

Declaration of Covenants, Conditions, Restrictions and Easements for Walden Farms

This Declaration Of Covenants, Conditions, Restrictions and Easements for Walden Farms is made effective as of April 25, 2008 ("Declaration"), by **RLF Signal Properties, LLC**, a Colorado limited liability company ("Declarant").

Article 1 - Declaration

The name of the community created by this Declaration is "Walden Farms." Declarant is the owner of real property in Sequatchie County, Tennessee, legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Property"). The Property, and each parcel thereof, shall be owned, conveyed, sold, leased, encumbered, occupied, maintained, and improved subject to the covenants, conditions, restrictions, and easements set forth in this Declaration, all of which are declared to be a part of and in furtherance of a common and general plan of development and improvement of the Property. The provisions of this Declaration shall run with the land and, until their expiration in accordance with the terms of this Declaration, shall bind, be a charge upon and inure to the mutual benefit of the Property and Declarant, the Association, the Owners, and their successors and assigns.

Article 2 - Definitions

2.1 "Association" means Walden Farms Owner's Association, a Tennessee non-profit corporation, its successors and assigns.

2.2 "Board" means the Board of Directors of the Association.

2.3 "Common Areas" means all real and personal property, together with any Improvements thereon, owned by the Association or which the Association hereafter maintains, holds or uses for the common use and enjoyment of all of the Owners. The Common Areas include, without limitation: (i) ownership and maintenance of the private 50' access and utility easement shown on the Plat, including the gravel roadway surface and all Improvements, drainage structures and culverts; (ii) maintenance of the creekside trail system and the trail running between Lots 4 and 5; and (iii) the fencing, landscaping, signage, and electronic gate located at the entrance to the Property. Declarant reserves the right to add the entire creekside preserve (shown as a "Common Area" on the Plat) to the Common Areas, or to designate the ownership and maintenance of this area (other than the creekside trail system, which shall be maintained by the Association) to another entity.

2.4 "Declarant" means the Declarant set forth above, and its successors and assigns. A Person is a "successor and assign" of Declarant only if: (i) a successor to Declarant by consolidation or merger; or (ii) specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Declaration, and then only as to the particular rights or interests of Declarant which are specifically designated in the written instrument.

2.5 "Documents" mean the operative documents of the Association, all of which are incorporated herein by this reference, including: (i) the Charter for the Association (the "Charter"); (ii) the Bylaws of the Association (the "Bylaws"); (iii) this Declaration; (iv) the Plat; and (v) the Rules and Regulations, if any.

2.6 "Dwelling Unit" means an Improvement on a Lot which is intended or used as a single-family detached residence.

2.7 "Expansion Property" means the real property described on **Exhibit B** attached hereto and incorporated herein by this reference. The Expansion Property shall not be a part of or impacted by this Declaration unless and until included in this Declaration pursuant to Section 10.3 below.

2.8 "First Mortgage" means any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of Sequatchie County, Tennessee, pertaining to a Lot and having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

2.9 "First Mortgagee" means any Person named as a mortgagee or beneficiary under any First Mortgage or any successor to the interest of any such Person under such First Mortgage.

2.10 "Improvements" means buildings, outbuildings, stables, barns, attachments, additions, garages, driveways, fences, signs, and exterior finish materials, tanks, or fixtures; and also any excavation, fill, ditch, or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot, or which affects the flow of any waters in any natural or artificial stream.

2.11 "Lot" means a parcel of land within the Property which is shown as a lot on the Plat.

2.12 "Member" means a member of the Association, who must also be an Owner. Membership in the Association shall be appurtenant to, and may not be severed from, ownership of a Lot.

2.13 "Owner" means the record title holder (including Declarant) whether one or more Persons, of fee simple title to a Lot, including sellers under executory contracts or installment sales contracts.

2.14 "Person" means a natural person, a corporation, a limited liability company, a partnership, or any other public or private entity recognized as being capable of owning real property under Tennessee law.

2.15 "Plat" means the plat for the Property, filed in the Sequatchie County records at File No. Book C Page 218.

2.16 "Related User" means: (i) any Person who resides with an Owner within the Property; (ii) a guest or invitee of an Owner; (iii) an occupant, tenant or contract purchaser of any Dwelling Unit on a Lot; and (iv) any family member, guest, employee, agent, representative, licensee, contractor, invitee or cohabitant of any of the foregoing Persons.

Article 3 – Uses; Construction

3.1 Property Uses. All Lots within the Property will be used exclusively for private single-family residential purposes. No commercial use of any Lot is permitted.

3.2 Improvements. No Improvements shall be constructed or installed within the Property except Improvements which have been approved by the ACC or Improvements which Declarant is authorized to place or construct within the Property by the terms of this Declaration. No trailer, mobile home, tent or other similar or dissimilar temporary quarters may be used for living purposes for any period exceeding thirty (30) days in any one calendar year. No other Improvements may be placed on any Lot before completion of the Dwelling Unit upon such Lot except with the permission of the ACC.

3.3 Construction. All construction shall be new (and shall exclude trailers, modular homes, or RV living). Building materials may only be stored on a Lot during continuous construction or alteration of an Improvement, unless stored in the garage or otherwise fully screened in a manner approved by the ACC. A Dwelling Unit shall not be occupied until substantially completed and, if required by applicable law, until a certificate of occupancy has been issued. The exterior of all Dwelling Units and final grading of Lots must be completed within twelve (12) months after the commencement of construction. Construction of any other Improvements on a Lot must be completed within three (3) months after commencement of construction. "Commencement of construction" means excavation or grading work for a foundation, or undertaking of any visible exterior work.

3.4 Compliance with Laws. In addition to this Declaration, all construction must conform to applicable governmental regulations, which may vary from the provisions of this Declaration.

3.5 Debris. Each Owner shall keep their Lot and the Property free of debris and trash, and during any construction shall provide a trash container on the Lot and cause it to be properly used. Following construction, all construction materials and debris shall be removed from the Property.

3.6 Drilling Structures. No derrick or other Improvement designed for use in or used for boring or drilling for oil or natural gas shall be permitted upon or above the surface of any Lot, nor shall any oil, natural gas, petroleum, coal, or other hydrocarbons be produced from a Lot by any Owner.

Article 4 – Density, Setback, and Quality Standards

4.1 Subdivision. A Lot (or contiguous Lots) may be subdivided or replatted, provided that each resulting Lot shall not be less than ten (10) acres. Each resulting Lot shall be counted as a separate "Lot" for all purposes of this Declaration, including Article 11. Any subdivision or replat requires the prior approval of the ACC regarding Lot configuration and size. The Owner is solely responsible for obtaining all required surveying and approvals for any subdivision or replat.

4.2 Dwelling Units. No more than one (1) Dwelling Unit shall be constructed or maintained within any Lot. All structures shall be sited to create harmony with existing topography and natural features. All Dwelling Units shall have an architectural floor area of not less than 1,700 square feet nor

more than 5,000 square feet, unless otherwise approved by the ACC in its reasonable discretion. The building footprint for a Dwelling Unit is encouraged to be not less than 1,200 square feet. The height of any Dwelling Unit or other Improvements shall not exceed thirty feet (30’).

4.3 Setbacks. All Improvements (with the exception of driveways and fences) shall be setback one hundred feet (100’) from any Lot line (including Lot lines resulting from a subdivision or replat); unless a variance is granted by the ACC due to unsuitable building sites.

4.4 General Architectural Standards. Standards for architectural style are flexible, but compatibility with the natural environment is required. Owners are encouraged to consider the specific qualities of the Lot, including the visual and climactic exposure created by the combination of existing slopes, vegetation, and orientation. The use of muted earth tones and natural materials (stucco, brick, masonry and stone) is encouraged for exterior colors and materials.

4.5 Rebuilding or Restoration. If any Dwelling Unit or other Improvement is destroyed in whole or in part by fire, windstorm or from any other cause or act of God, it shall be rebuilt, or all debris must be removed and the Lot restored to the condition prior to the destruction, commencing within three (3) months after the damage or destruction occurs and completed within nine (9) months after the date the damage occurred.

4.6 Fences. The only fences permitted within the Property shall be fences which (i) have been installed by Declarant or the Association; (ii) have been approved in advance by the ACC (including the height, location, materials, animal pens, and other similar items); or (iii) are not visible from adjoining Lots or Common Areas. The use of four-rail black fencing is encouraged.

4.7 Underground Utilities. All utilities that will be installed within the Property after the date of execution of this Declaration (excepting lighting standards and customary service devices for access) shall be installed underground. This section shall have no applicability to overhead utilities or aboveground utilities that are or were in place prior to the date of execution of this Declaration.

4.8 Driveways. No Lot shall contain more than one (1) driveway which accesses the private street.

4.9 Maintenance. Each Owner shall maintain their Lot and the exterior of the Dwelling Unit and all other Improvements on their Lot in good condition and shall repair and maintain Improvements as the effects of damage or deterioration become apparent.

4.10 Outside Storage. No equipment, objects, or materials (including ashes, trash, scrap material, manure, or receptacles or containers therefor) shall be stored, accumulated or deposited outside so as to be visible from any Common Areas or other Lots.

4.11 Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause nuisance to the neighborhood. No hazardous activities may be carried on within the Property. No odors shall be permitted to emanate from any Lot onto any Common Areas or other Lots.

4.12 Animals. Two (2) horses or goats may be kept for every five (5) acres within the Lot. Domesticated dogs and cats may be kept or maintained in or on any Lot within the Property only if kept as pets and the total number of which may not exceed four (4) animals. No livestock, including but not limited to cattle, pigs (unless a potbelly pig kept as a pet), chickens, llamas, or similar animals shall be kept, bred or maintained within the Property. Notwithstanding the above, no animal shall be permitted which makes an unreasonable amount of noise or odor, is a nuisance, or interferes with wildlife; as reasonably determined by the Association. Animals shall not be permitted to run loose, and the Owner shall be responsible for all costs associated with any animal being brought under control.

4.13 Vehicles. No parking is permitted on any Common Area, including the private road. No unused, stripped-down, partially wrecked or inoperative motor vehicle or part thereof shall be kept or parked on any Lot in such a manner as to be visible from any adjacent property; and in no event shall more than two (2) such vehicles be kept on any Lot, even if screened. No material maintenance, repair, or repainting of any type of vehicle may be carried on except within a completely enclosed Improvement which screens the sight and sound of the activity from adjacent properties.

4.14 Signs. The only signs permitted on any Lot shall be those permitted by the ACC; and shall be professionally painted, lettered and constructed.

4.15 Wildfire Protection: Outdoor Burning. Open burning is prohibited except in a contained

area; and no trash burning is permitted. The Association may impose limitations on the time and manner in which fires will be permitted and may impose total outside fire bans when deemed appropriate by the Association. If any ban on outdoor fires is at any time imposed by any governmental authorities, such ban shall be observed within the Property. Owners shall keep a thirty foot (30') defensible space around all structural Improvements.

4.16 Hazardous Materials. No materials shall be transported to, from or within the Property in such a way as to create a nuisance or hazard. Storage, use or disposal of asbestos or hazardous (e.g., gasoline, kerosene, or benzene) or radioactive materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), within the Property is prohibited. Any continued or intensive use of pesticides or herbicides is deemed to be a use of hazardous materials.

4.17 Wildlife. No Owner is permitted to hunt, shoot, trap, poison, or otherwise interfere with wildlife within the Property or any Lot. No activity tending to weaken or destroy animal habit or to interfere with game trails is permitted.

Article 5 - Common Areas

Each Owner hereby acknowledges that the Association will be obligated to maintain and repair the Common Areas and any Improvements located therein. The creekside preserve is designed to maintain the integrity of the watershed within the Property and to permit the free passage of wildlife through natural corridors, and is not to be entered upon or used for any purposes. The creekside trail system may be used for all non-motorized uses (including pedestrian use, bicycle use, and horse-back riding).

Article 6 – Architectural Control

6.1 ACC. The ACC for the Property shall consist of one (1) to three (3) members, appointed by the Board. The members of the ACC need not be Members of the Association.

6.2 Design Guidelines. The ACC may enact, amend, repeal, and enforce a set of Design Guidelines, to interpret and/or implement this Declaration. The Design Guidelines may: (i) contain guidelines regarding designs and materials that may be considered in review; (ii) state requirements for submission and procedural requirements; and/or (iii) specify acceptable Improvements that may be installed without the prior approval of the ACC. Any Design Guidelines shall be consistent with this Declaration and copies shall be provided to all Owners.

6.3 Approval Required. No Improvement shall be placed or installed on any Lot, nor shall the exterior of any existing Improvements be materially altered, unless and until the plans and specifications for such Improvements shall have been submitted to and approved by the ACC, or unless specifically permitted by the Design Guidelines.

6.4 Plans Submissions. All plans to be submitted to the ACC shall be submitted in duplicate, in a minimum scale of 1/20th inch equals one foot. The plans shall show in scale the location of all Improvements to be installed. Plans shall show all exterior elevations, materials, and colors.

6.5 Approval Process. All action required or permitted to be taken by the ACC shall be in writing, and shall establish the action of the ACC. The ACC shall approve or disapprove plans within thirty (30) days following submittal, and failure to disapprove plans in writing within such 30-day period shall be deemed an approval. The ACC shall be entitled to retain one (1) copy of all approved plans as part of its files and records.

6.6 Approval Standards. In granting or withholding approval of matters submitted to it, the ACC shall consider the specific standards and specifications set forth in this Declaration. The ACC shall have the right to disapprove any matter if it determines, in its sole discretion, that (i) the proposed Improvement is not consistent with any provision of this Declaration; (ii) the plans and specifications as submitted are incomplete; or (iii) the plans and specifications are contrary to the interest, welfare, or rights of all or any part of the Property or the Owners. The ACC may, as part of the approval requirements, require the Owner to obtain certification of final plans and specifications by a professional architect or engineer. The decision of the ACC shall be final and binding.

6.7 No Liability. In discharging their rights and obligations hereunder, neither Declarant, the Board, the ACC, nor any member thereof: (i) make any representations or warranties, expressed or implied, to any Person concerning the construction of any Improvements or that any Improvement to be constructed upon a Lot is suitable for that Lot; (ii) shall be liable in damages or otherwise to anyone submitting plans to them for approval, or to any Owner by reason of mistake in judgment, negligence,

nonfeasance or any act or omission in connection with the approval, disapproval or failure to approve the plans, specifications or variance; (iii) shall have liability or responsibility for defective construction or other similar matters. Each Owner further acknowledges that each Owner, and such Owner's representatives or contractors, are solely and completely responsible for: (i) any construction techniques, measures and means utilized in the construction of an Improvement upon a Lot; and (ii) compliance with the requirements of any local building code or other governmental regulations.

Article 7 – Association Operation

7.1 Association Structure. The Association shall have the duties, powers and rights set forth in the Documents.

7.2 Board of Directors. The affairs of the Association shall be managed by a Board. The Board shall consist of at least three (3) but not more than five (5) members, as determined by the Members and as set forth in the Bylaws. All members of the Board shall be representatives of Declarant or Members of the Association. The terms and qualification of the members of the Board shall be fixed in the Bylaws. All lawful decisions, agreements and undertakings by the Board, or its authorized representatives, shall be binding upon all Members, Owners, Related Users and other Persons.

7.3 Membership. Each Owner shall be a Member of the Association. An Owner shall automatically be the holder of the membership appurtenant to such Owner's Lot, and the membership shall automatically pass with fee simple title to the Lot. Declarant shall hold one membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot, except an Owner may assign some or all of the Owner's rights as an Owner and as Member of the Association to a contract purchaser, tenant or First Mortgagee, but no such delegation or assignment shall relieve an Owner from the responsibility for fulfillment of the obligations of the Owner under the Documents. All rights, title and privileges of membership shall be subject to the Documents.

7.4 Voting Rights of Members. Members shall have the right to cast votes for the election of Board and on such other matters to be voted on by the Members as provided in the Documents. One vote is allocated to each Lot and Members shall have one vote for each Lot owned. The one vote for each Lot may not be split if there is more than one Owner of the Lot. If more than one of the multiple owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority agreement of the present owners. There is a majority agreement if any one of the multiple owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot. If the owners are not in majority agreement, then the Owners shall be deemed to have abstained.

Article 8 – Duties and Powers of Association

8.1 General Duties and Powers of Association. The Association shall have the power to do anything to further the common interests of the Members, to maintain and improve Common Areas, and to use Association funds to enforce this Declaration. Except as specifically set forth in the Documents, the Association shall act through the Board. The Association shall manage, maintain, and repair all Common Areas and keep the same in an attractive and desirable condition. The Association shall pay all taxes and assessments levied upon the Common Areas and all other taxes and assessments payable by the Association.

8.2 Property and Improvements. The Association shall accept title to any property (and Improvements thereon), any easement or other right, and personal property and equipment transferred to the Association by Declarant, together with the responsibility to perform all Association functions associated therewith. Any property or interest in property transferred to the Association by Declarant shall be subject to the terms of this Declaration. The Association may also acquire additional property or interests in property for the common benefit of Owners, including Improvements and personal property. The Association may construct or reconstruct Improvements within the Common Areas and may demolish existing Improvements.

8.3 Insurance. The Association shall obtain and keep in full force and effect at all times commercially reasonable insurance coverage as it shall deem appropriate, including but not limited to personal liability insurance to protect directors and officers of the Association and other representatives. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of any Common Areas is caused by the willful or negligent act or omission of any Owner, or a Related User of such Owner, the cost of such repair, maintenance or reconstruction shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction may be collected as a Site Assessment

as provided in this Declaration or by the Association exercising any rights or remedies under the Documents or otherwise as permitted by law.

Insurance coverage on each Lot, Dwelling Unit, Improvements, furnishings and other items of personal property belonging to an Owner, public liability insurance coverage upon each Lot, and hazard insurance coverage on the Improvements owned by each Owner shall be the responsibility of the Owner of such Lot.

8.4 Power to Adopt Rules and Regulations. The Association may adopt and enforce such Rules and Regulations as may be deemed necessary or desirable to implement this Declaration, and matters related to the Property, the Association, and the use of Common Areas. Any Rules and Regulations shall be reasonable and uniformly applied. Rules and Regulations shall be effective upon adoption by resolution of the Board. Written notice of the adoption of any Rule or Regulation shall be provided to all Members by the Association, together with copies thereof.

8.5 Power to Enforce Declaration. The Association may give notice to the Owner of a Lot where a violation of this Declaration occurs or which is occupied by the Persons causing or responsible for the violation, which notice shall state the nature of the violation, and the intent of the Association to invoke this Section unless within a period stated in the notice (which notice shall not be less than ten (10) calendar days unless an emergency condition exists), the violation is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously prosecuted with diligence. If the violation is not cured and terminated as required by the notice, the Association may, but shall not be obligated to, cause the violation to be cured and terminated at the expense of the Owner(s) so notified, and entry upon such Owner's Lot as necessary for such purpose shall not be deemed a trespass. The Association may delegate their entry and removal rights hereunder to agents and independent contractors. The cost incurred by the Association shall be paid by the Lot Owner and the person responsible for the breach, and if not paid within thirty (30) days after such Owner has been sent notice of the amount due, such amount, plus interest at the maximum rate of interest per annum, and collection costs (including reasonable attorneys' fees), shall be a lien on the ownership interest in the Lot (including Improvements) and shall in all respects be the personal obligation of the Owner; and may be enforced in accordance with Section 11.12 below. Only the Association shall have the right to enforce the Declaration under this Section. In the event that the Association, whether acting for themselves or through their agents and representatives, elect to exercise the right to enter upon a Lot to remedy a violation of this Declaration, they shall not be liable to the Owner of the Lot for any loss or damage unless damage is caused (i) to the Lot or Improvements unrelated to the remediation of the breach of the Declaration and (ii) by the willful and wanton acts of the Association. In no event shall there be any liability for damage to an Improvement that is in violation of this Declaration.

8.6 Power to Retain Managers, Employees, Services. The Association shall have the power to retain and pay for the services of managers, employees, and legal and accounting professionals to undertake any of the management or functions for which the Association has responsibility under this Declaration, as may be necessary or desirable as determined by the Board. Any contract or agreement shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days prior written notice.

Article 9 – Common Areas

9.1 Right of Association to Regulate Use. The Association shall have the power to regulate use of Common Areas by Members to enhance further the overall rights of use and enjoyment of all Members.

9.2 Property to be Conveyed to the Association. The Declarant shall convey to the Association any tract of land that is identified on the Plat as property that the Association will be required to own. Declarant is not obligated to convey any other property to the Association.

9.3 No Partition of Common Areas. No Owner shall have the right to partition or seek partition of the Common Areas or any part thereof.

9.4 Liability of Owners for Damage. Each Owner shall be liable to the Association for any damage to Common Areas or for any expense or liability incurred by the Association which may be sustained by reason of the negligence or willful misconduct of such Owner or a Related User of such Owner.

9.5 Damage to Common Areas; Condemnation. In the event of damage to, destruction of, or condemnation or taking of all or a portion of the Common Areas, the insurance proceeds or condemnation award, if sufficient to replace or repair the Common Areas affected, shall be applied by the

the Association to such replacement or repair. If the proceeds are insufficient to replace or repair, then the Association shall levy a Special Assessment in the aggregate amount of such insufficiency and shall proceed to make such replacement or repair if reasonably practical, unless the Owners and First Mortgagees each by a majority vote agree not to replace or repair. No distributions of proceeds shall be made to the Owners, unless made jointly payable to an Owner and their First Mortgagee, if any. If proceeds available to the Association exceed the cost of replacement or repair, the Association shall retain and may use the excess for future maintenance of and Improvements to the Common Areas.

Article 10 – Declarant’s Development Rights, Special Rights, and Reservations

10.1 Declarant’s Development Rights. For a period of ten (10) years following the date this Declaration is recorded, Declarant may: (i) create additional Common Areas within the Property or convert any of the Declarant owned Lots within the Property to Common Areas; (ii) expand the Property, to include the Expansion Property (which Expansion Property shall not contain more than one Lot per ten (10) acres and which may include additional Common Areas); (iii) complete any Improvements shown on the Plat; (iv) construct additional Improvements on Common Areas; and (v) use the Common Areas in connection with the promotion and marketing of the Property.

10.2 Reservation. The rights and reservations set forth in this Declaration shall be deemed excepted and reserved in each conveyance of any portion of the Property by Declarant, whether or not specifically stated therein; and may not, without Declarant’s prior written consent, be modified, amended, rescinded, or affected by any amendment of the Documents. No assurances are made by Declarant concerning which portions of the Property may be affected by Declarant’s exercise of its development rights or the order in which portions of the Property may be affected, and Declarant is not obligated to exercise any such rights. If Declarant does exercise a development right in any portion of the Property, Declarant is not obligated to exercise that development right in all or any other portion of the remainder of the Property.

10.3 Rights to Complete Development of Property. No provision of this Declaration shall be construed to prevent or limit Declarant’s rights to complete the development of the Property. Nothing contained in this Declaration shall require Declarant to obtain approvals to excavate or grade any property; to change any drainage, vegetation, or view; or to construct, alter or replace any Improvements owned by Declarant. During the ten (10) year period from the date this Declaration is recorded, Declarant reserves the right, in its sole discretion, to amend this Declaration to include the Expansion Property. In the event the Declarant includes the Expansion Property, (i) the Expansion Property shall be included in the definition of “Property”; and all Lots and Common Areas within the Expansion Property shall be “Lots” and “Common Areas” under this Declaration, respectively, and shall be subject to all of the terms, conditions, and restrictions contained in this Declaration. Unless and until Declarant includes the Expansion Property within such ten (10) year period, the Expansion Property shall not be subject to any of the terms, restrictions, or conditions of this Declaration.

Article 11 - Assessments

11.1 Obligation for Assessments. Each Owner, for each Lot owned within the Property, by acceptance of a deed therefor or interest therein, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association, all Assessments applicable to his Lot, which shall be both a personal obligation of the Owner and a lien against his Lot as provided herein. Each Owner shall be jointly and severally liable to the Association for the payment of all Assessments attributable to them. The personal obligation for delinquent Assessments shall not pass to an Owner’s successors in title or interest unless expressly assumed by them.

11.2 Purpose of Assessments. The Assessments levied by the Association shall be used for the improvement and maintenance of the Common Areas as more specifically provided herein and in the exercise of the Association’s rights and obligations under the Documents.

11.3 Common Assessments. The Common Assessments may include, but shall not be limited to, the following common expenses: expenses of management and fulfillment of duties of the Association; taxes and Association insurance premiums; repair, improvement, and maintenance of the Common Areas; wages and professional costs; any debt or deficit payments; creation of reasonable contingency reserves; and any other costs incurred by the Association under the Documents.

11.4 Declarant’s Obligation; Initial Working Capital. Until Common Assessments are first levied by the Association, Declarant shall maintain all Common Areas and pay all common expenses of the Association. Upon each initial transfer of a Lot from Declarant to another Person, such Person shall pay a \$500.00 working capital fee to the Association.

11.5 Common Assessment Procedure. The Board shall set the total annual Common Assessment for the first Assessment year (as determined by Declarant; this may be a partial year) based upon an estimated budget for the Association. Before the beginning of each subsequent Assessment year, the Board shall set and adopt the total Common Assessment for the next Assessment year based upon an advanced budget of the Association's requirements. Within thirty (30) days after adoption of the budget, the Board shall mail (by ordinary first-class mail) or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing or other delivery of the budget summary. Unless a majority of all Owners present and voting in person or by proxy at the meeting called to discuss the budget or voting by the mailed ballot returned to the Board prior to that meeting reject the budget, the budget is ratified, whether or not a quorum is present at the meeting. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board. After ratification of the budget, the Board shall deliver or mail to each Owner, at least thirty (30) days in advance of the first payment due date, a payment statement setting forth the annual Common Assessment. That annual Common Assessment shall be payable in advance in one (1) annual or four (4) quarterly installments, as determined by the Board, on the due dates declared by the Board (on the first (1st) day of each quarter unless the Board otherwise directs). Each Owner shall become responsible for Common Assessments attributable to that Lot as of the date the Lot is transferred to such Owner. The first annual Common Assessment Lot shall be adjusted according to the number of months remaining in the Assessment year as determined by the Declarant.

11.6 Rate of Assessments. The rate for Common Assessments and Special Assessments for each Lot shall be determined by dividing the total amount payable for any Assessment period, by the total number of Lots within the Property. The resulting amount shall be the amount of the Common Assessment or Special Assessment, as applicable, payable with respect to each Lot.

11.7 Failure to Fix Assessment. The failure by the Board to levy a Common Assessment for any period shall not be deemed a waiver or a release of the liability of any Owner to pay Assessments for that or any subsequent period; and the Common Assessment for the prior period shall remain in effect until the new Common Assessment is fixed.

11.8 Special Assessments. The Board may levy Special Assessments for the purpose of raising funds to construct, repair, or replace Improvements upon Common Areas, including personal property relating thereto; to add to the Common Areas; or to provide for necessary facilities and equipment. No Special Assessment shall be assessed until it has been approved in accordance with a procedure substantially identical to the procedure set forth in Section 11.5.

11.9 Site Assessments. The Board may levy a Site Assessment against any Member, Owner, or Lot if the willful or negligent acts or omissions of the Member, Owner or a Related User cause any loss or damage to the Association or Common Areas or cause any expenditure of funds in connection with the enforcement powers of the Association. Except for a default consisting solely of a failure to timely pay any Assessment, which shall not require any notice and hearing, a Site Assessment shall be levied only after not less than ten (10) days' notice and a hearing in front of a meeting of the Board. The amount of the Site Assessment shall be due and payable to the Association upon notice by the Board that the Site Assessment is owing. Imposition or non-imposition of Site Assessments shall not preclude the Association from pursuing simultaneously or subsequently any other rights and remedies.

11.10 Costs of Enforcement, Late Charges and Interest. If any Assessment is not paid within ten (10) days after it is due, the Member, Owner or other Person obligated to pay the Assessment may be additionally required to pay all costs of enforcement (including reasonable attorneys' fees and court costs) ("collection expenses"), and to pay a reasonable late charge to be determined by the Board. Any Assessment which is not paid within ten (10) days after the date of any notice of default given under Section 11.12 shall bear interest from the due date at a rate determined by the Board, not to exceed the maximum percentage permitted by law, from the due date until paid.

11.11 Notice of Default and Acceleration of Assessments. If any Assessment is not paid within ten (10) days after its due date, the Board may mail a notice of default to the Owner and to each First Mortgagee of the Lot who has requested a copy of such notice. The notice shall substantially set forth: (i) the fact that the installment is delinquent; (ii) the amount required to cure the default; (iii) a date not less than twenty (20) days from the date of mailing of the notice by which such default must be cured; and (iv) that failure to cure the default on or before the date specified in the notice may result in the foreclosure of the lien for the Assessment against the Owner's Lot. A default shall not be considered cured unless the amount required to cure the default is paid to the Association. If such amount is not paid in full on or before the date specified in the notice, the Board, at its option, may enforce the collection of the Assessment and all collection expenses, charges and interest thereon in any manner authorized by law

authorized by law or in the Documents.

11.12 Lien to Enforce Assessments. The Association shall have a lien for Assessments and for amounts due pursuant to Section 8.7 (the "Lien"). The Lien under this section is prior to all other liens and encumbrances on a Lot except: (i) liens and encumbrances recorded before the recordation of the Declaration; (ii) a security interest on the Lot which has priority over all other security interests on the Lot and which was recorded before the date on which the assessments became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot. The Lien may be foreclosed in like manner as a mortgage on real estate. In addition to or in lieu of bringing suit to collect Assessments, the Association may foreclose its Lien as provided by law and in this Section. The Board may elect (but is not required to) to file a claim of lien against the Lot of the defaulting Owner by recording a notice ("Notice of Lien") containing such information as determined by the Board and in accordance with state law. The Lien shall be prior to any declaration of homestead rights recorded after the time that the Lot becomes part of the Property. **The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver by the Owner of the homestead exemption as against said Lien.** The Lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the Notice of Lien (if recorded) upon payment by the Owner of a reasonable fee as fixed by the Board to cover the cost of preparing and recording the release of the Notice of Lien. Unless paid or otherwise satisfied, the lien may be foreclosed through a court of competent jurisdiction in accordance with the laws of the State of Tennessee applicable to foreclosure of real estate mortgages (not including public trustee foreclosures of deeds of trust), or in any other manner permitted by law. The Association shall have the right and power to bid on the Lot at the sale and to acquire and hold, lease, mortgage, and convey the same.

11.13 No Offsets. All Assessments shall be payable in the amounts specified by the Board, and no offset, abatement or reduction shall be permitted for any reason whatsoever, including, without limitation: any claim that the Association or the Board is not properly exercising its duties and powers under this Declaration; the non-use by an Owner of Common Areas or services; non-use, abandonment, or leasing of a Lot; because an Owner claims that a particular function funded by the Assessment does not benefit that Owner directly; or for any other reason.

11.14 Association Reserves. Each Owner hereby acknowledges that the Association will not collect funds to establish reserves for the Association until such time as 75% of the Lots within the Property have been sold to an owner other than Declarant. At such time, the Association may establish such reserves as the Association determines to be reasonable in its sole discretion. Each Owner further acknowledges that the Association will not have any obligation to establish reserves at a level which will fully fund the replacement of all Common Areas.

Article 12 - Easements

Declarant hereby creates and reserves to the Association perpetual easements over and across (i) the Property to perform its maintenance or other rights or duties under this Declaration: (ii) the Common Areas and one hundred foot (100') Lot line setbacks, for access, utilities, drainage and the installation, repair and maintenance of utilities; and (iii) over the ponds and 20' surrounding the ponds within Lot 5, for access, maintenance, and monitoring of the ponds (to the public). If any service provider requests an easement by separate document, Declarant reserves the right and authority to grant such easement.

Article 13 - Miscellaneous

13.1 Term of Declaration. Unless amended as herein provided, all provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration shall be effective for twenty (20) years after the date when this Declaration was originally recorded, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by agreement of the Owners with at least sixty-seven percent (67%) of the voting power of the Association.

13.2 Amendment of Declaration. Declarant may amend the Declaration in accordance with Article 10 to exercise any of the development rights set forth herein. Except as otherwise provided in this Declaration, and subject to provisions in this Declaration requiring the consent of the Declarant or others, any provision, covenant, condition, restriction or easement contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members with at least sixty-seven percent (67%) of the voting power of the Association. Every amendment to the Declaration must be recorded in the County, and is effective only upon recordation.

13.3 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail. If served by mail, each notice shall be sent

postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the Association, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second (2nd) business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Association.

13.4 Enforcement: General. The Association or any Member shall have the right to enforce any or all of the provisions contained in this Declaration or the Documents, unless otherwise expressly stated herein. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated by any Person entitled to enforce the provisions of this Declaration. Any violation of any applicable law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any portion of the Property is hereby declared to be a violation of this Declaration and shall be subject to the enforcement procedures set forth herein. Each remedy provided under the Documents is cumulative and not exclusive. In any enforcement action under the Documents, the prevailing party shall be awarded its costs and expenses in connection therewith, including reasonable attorneys' fees.

13.5 Limitation on Liability. The Association, the Board, the ACC, Declarant, and any member, agent or employee of any of the same shall not be liable to any Person for any action or omission if the action or omission was in good faith, and shall be indemnified by the Association to the fullest extent permissible by state law, including without limitation, circumstances in which indemnification is otherwise discretionary under applicable law.

13.6 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Property or any Improvements thereon, as to its or their physical condition, zoning, compliance with applicable laws, or fitness for intended use, unless and except as shall be specifically set forth in a writing signed by Declarant.

13.7 Severability. Each of the provisions of the Documents shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial enforceability or any provision or portion thereof shall not affect the validity or enforceability of any other provision.

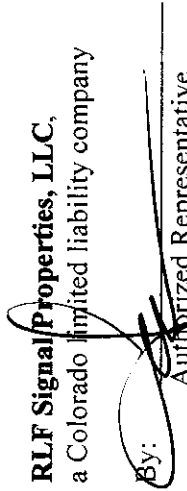
IN WITNESS WHEREOF, Declarant has executed this Declaration to be effective on the day and year first above written.

DECLARANT:

RLF Signal Properties, LLC,

a Colorado limited liability company

By:


Authorized Representative

STATE OF COLORADO)

) ss.

COUNTY OF EL PASO)

BK/Pg: 245/130-142

08001177

13 PGS : AL - RESTRICTIONS	
AVIS BATCH: 22366	
04/29/2008 - 11:19 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	65.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	67.00
STATE OF TENNESSEE, SEQUATCHIE COUNTY	
CONNIE E GREEN	
REGISTER OF DEEDS	

The foregoing instrument was acknowledged before me on 25 April, 2008, by Aaron Michael Pitsch as Authorized Representative of RLF Signal Properties, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My Commission Expires: 11-15-2008


Notary Public



EXHIBIT A

Lots 1 through 14, inclusive, and all other tracts shown on the Plat for Walden Farms; provided that the Property specifically excludes the "Convient Center" (sic) shown adjacent to Lots 1 and 14.

EXHIBIT B

The following legally described property (except for Lots 1 through 14, inclusive, and all other tracts shown on the Plat for Walden Farms):

The following is a description of the Hiwassee Land Company property located on William Howard Taft Hwy/Hwy 127 in the 8th Civil District of Sequatchie County, Tennessee. (Warranty Reference Deed Book 12 Page 329 and Tax Map 87 Parcel 8.00).

Beginning at a ½" pipe (set) on the eastern right-of-way of William Howard Taft Hwy/Hwy 127 being located N 42°08'49" W 29.58 feet from a power pole; thence going with the road right-of-way N 16°53'44"W 1792.58 feet; thence N 17°47'04"W 108.96 feet; thence N 19°57'58"W 76.45 feet; thence N 21°31'27"W 41.71 feet; thence N 23°19'30"W 83.88 feet; thence N 25°54'30"W 132.26 feet; thence N 31°16'50"W 153.28 feet; thence N 33°05'45"W 102.56 feet to a steel fence post; thence leaving the road and going with the Thomas Kenner Jr. property, the David Axmacher property and Keith Hall property N 25°57'12"E 2524.12 feet to a steel fence post; thence continuing with the Keith Hall property and going with the Thomas Mills property N 57°13'12"W 805.28 feet to a steel fence post; thence continuing with the Thomas Mills property N 57°37'58"W 200.89 feet to a steel fence post; thence N 56°57'25"W 202.21 feet to a steel fence post; thence N 57°13'03"W 201.23 feet to a steel fence post; thence leaving the Mills property and going with the Diane Edmonds property N 57°12'53"W 202.03 feet to a steel fence post; thence leaving the Edmonds property and going with the Mary Chambers property N 57°12'49"W 402.99 feet to a steel fence post; thence leaving the Chambers property and going with the Deborah Underhill property N 57°18'22"W 200.11 feet to a steel fence post; thence N 57°09'16"W 201.09 feet to a steel fence post; thence leaving the Underhill property and going with the Keith Hall property N 58°25'31"W 201.72 feet to a steel fence post; thence leaving the Hall property and going with the Robert Rutherford property N 56°48'25"W 548.74 feet to a steel fence post; thence leaving the Rutherford property and going with the Crown Castel GT property N 57°13'53"W 374.61 feet to a steel fence post; thence leaving the Crown property and State of TN property N 12°19'06"E 293.89 feet to a steel fence post; thence leaving the State of TN property and going with the Estee Alder property N 20°29'05"E 373.31 feet to a steel fence post; thence N 70°01'31"W 357.47 feet to a steel fence post on the southeastern right-of-way Hwy 127/William Howard Taft Hwy; thence going with the said road right-of-way N 19°15'00"E 1180.29 feet; thence N 19°31'39"E 861.24 feet; thence N 19°28'03"E 1078.13 feet; thence N 17°41'52"E 160.94 feet to a point in the center of a woods road; thence leaving the Highway and going with the centerline of the said woods road being a 60' access and utility easement as well as a common boundary with the Walden Ridge, LLC property N 81°06'35"E 49.20 feet; thence N 40°26'59"E 89.17 feet; thence N 32°43'26"E 47.15 feet; thence N 29°11'51"E 256.55 feet; thence N 30°17'43"E 533.26 feet; thence along a curve having an arc length of 471.47 feet, with a radius of 505.03 feet, and a chord of N 60°02'27"E 454.54 feet; thence S 88°54'03"E 196.94 feet; thence S 89°41'23"E 345.42 feet; thence S 89°04'21"E 425.43 feet; thence along a curve having an arc length of 256.74 feet, with a radius of 423.62 feet, and a chord of S 69°18'55"E 252.83 feet; thence S 41°34'18"E 151.33 feet; thence S 37°11'43"E 1086.55 feet; thence S 19°38'03"E 599.42 feet; thence S 20°19'51"E 1037.52 feet; thence S 20°21'08"E 824.89 feet; thence S 19°45'37"E 1877.32 feet; thence along a curve having an arc length of 384.26 feet, with a radius of 339.12 feet, and a chord of S 61°16'38"E 364.03 feet; thence N 76°03'54"E 318.32 feet; thence S 84°41'55"E 75.69 feet; thence S 58°45'14"E 181.25 feet; thence S 69°08'47"E 235.96 feet; thence along a curve having an arc length of 213.50 feet, with a radius of 205.62 feet, and a chord of S 34°08'00"E 204.04 feet; thence S 06°17'49"W 168.46 feet; thence S 07°36'25"E 130.58 feet; thence S 16°57'37"E 57.61 feet; thence S 28°00'54"E 1299.46 feet; thence S 28°33'09"E 1481.03 feet; thence S 28°39'09"E 816.51 feet; thence S 31°08'39"E 107.08 feet; thence S 36°29'19"E 209.31 feet; thence S 39°23'27"E 282.31 feet; thence S 37°13'06"E 91.17 feet; thence S 38°20'29"E 176.98 feet to a ½" pipe (set); thence leaving the woods road and the Walden Ridge, LLC property and going with the Eugene Broom property S 33°46'37"W 202.31 feet to a 5/8" rebar (found); thence S 34°10'11"W 711.00 feet to a 5/8" rebar (found); thence leaving the Broom property and going with the Stanley Wetmore property S 34°05'10"W 543.28 feet to a 5/8" rebar (found); thence leaving the Wetmore property and going with the Herbert Bushnell property S 34°13'57"W 298.77 feet to a steel fence post; thence S 35°48'22"W 565.23 feet to a point in the center of Standifer Creek; thence continuing with the Bushnell property and generally following the meanders of the said creek S 30°52'03"E 54.92 feet; thence S 46°32'18"E 80.25 feet; thence S 56°33'08"E 95.67 feet; thence S 80°01'09"E 268.99 feet; thence S 34°34'11"E 97.05 feet; thence S 38°35'12"W 135.34 feet; thence S

31°40'30"E 202.24 feet; thence S 71°18'22"E 164.02 feet; thence S 50°59'20"E 87.62 feet; thence leaving the Bushnell property and going with the J. Wayne Caughman property and continuing with the creek S 54°52'24"W 199.53 feet; thence S 33°45'34"W 89.36 feet; thence S 40°59'14"W 156.22 feet; thence S 26°03'35"W 212.08 feet; thence S 37°22'10"W 147.35 feet; thence S 58°45'35"W 66.65 feet; thence S 30°35'47"W 214.76 feet; thence S 59°45'59"W 61.37 feet; thence S 43°21'38"W 91.36 feet; thence S 81°29'06"W 64.19 feet; thence S 37°10'45"W 28.92 feet to 5/8" rebar (found); thence leaving the creek and the Caughman property and going with the David Ellis property S 86°49'21"W 572.56 feet to a 5/8" rebar (found); thence N 88°52'30"W 264.79 feet to a 5/8" rebar (found); thence leaving the Ellis property and going with the Timothy Hicks property N 89°12'54"W 563.07 feet to a 1/2" pipe (found); thence leaving the Hicks property and going with the John Peak property S 71°06'49"W 377.87 feet to a steel fence post; thence leaving the Peak property and going with the Sam Haynes property N 02°46'02"E 154.03 feet to a wood fence post; thence N 64°16'05"W 227.28 feet to a wood fence post; thence leaving the Haynes property and going with the Dandy Millwood property N 58°07'12"W 704.90 feet to a 1" pipe (found); thence N 53°20'04"W 106.76 feet to a 3/4" pipe (found); thence leaving the Millwood property and going with the Eva Shipley property N 53°21'13"W 203.28 feet to a 1/2" rebar (found); thence leaving the Shipley property and going with the Doyle Teague property N 52°40'37"W 315.49 feet to a 1/2" pipe (set); thence N 57°23'32"W 116.26 feet to a 1/2" pipe (set); thence leaving the Teague property and going with the Luther Bryson property N 53°39'30"W 588.30 feet to a 3/4" pipe (found); thence N 56°01'53"W 73.30 feet to a steel fence post; thence N 53°19'20"W 86.66 feet to a 2" angle iron; thence leaving the Bryson property and going with the Roger Johnson property N 54°31'51"W 169.37 feet to a 5/8" iron rod (found); thence leaving Johnson property and going with the Alma Jean Shell Harris property N 50°52'21"W 96.26 feet to a 1" axle (found); thence leaving the Harris property and going with the Jason Shell and Ronald Potter property N 51°08'31"W 462.14 feet to the beginning being 1386.71 acres as surveyed by Christopher M. Vick R.L.S. #2164 on 16 January 2008.

The following described property is included within the above described parcel, but expressly excluded from the conveyance:

Beginning at a steel fence post being the southwestern corner of this described parcel and furthermore being located N 01°49'39" E 1184.61 feet from a power pole; thence going with the Terry Barker property N 00°57'50"E 299.62 feet to a 2" pipe (found); thence leaving Barker and going with the Donald Owens property N 00°25'24"E 300.44 feet to a 2" pipe (found); thence leaving Owens and going with the Ernest Simmons and Sherman Ford property N 00°09'05"W 883.03 feet to a steel fence post; thence continuing with Ford S 89°28'24"E 1478.63 feet to a steel fence post; thence continuing with Ford and Ernest Simmons S 00°38'04"W 877.84 feet to a 2" pipe (found); thence leaving Simmons and going with Robert Phillips S 00°20'58"E 298.10 feet to a 2" pipe (found); thence leaving Phillips and going with Garner Hixson S 00°47'13"W 299.47 feet to a steel fence post; thence continuing with Hixson S 89°51'21"W 182.82 feet to a 1/2" rebar (found); thence leaving Hixson and going with the aforementioned Terry Barker N 89°43'07"W 1288.68 feet to the beginning being 49.99 acres as surveyed by Christopher M. Vick R.L.S. #2164 on 16 January 2008.

Prepared by:
Brian Dominick
523 S. Cascade Ave Suite E
Colorado Springs, CO