment of the Recreation Fee, shall be entitled to use such recreational facilities owned and/or operated by Developer from time to time, as the Developer may designate from time to time, subject to applicable payment rates and terms and conditions determined by the Developer.

Developer shall be entitled to a lien on each Unit and each Interval Ownership interest for any unpaid Recreation Fee, together with interest thereon at the highest rate allowed by Tennessee law. Such lien shall be subordinate to a previously recorded first mortgage or deed of trust encumbering the Unit or Interval Ownership interest and shall also be subordinate to any lien of the Association provided for in ARTICLE X. below. The Owner of a Unit or Interval Ownership interest shall be responsible for payment of all attorney fees incurred by the Developer to collect the Recreation Fee or perfect or foreclose its Recreation Fee lien, and all sums paid by Developer for taxes or to prevent default under or foreclosure of previously recorded first mortgages or deeds of trust, liens, or other encumbrances, which amounts shall be added to and comprise a portion of Recreation Fee lien. The Recreation Fee lien against an Interval Ownership interest in a Unit Committed To Interval Ownership shall not encumber the remaining Interval

Ownership interests in that Unit. Any person who acquires a Unit or an Interval Ownership interest shall not be entitled to occupancy or use of such Unit or Interval Ownership interest until such time as any unpaid Recreation Fee or Recreation Fee lien against the Unit or Interval Ownership interest incurred by that person's predecessor in interest has been paid to Developer. Developer reserves the right to assign any claim or lien right created by this paragraph to any third party for enforcement or recovery of any unpaid Recreation Fee or Recreation Fee lien, and such lien may be foreclosed in the same manner as provided in ARTICLE X F. below.

- II. ARTICLE X C. of the Declaration shall be amended by adding the following provision after the last sentence in said Section C.

In no event shall a Director or Officer, elected subsequent to the Initial Board Term, serve as a Director or Officer for more than six (6) consecutive years.

- III. ARTICLE III Section 3. of the Bylaws shall be amended by deleting the last sentence in its entirety and shall be replaced by the following:

Each Director shall hold office until that Director's death, resignation, retirement, removal, disqualification, or the election and qualification of a successor Director but, in no event shall a Director, elected subsequent to the Initial Board Term, serve as a Director or officer for more than six (6) consecutive years.

- IV. ARTICLE V Section 2. of the Bylaws is amended by adding the following provision after the last sentence in Section 2.

Each Director shall hold office until that Director's death, resignation, retirement, removal, disqualification, or the election and qualification of a successor Director but, in no event shall a Director, elected subsequent to the Initial Board Term, serve as a Director or officer for more than six (6) consecutive years.

In all other respects, the aforesaid Declaration is hereby ratified and affirmed.

IN WITNESS WHEREOF, Fairfield Communities, Inc., a Delaware corporation, has caused this instrument to be executed in its corporate name by its Sr. Vice President, attested by its _____ Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, the 20th day of February, 1989.

FAIRFIELD COMMUNITIES, INC.

BY Terry L. Flora
Senior Vice President

ATTEST:
Eddie Ruth Ewing
Secretary

STATE OF Arkansas)
COUNTY OF Pulaski) SS.

Before me, the undersigned Notary Public in and for the County and State last aforesaid, personally appeared Terry L. Flora and Eddie Ruth Ewing to me known and known to be the Senior Vice President and _____ Secretary of Fairfield Communities, Inc., and acknowledged before me that they executed the above and foregoing instrument pursuant to the authority duly given, and that the seal affixed to said instrument is the corporate seal of said Corporation, and they further acknowledged said writing to be the act and deed of said Corporation.

Witness my hand and notarial seal in the County and State aforesaid, this 20th day of February, 1989.

Susan R. Young
Notary Public

My Commission Expires:
June 21, 1990

