

**Prepared by and**  
**Upon recording, please return to:**  
David Wilson Long, Esquire  
Long, Ragsdale & Waters, P.C.  
Suite S-700  
1111 Northshore Drive  
Knoxville, Tennessee 37919

**DECLARATION OF  
COVENANTS, RESTRICTIONS AND EASEMENTS  
FOR  
RARITY CLUB AT LAKE NICKAJACK**

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102 PGS : AL - RESTRICTIONS	
SANDRA BATCH: 17748	
12/08/2006 - 09:45:55 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	510.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	512.00

STATE OF TENNESSEE, MARION COUNTY

**WINFRED HAGGARD**  
REGISTER OF DEEDS

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR**

**RARITY CLUB AT LAKE NICKAJACK**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Rarity Club at Lake Nickajack ("Declaration") is made as of the date set forth on the signature page hereof by Nickajack Shores Holdings, LLC, a Tennessee limited liability company, ("Declarant").

Declarant is the owner of the real property described on Exhibit "A", which is attached hereto and incorporated by this reference or if Declarant is not the owner, such owner has consented to this Declaration. This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of Rarity Club Community Association, Inc. to own, operate and maintain Common Area and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines (capitalized terms are defined in Article 1 below).

Declarant hereby declares that all of the property described on Exhibit "A" and any Additional Property subjected to this Declaration by Supplemental Declaration shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

**ARTICLE 1:           DEFINITIONS**

The terms in this Declaration and in the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1    "Additional Property": All of that certain real property which is more particularly described on Exhibit "B", which is attached hereto and incorporated by this reference, and which real property is subject to annexation to the terms of this Declaration in accordance with Article 7.

1.2    "Adjacent Properties": Any residential, non-residential or recreational areas, including without limitation, retail, office, commercial, or institutional areas and Private Amenities, which are located adjacent to, in the vicinity of, or within the Properties; which are owned and operated, in whole or in part, by Persons other than the Association; which are not subject to this Declaration; and which are neither Parcels or Common Area as defined in this Declaration.

1.3    "Area of Common Responsibility": The Common Area, together with any additional areas for which the Association has or assumes responsibility pursuant to the terms of



this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or other applicable covenant, contract, or agreement.

1.4 “Association”: Rarity Club Community Association, Inc., a Tennessee nonprofit mutual benefit corporation, its successors and assigns.

1.5 “Board of Directors”, “BOD” or “Board”: The body responsible for administration of the Association, selected as provided in the By-Laws and serving as the board of directors under Tennessee corporate law.

1.6 “Builder”: Any Person who purchases one (1) or more Parcels for the purpose of constructing improvements thereon for later sale to consumers or who purchases one (1) or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person’s business. Any Person occupying or leasing a Parcel for residential purposes shall cease to be considered a builder with respect to such Parcel immediately upon occupancy of the Parcel for residential purposes, notwithstanding that such Person originally purchased the Parcel for the purpose of constructing improvements for later sale to consumers.

1.7 “By-Laws”: The By-Laws of Rarity Club Community Association, Inc. attached as Exhibit “C”, which is attached and incorporated by this reference, as they may be amended from time-to-time.

1.8 “Charter”: The Charter (articles of incorporation) of Rarity Club Community Association, Inc. as filed with the Secretary of State of Tennessee, as amended from time-to-time.

1.9 “Consolidated Parcel”: The parcel resulting from the consolidation of multiple adjacent Parcels as more particularly described in Section 10.17.

1.10 “Common Area”: All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners. The term also shall include Exclusive Common Area, as defined below.

1.11 “Common Expenses”: The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.12 “Community-Wide Standard”: The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors and the DRB.

1.13 “Cost Sharing Agreement”: Any agreement, contract or covenant between the Association and an owner or operator of Adjacent Property, including any Private Amenity, for the allocation of expenses for amenities and/or services that benefit both the Association and the owner or operator of such property.

1.14 “Days”: Calendar days; provided however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regular business day.

1.15 “Declarant”: Nickajack Shores Holdings, LLC, a Tennessee limited liability company or any successor or assign who is designated as the Declarant in a recorded instrument by the immediately preceding Declarant and the owner of all or any portion of the property described in Exhibits “A” or “B”; provided however, there shall be only one (1) Person entitled to exercise the rights and powers of the “Declarant” hereunder at any time.

1.16 “Declarant-Related Entity”: Any Person or entity which is a parent, subsidiary or affiliate of the Declarant, and/or which the Declarant or any parent, subsidiary or affiliate of the Declarant or any officer, director, shareholder, partner, member, manager, or trustee of any of the foregoing, or any combination thereof, owns, directly or indirectly, not less than thirty-three percent (33%) of such entity, including but not limited to Rarity Communities, Inc.

1.17 “Design Guidelines”: The design, architectural and construction guidelines and application and review procedures applicable to all or any portion of the Properties promulgated and administered pursuant to Article 9.

1.18 “Development Period”: The period of time during which the Declarant owns any property which is subject to this Declaration, any Additional Property, or any Private Amenity, or has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by recording a written instrument setting forth such termination in the Public Records.

1.19 “DRB”: The Design Review Board, as described in Section 9.2.

1.20 “Exclusive Common Area”: A portion of the Common Area intended for the exclusive use or primary benefit of one (1) or more, but less than all, Neighborhoods or Parcels, as more particularly described in Article 2.

1.21 “General Assessment”: Assessments levied on all Parcels subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Parcels, as more particularly described in Sections 8.1 and 8.2.

1.22 “Governing Documents”: The Declaration, By-Laws, Charter, all Supplemental Declarations, all Design Guidelines, the rules of the Association, all Cost Sharing Agreements, and all additional covenants governing any portion of the Properties or any of the above, as each may be supplemented and amended from time-to-time.

1.23 “Improved Parcel”: A Parcel upon which Improvements have begun.

1.24 “Improvement”: Any structure or improvement, broadly defined to include but not be limited to, buildings of a permanent or temporary nature (with temporary buildings being permitted only during the construction of other Improvements, subject to approval by the DRB), outbuildings, underground installations, slope alterations, surface water drainage facilities,

sediment control devices, roads, berms, driveways, fences, screening walls, retaining walls, enclosures, stairs, decks, windbreaks, planting or removal of trees, shrubs and other landscaping materials, irrigation systems, poles, signs, antennas and satellite dishes, Utilities, heating, cooling and air circulation equipment and facilities, roofed structures, hedges, exterior illumination, changes in exterior color or shape, staking, clearing, excavation, grading, exterior alteration of existing improvements, and all other structures or landscaping improvements of every type and kind initially or at any time thereafter placed or constructed on any Parcel.

1.25 “Lake Use Restrictions”: Access restrictions, use restrictions and procedures governing access, dock use, or other use of Nickajak Lake as may be promulgated by the Association from time-to-time, and during the Development Period, consented to by Declarant. This term shall also include any rules, regulations and restrictions to the access, dock use, and other use of Nickajak Lake by TVA.

1.26 “Majority”: Those votes, of the Owners, Members, or other group, as the context may indicate, totaling more than fifty percent (50%) of the total eligible number.

1.27 “Master Plan”: The land use plan or development plan for “Rarity Club at Lake Nickjack”, prepared by the land planning firm of Sterling Engineering, Inc. 1020 William Blount Drive, Maryville, Tennessee, 37801, as such plan may be amended from time-to-time, which plan includes the property described on Exhibit “A” and all or a portion of the Additional Property described on Exhibit “B” that Declarant may from time-to-time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit “B” from the Master Plan bar its later annexation in accordance with Article 7.

1.28 “Member”: A Person subject to membership in the Association pursuant to Section 3.2.

1.29 “Mortgage”: A mortgage, a deed of trust, a deed to secure a debt, or any other form of security instrument affecting title to any Parcel.

1.30 “Mortgagee”: A beneficiary or holder of a Mortgage.

1.31 “Neighborhood”: A separately developed area within the Properties, whether or not governed by a Neighborhood Association (as defined below), in which the Owners of Parcels may have common interests other than those common to all Members of the Association. For example, and by way of illustration and not limitation, each single-family attached or detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one (1) housing type with other features in common and may include noncontiguous parcels of Property.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee, if any, (established in accordance with the By-Laws) or Neighborhood Association, if any, (as defined below) having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 3.5.

1.32 “Neighborhood Assessments”: Assessments levied against the Parcels in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Sections 8.1 and 8.3.

1.33 “Neighborhood Association”: Any condominium association or other owners association having concurrent jurisdiction with the Association over any Neighborhood.

1.34 “Neighborhood Expenses”: The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Parcels within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time-to-time and as may be authorized herein or in Supplemental Declarations applicable to such Neighborhood(s).

1.35 “Nickajak Lake” or “Nickajack Lake”: That certain body of water known as “Nickajak Lake” which is currently governed by TVA, a corporate agency and instrumentality of the United States of America organized and existing pursuant to the Tennessee Valley Authority Act of 1933, located adjacent to the Properties and subject to Lake Use Restrictions.

1.36 “Occupant”: The Owner of any Parcel and their respective agents, tenants, independent contractors, invitees and licensees or any other Person who either lawfully or unlawfully occupies or comes upon such Parcel. All actions or omissions of any Occupant shall be deemed the actions or omissions of the Owner of such Parcel.

1.37 “Owner”: One (1) or more Persons who hold record title to any Parcel, including the Declarant and any Builders, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Parcel is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner. If a Parcel is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

1.38 “Parcel” or “Unit”: A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Parcel as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Common Area, common property owned by any Neighborhood Association, or property dedicated to the public. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Parcel.

In the case of an unplatted parcel of land, the parcel shall be deemed to be a single Parcel until such time as a subdivision plat or condominium plat is filed with respect to all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Parcels determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

1.39 “Person”: A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.40 “Private Amenity”: Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties which are owned and operated, in whole or in part, by Persons other than the Association for recreational or other purposes. Any Private Amenity shall be designated by the Declarant in its sole discretion. The use of the term “Private Amenity” shall not be construed to imply or require a private club. Private Amenities may be operated on a club membership, daily fee, use fee, public, or private basis or otherwise and may include, without limitation, any golf course(s), marina or lodge and all related and supporting facilities and improvements.

1.41 “Private Sewer System”: Any sanitary sewer system providing sewer service to all or any subset of Members located within or abutting the Properties, including any sanitary sewer gravity based and pressure based collector lines and pressure pumping mechanisms installed by Declarant and sanitary sewer service connections and pressure lines to or within a Parcel and any related components or equipment required for the collection, transmission, treatment or processing of waste effluent, including any wastewater treatment facility, pumps, tanks, motors, casings, electrical lights and switches, whether installed by a Builder or Owner, to the extent such lines and equipment are not conveyed to, or owned by a public or private utility company. Notwithstanding any other provisions of this Declaration, the Declarant reserves the right to convey any such lines and equipment to a public or private utility company at any time hereafter.

1.42 “Properties”: The real property described on Exhibit “A” as such exhibit may be amended or supplemented from time-to-time to reflect any additions or removal of property in accordance with Article 7.

1.43 “Public Records”: The Register’s Office of Marion County, Tennessee, or such other place which is designated as the official location for recording of deeds and similar documents affecting title to real estate

1.44 “Rarity Club”: That certain mixed use residential and commercial community located or to be located on all or a portion of the property described on Exhibits “A” and “B” in Marion County, Tennessee developed or to be developed by the Declarant, its successors and assigns, and commonly known and referred to as Rarity Club at Lake Nickajack.

1.45 “Single Family”: By way of illustration and not limitation, two (2) or more persons residing together as a single housekeeping unit; in a more or less permanent, non-transient living arrangement.

1.46 “Special Assessment”: Assessments levied in accordance with Section 8.5.

1.47 “Specific Assessment”: Assessments levied in accordance with Section 8.6.

1.48 “Supplemental Declaration”: An instrument filed in the Public Records which subjects Additional Property to this Declaration, designates Neighborhoods, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument. The term shall also refer to an instrument filed by the Declarant pursuant to Section 3.5 which designates Voting Groups, and declaration of covenants, conditions and restrictions,

and any condominium master deed, declaration of condominium or declaration of planned unit development.

1.49 “TVA”: The term used to define the Tennessee Valley Authority, a corporation created and existing under an Act of Congress known as the Tennessee Valley Authority Act of 1933, as amended which is a corporate agency and instrumentality of the United States of America, and its successors which possesses ownership, control and approval rights as to Nickajack Lake as well as its use.

1.50 “TVA Deed”: The term used to define that Special Warranty Deed dated June 27, 2006, from TVA to the Declarant recorded in Deed Book 373, at page 668 in the Public Records.

1.51 “Unimproved Parcel”: A Parcel upon which Improvements have not begun.

1.52 “Utilities”: Any utilities serving any portion of the Properties or any Common Areas, including, without limitation, water, public or private sewage and sewer service, storm drains, steam, gas, electricity, telephone, internet, intranet, cable, digital or similar television services, solar or passive energy sources or any other utilities of any nature whatsoever.

1.53 “Voting Delegate”: Any representative selected by the Class “A” Members within each Neighborhood to be responsible for casting all Class “A” votes attributable to Parcels in the Neighborhood on matters requiring a vote of the membership. The term “Voting Delegate” shall also refer to any alternate Voting Delegate acting in the absence of a Voting Delegate.

1.54 “Voting “Group””: One (1) or more Members who vote on a common slate for election of directors to the Board of Directors of the Association, as more particularly described in Section 3.5 of this Declaration.

1.55 “Zoning Ordinance”: The use planning category and conditions and any development agreement with either the Marion County Regional Planning Commission (Marion County, Tennessee) and/or the City of Jasper, Tennessee applicable to Rarity Club, as such may be amended from time-to-time. Currently, the Zoning Ordinances applicable to Rarity Club are those subdivision regulations adopted by the Marion County Regional Planning Commission.

## **ARTICLE 2: PROPERTY RIGHTS**

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to and shall pass with title to each Parcel, subject to:

(a) This Declaration and all other Governing Documents;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Association to rent, lease or reserve any portion of the Common Area to any Owner for the exclusive use of such Owner and his or her respective lessees, invitees, and guests upon such conditions as may be established by the Board;

(e) The right of the Board to suspend the right of an Owner to use any recreational and social facilities within the Common Area and Exclusive Common Area pursuant to Section 4.3;

(f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area;

(g) The right of the Board to permit use of any facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(i) The right of the Association, acting through the Board, to dedicate or transfer all or any portion of the Common Area, subject to any approval requirements set forth in the Governing Documents;

(j) The rights of certain Owners to the exclusive use, access and enjoyment of those portions of the Common Area designated "Exclusive Common Areas", as more particularly described in Section 2.3;

(k) The right of the Declarant to conduct activities and establish facilities within the Properties as provided in Article 13; and

(l) The rights of TVA under the TVA Deed, to the extent such rights are applicable to the Common Area.

Any Owner may extend his or her right to use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Parcel shall be deemed to have assigned all such rights to the lessee of such Parcel; provided however, the Owner shall remain responsible for payment of all assessments and other charges.

2.2 Private Streets. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to, over and across any private streets and roads within the Properties ("Private Streets"), whether or not such Private Streets are Common Area, for the purpose of ingress and egress to public right-of-ways. The rights and nonexclusive easements granted herein are appurtenant to the title to each Parcel, subject to:

(a) This Declaration and all other Governing Documents;

(b) The right of the Declarant, so long as the Declarant owns the Private Streets, to adopt, amend, and repeal rules regulating the use and enjoyment of the Private Streets, provided that the Declarant shall not by the adoption of any rule or regulation bar access of the Owners across the Private Streets;

(c) The right of the Declarant to dedicate all or any part of Private Streets, so long as the Declarant owns the Private Streets;

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable.

2.3 Exclusive Common Area. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Parcels or Neighborhoods. By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, roads, landscaped medians and cul-de-sacs, shared driveways, ponds, lakes and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Parcels to which the Exclusive Common Areas are assigned either as a Neighborhood Assessment or as a Specific Assessment, as applicable.

Initially, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the Common Area is conveyed to the Association, or in this Declaration, or any Supplemental Declaration and/or on the subdivision plat relating to such Common Area; provided however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Parcels and/or Neighborhoods during the Development Period. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of particular Parcels or a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon approval of the Board and the vote of Members holding a Majority of the Class "A" votes within the Neighborhood(s) to which the Exclusive Common Area is assigned, if previously assigned, and within the Neighborhood(s) to which the Exclusive Common Area is to be assigned or reassigned. Any reassignment of an Exclusive Common Area shall be set forth in a Supplemental Declaration executed by the Declarant and/or Board, as appropriate, or shall be shown on a revised subdivision plat relating to such Exclusive Common Area.

The Association may, upon approval of a Majority of the Class "A" votes within the Neighborhood(s) to which any Exclusive Common Area is assigned, permit Owners of Parcels in other Neighborhoods to use all or a portion of such Exclusive Common Area upon payment of reasonable use fees, which fees shall be used to offset the Neighborhood Expenses or Specific Assessments attributable to such Exclusive Common Area.

2.4 Lake. Access to and use of Nickajak Lake shall be strictly subject to the Lake Use Restrictions, and no Person shall gain any right to enter or to use Nickajak Lake or gain access to Nickajak Lake from the Properties other than by virtue of membership in the Association, by an agreement with the Association or ownership or occupancy of a Parcel.



Although ownership or occupancy of a Parcel shall not ensure that a right to access Nickajak Lake from the Properties exists, each Owner of a Parcel acknowledges and agrees to strictly abide by the Lake Use Restrictions. Any Person, including, without limitation, any Owner, Occupant of any Parcel, or tenant, guest or invitee of any Owner gaining access to or using Nickajak Lake from the Properties for any purpose shall assume the risk of such use. Under no circumstance shall the Declarant, the Association, any Builder, or any Person acting on their behalf assume any liability for use of Nickajak Lake by an Owner, its invitees, or licensees, or by any other Person who has access rights to Nickajak Lake by virtue of agreement with the Association, its invitees or licensees.

2.5 View Impairment. Neither the Declarant nor the Association guarantees or represents that any view over and across Nickajak Lake, the Common Area, any recreational facilities, or any vistas from Parcels will be preserved without impairment. The Association, and during the Development Period the Declarant shall have: (i) no obligation to take any actions including but not limited to pruning or thinning trees or other landscaping to provide visibility of Nickajak Lake or of any other vista; and (ii) the right to add or remove trees and other landscaping adjacent to Nickajak Lake or any other portion of the Properties in accordance with the Design Guidelines.

2.6 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of other real property which may or may not be subject to this Declaration.

2.7 Condemnation. The Association shall be the sole representative with respect to condemnation proceedings concerning Common Area and shall act as attorney-in-fact for all Owners in such matters. Whenever any part of the Common Area shall be taken by or conveyed under threat of condemnation to any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance. The Board may convey Common Area under threat of condemnation only if approved by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and, during the Development Period, the written consent of the Declarant. The award made for such taking or proceeds of such conveyance shall be payable to the Association.

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking Members holding at least sixty-seven (67%) of the total Class "A" vote of the Association and, during the Development Period, the Declarant shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board and DRB. The provisions of Section 6.1(c) regarding funds for the repair of the damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds may be used by the Association for such purposes as the Board shall determine.

### ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner shall be a Member of the Association. In addition, owners of Adjacent Properties may be Members of the Association as set forth in Section 3.2 (c). There shall be only one (1) membership per Parcel. If a Parcel is owned by more than one (1) Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2(e) and in the By-Laws. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee of such Owner, or by any individual designated from time-to-time by the Owner in a written instrument provided to the secretary of the Association.

3.2 Voting. The Association shall have three (3) classes of membership, Class "A", Class "B", and Class "C" as set forth below.

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" and Class "C" Members. Each Class "A" Member shall have one (1) equal vote for each Parcel in which he or she holds the interest required for membership under Section 3.1; provided however, there shall be only one (1) vote per Parcel and no vote shall be exercised for any property which is exempt from assessment under Section 8.10.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint the members of the Board of Directors until termination of the Development Period. Upon termination of the Development Period, the Class "B" membership shall expire, and the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Parcel which it owns.

(c) Class "C". Class "C" Members shall be those owners or operators of any portion of the Adjacent Properties, including but not limited to any Private Amenities, that have entered into an agreement with the Association for the purposes of creating a relationship enabling the Association to provide services, including, without limitation, sewerage services or state licensure-related services, to such owner's or operator's portion of the Adjacent Properties. Such agreement shall set forth the number of votes that any such owner or operator is entitled to cast on any matters requiring a vote of the Class "C" Members; provided, however, that each Class "C" Member shall be entitled to at least one vote. Class "C" Members shall not have the right to vote on any matters except as specifically set forth in the Governing Documents.

(d) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Parcels within any Additional Property made subject to this Declaration pursuant to Article 7, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(e) Exercise of Voting Rights by Class "A" Members. If there is more than one (1) Owner of a Parcel, the vote for such Parcel shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Parcel's vote shall be suspended if more than one (1) Person seeks to exercise it. If Voting Delegates have been elected pursuant to Section 3.4, the vote for each Parcel owned by a Class "A" Member shall be exercised by the Voting Delegate representing the Neighborhood of which the Parcel is a part, as provided in such Section. No vote shall be exercised on behalf of any Parcel if any assessment for such Parcel is delinquent.

3.3 Neighborhoods. Every Parcel shall be located within a Neighborhood; provided however, unless and until additional Neighborhoods are established, the Properties shall consist of one (1) Neighborhood. The Declarant, in its sole discretion, may establish Neighborhoods within the Properties by designation on Exhibit "A" to this Declaration, a Supplemental Declaration, or a plat. During the Development Period, the Declarant may unilaterally amend this Declaration, any Supplemental Declaration, or any plat from time-to-time to assign property to a specific Neighborhood, to redesignate Neighborhood boundaries, or to remove property from a specific Neighborhood.

Upon termination of the Development Period, the Board of Directors, upon receipt of a petition signed by a Majority of the Owners of the Parcels to be affected, may, in its sole discretion and with the written consent of the Declarant, establish Neighborhoods, redesignate Neighborhood boundaries or remove property from a specific Neighborhood. Such petition shall be in writing and shall include a survey of the entire property affected by the petition which indicates the proposed Neighborhoods. Such petition shall be deemed denied forty-five (45) Days following the filing of all required documents with the Board unless both the Board of Directors and the Declarant approve such application in writing within such forty-five (45) Day period. Either the Board or the Declarant may deny an application for any reason in its sole discretion. All applications and copies of any denials shall be filed with the books and records of the Association. The owners requesting the division shall be responsible for any expenses incurred with respect to implementing a division of a Neighborhood, including but not limited to costs associated with preparation and presentation of the application, regardless of whether such application is approved or denied, and preparation of a Supplemental Declaration or revised plat, if the application is approved.

The Parcels within a particular Neighborhood may be subject to additional covenants and/or the Parcel Owners may be members of a Neighborhood Association in addition to the Association. However, a Neighborhood Association shall not be required except as required by law. Any Neighborhood which does not have a Neighborhood Association may, but shall not be obligated to, elect a Neighborhood Committee, as described in the By-Laws, to represent the interests of Owners of Parcels in such Neighborhood. No Neighborhood Association or Neighborhood Committee shall be formed or otherwise established without the prior submission to and written approval of Declarant of all documents creating or establishing such Neighborhood Association or Neighborhood Committee, including without limitation, the submission of any declaration of condominium, Charter, by-laws and other organizational and governing documents.

Any Neighborhood may request that the Association provide a higher level of service or special services for the benefit of Parcels in such Neighborhood and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the

Parcels within the Neighborhood, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Parcel to all Neighborhoods receiving the same service), shall be assessed against the Parcels within such Neighborhood as a Neighborhood Assessment pursuant to Article 8 hereof.

3.4. Voting Delegates. The Board in its sole discretion shall determine whether Voting Delegates shall be elected for each Neighborhood; however, all Neighborhoods which are similarly situated shall be treated the same. Until such time as the Board first calls for election of a Voting Delegate for any Neighborhood, the Owners within such Neighborhood shall be entitled personally to cast the votes attributable to their respective Parcels on any issue requiring a vote under this Declaration, the By-Laws or the Charter.

If the Board determines that Voting Delegates shall be elected, the elections and Voting Delegates shall be subject to the following procedures unless the Governing Documents for such Neighborhood provide for stricter requirements:

(a) The board shall send notice of the election of a Voting Delegate to all Owners within the Neighborhood; provided, however, the first election of a Voting Delegate for any Neighborhood shall not be held until at least fifty percent (50%) of the Parcels planned for such Neighborhood have been conveyed to Persons other than the Declarant or a Builder. After the initial election of a Voting Delegate for a Neighborhood, subsequent elections shall take place on an annual basis.

(b) Elections may take place by written ballot cast by mail or at a meeting of the Class "A" Members within each Neighborhood, as the Board determines; provided, however, upon written petition signed by Class "A" Members holding at least ten percent (10%) of the votes attributable to Parcels within any Neighborhood, the election for such Neighborhood shall be held at a meeting.

(c) The presence, in person or by proxy, of Class "A" Members representing at least ten percent (10%) of the total Class "A" votes attributable to Parcels in the Neighborhood shall constitute a quorum at any Neighborhood meeting. Each Class "A" Member who owns a Parcel within the Neighborhood shall be entitled to cast one (1) equal vote per Parcel owned.

(d) At each election, the Owners within each Neighborhood shall elect a Voting Delegate who shall be responsible for casting all votes attributable to Parcels owned by Class "A" Members in the Neighborhood on all Association matters requiring a membership vote. In addition, each Neighborhood shall elect an alternate Voting Delegate who shall be responsible for casting such votes in the absence of the Voting Delegate. The candidate who receives the greatest number of votes shall be elected as Voting Delegate and the candidate receiving the next greatest number of votes shall be elected as the alternate Voting Delegate. The Voting Delegate and the alternate Voting Delegate shall serve a term as determined by the Board. No Person shall be eligible to serve as a Voting Delegate or an alternate Voting Delegate if an assessment for such Person's Parcel(s) is/are delinquent.

(e) Any Voting Delegate or alternate Voting Delegate may be removed, with or without cause, upon the vote or written petition of Owners holding at least a Majority of the

total Class "A" votes attributable to Parcels in the Neighborhood which the Voting Delegate or alternate Voting Delegate represents. Any Voting Delegate or alternate Voting Delegate shall be automatically removed and ineligible to cast the votes attributable to Parcels in such Voting Delegate's Neighborhood if any assessment for such Voting Delegate's Parcel is delinquent. Upon removal of a Voting Delegate or an alternate, a successor shall be elected by the Owners of Parcels within the Neighborhood to fill the vacancy for the remainder of such delegate's term.

(f) Prior to taking a vote on any issue requiring membership approval, the Association shall distribute proxies to all Members represented by Voting Delegates allowing each Member to direct in writing how such Member's vote is to be cast with respect to such issue by the Voting Delegate who represents such Member. The Voting Delegates shall be required to cast all votes for which specific proxies are returned in the manner directed in such proxies. All other votes may be cast as the Voting Delegate deems appropriate in its sole discretion. The Board may adopt resolutions establishing additional procedures for polling Members.

Notwithstanding anything to the contrary above, with respect to any portion of the Properties that is subject to the jurisdiction of a Neighborhood Association, the Voting Delegate and the alternate Voting Delegate for such Neighborhood shall be the president and secretary of the Neighborhood Association, respectively.

3.5 Voting Groups. The Declarant may designate Voting Groups consisting of one (1) or more Neighborhoods for the purpose of electing directors to the Board. The designation of Voting Groups, if any, shall be to promote representation of the Board of Directors for various groups having dissimilar interests and to avoid a situation in which the Members from similar Neighborhoods are able, due to the number of Parcels in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others. Following termination of the Class "B" membership, the number of Voting Groups within the Properties shall not exceed the total number of directors to be elected by the Class "A" Members pursuant to the By-Laws. The Members within each Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of directors specified in the By-Laws.

The Declarant shall establish Voting Groups, if at all, not later than the date of expiration of the Class "B" membership by filing with the Association and in the Public Records a Supplemental Declaration identifying each Voting Group by legal description or other means such that the Parcels within each Voting Group can easily be determined. Such designation may be unilaterally amended from time-to-time by the Declarant during the Development Period.

After expiration of the Declarant's right to amend any designation of Voting Groups as provided above, the Board shall have the right to file or amend any Supplemental Declaration for the purpose of designating Voting Groups. Neither recordation nor amendment of such Supplemental Declaration shall constitute an amendment to this Declaration, and no consent or approval of any Person shall be required except as stated in this Section. Until such time as Voting Groups are established, all of the Properties shall constitute a single Voting Group. After a Supplemental Declaration establishing Voting Groups has been filed, any and all portions of the Properties which are not assigned to a specific Voting Group shall constitute a single Voting Group.

## ARTICLE 4: RIGHT AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 10. Except as otherwise provided herein, the Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its function in accordance with the Governing Documents and the laws of the State of Tennessee.

4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibits "A" or "B," personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Declarant shall not be required to make any improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portion of the Properties originally conveyed by the Declarant to the Association for no consideration, to the extent conveyed by Declarant in error needed by Declarant to make adjustments in property lines.

4.3 Enforcement. The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.24 of the By-Laws. Such sanctions may include without limitation:

(a) imposing monetary fines which shall constitute a lien upon the Parcel of the violator (In the event that any Occupant, guest or invitee of a Parcel violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the Occupant; provided however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);

(b) filing notices of violation in the Public Records providing record notice of any violation of the Governing Documents;

(c) suspending an Owner's right to vote;

(d) suspending any Person's right to use any recreational facilities within the Common Area and any part of the Exclusive Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Parcel; and

(e) suspending any services provided by the Association to an Owner or the Owner's Parcel if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

In the event that any Occupant, guest or invitee of a Parcel violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction such Occupant, guest or invitee and/or the Owner of the Parcel that the violator is occupying or visiting.

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of assessments and other charges, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a Specific Assessment to cover all costs incurred in bringing a Parcel into compliance with the Governing Documents.

The Association may also elect to enforce any provisions of the Governing Documents by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action or remedy taken by the Association to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, reasonable attorney fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county, city, state and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Charter, or by applicable law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5 Governmental Interests. During the Developmental Period, the Declarant may designate sites within the Properties for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by the Declarant. The sites may include other property not owned by the Declarant provided the owner of such property consents.

4.6 Indemnification. The Association shall indemnify every officer, director, DRB member and committee member against all damages, liabilities, and expenses, including reasonable attorney fees, incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, DRB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, Charter and Tennessee law.

The officers, directors, DRB members and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, DRB members, and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors, DRB member and committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director, DRB member and committee member harmless from any and all liability to others on account of such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, DRB member or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and directors' and officers' liability insurance to fund this obligation, if such insurance is reasonably available.

4.7 Dedication of or Grant of Easements on Common Area. The Association may dedicate or grant easements across portion of the Common Area to Marion County, Tennessee, or to any other local, state, or federal government or quasi-governmental entity, or to any private utility company.

4.8 Security. Each Owner and Occupant of a Parcel, and their respective lessees, licensees, guests and invitees, shall be responsible for their own personal safety and security on their Parcel and on the Properties. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken, if any. No representation or warranty is made that any fire protection system, burglar alarm system or other security system or measure, including any mechanism or system for limiting access to the Properties, cannot be compromised or circumvented, nor that any such system or security measure undertaken will in all cases prevent loss or provide the detection or protection for which the system or measure is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Parcel that the Association, its Board of Directors and committees, the Declarant, and any successor Declarant are not insurers or guarantors of security within the Properties and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Parcels and the contents of Parcels, resulting from acts of third parties. Any costs incurred by the Association to provide such services shall be paid by the Association and shall be charged either to all Parcels as a General Assessment or a Specific Assessment, or only to those certain Neighborhoods or Parcels benefited thereby, as a Specific Assessment or a Neighborhood Assessment, as determined by the Board is its sole discretion.



4.9 Utility Lines. Each Owner, Occupant, guest, and invitee acknowledges that neither the Association, the Board nor Declarant shall in any way be considered insurers or guarantors of health within the Properties and neither the Association, the Board, nor Declarant shall be held liable for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines or utility sub-stations adjacent to, near, over, or on the Properties. Each Owner, Occupant, guest, lessee, licensee and invitee assumes all risk of personal injury, illness, or other loss or damage arising from the presence of utility lines or utility sub-stations and further acknowledges that neither the Declarant nor the Association have made any representations or warranties, nor has any Owner, Occupant, guest, lessee, licensee, or invitee relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations.

4.10 Agreements for Underground Electrical Lines, Street Lighting, Water, Sewer and Other Utilities. Declarant reserves the right to subject the Properties to a contract or contracts with any public, quasi-public or private utility companies for the installation of underground electric lines and cables and/or the installation of street lighting, for the installation of underground water and/or sewer lines, and/or for the installation of any other underground utility lines, any or all of which may require an initial payment and/or a continuing monthly payment to a public, quasi-public or private utility company by each Owner or the Association. Such agreement or agreements may be between the Declarant and such utility company(s) and/or between the Declarant and the Association whereby monthly fees charged by the utility company for providing utility service and related utility line facilities to Rarity Club shall be reimbursed by the Owners. Such agreement or agreements may take the form of a document(s) whereby the Declarant or a related company pays the utility companies monies and is then able to reimburse itself for such costs out of a Specific Assessment levied by the Association for the benefit of the Declarant to be paid by the Owners. It is anticipated that such agreement or agreements would indicate that such monthly fees to be paid by the Owners may be discontinued at such time as Improvements located upon any Improved Parcel are "substantially completed" (as such phrase is defined in Section 9.6 of this Declaration) and the Owner of the Improved Parcel commences paying utility use charges to service the Improvements located on his/her Parcel. The monthly payments to be established with respect to said agreements may increase or decrease (on a Parcel by Parcel basis) and may be classified as a Specific Assessment in accordance with the provisions of Section 8.6 below.

4.11 Street Lighting Agreement. Declarant reserves the right to subject the Properties to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to an electric company by each Owner or the Association.

4.12 Trails. The Declarant reserves for itself, its successors and assigns, and the Association, the right to designate certain areas within the Properties, including the Common Area, to be used as recreational bike and pedestrian pathways and trails ("trail system"). Each Owner acknowledges, understands and covenants to inform the Occupants of such Owner's Parcel, that the Properties may contain a trail system and that there may be certain inconveniences and loss of privacy associated with the ownership or use of Parcels adjacent to such trail system resulting from the use of the trail system by the Declarant, the Association, its Members, their tenants, Occupants, guests and invitees.

4.13 Relationship with Tax-Exempt Organizations. The Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area, or convey portions of the Common Area, to non-profit, tax-exempt organizations for the benefit of the Properties. The Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code, including but not limited to, Sections 501(c)(3) or 501(c)(4) thereof.

4.14 Powers of the Association Relating to Neighborhood Associations. The Association may veto any action taken or contemplated by any Neighborhood Association which the Board reasonably determines to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also may require specific action to be taken by any Neighborhood Association to fulfill its obligations and responsibilities under any Governing Document. For example, the Association may require that specific maintenance or repairs or aesthetic changes be performed by the Neighborhood Association. If the Neighborhood Association fails to comply with such requirements within a reasonable time as specified in writing by the Association, the Association may effect such action on behalf of the Neighborhood Association and assess the Parcels within such Neighborhood for any expenses incurred by the Association in taking such action. Such assessments may be collected as a Specific Assessment.

4.15 Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests, lessees and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense or a Neighborhood Expense, depending on whether the service or facility is provided to all Parcels or only the Parcels within a specified Neighborhood. In addition, the Board shall be authorized to charge use and consumption fees for services and facilities through Specific Assessments or by requiring payment at the time the service or facility is provided. As an alternative, the Association may arrange for the costs of the services or facilities to be billed directly to Owners by the provider(s) of such services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, mowing of Unimproved Parcels, garbage collection, pest control service, cable, digital satellite or similar television service, internet, intranet, and other computer related services, security, fire protection, utilities, and similar services and facilities. The Board, without the consent of Class "A" Members of the Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

4.16 Rezoning. No Owner or any other Person may apply or join in an application to amend, vary or modify any applicable zoning law or code pertaining to the properties to any application for rezoning or for a zoning variance or waiver as to all or any portion of the Properties without the prior written consent of Declarant. Each Person that acquires any interest in the Properties acknowledges that Rarity Club is a master planned community, the development of which is likely to extend over many years, and agrees not to protest or challenge: (a) changes in uses or density or property outside the Neighborhood in which such Person own a

Parcel, or (b) changes in the Master Plan relating to property outside the Neighborhood in which such Person owns a Parcel. Declarant may apply for such rezoning as to any portion of the Properties owned by it at any time.

4.17 Presence and Management of Wildlife. Each Owner and Occupant, and each tenant, guest and invitee of any Owner or Occupant acknowledges that the Properties are located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife. Neither the Association, the Board, the original Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties. Each Owner and Occupant of a Parcel and each tenant, guest, and invitee of any Owner or Occupant shall assume all risk of personal injury, illness or other loss or damage arising from the presence of such wildlife and further acknowledges that the Association, the Board, the original Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or Occupant, or any tenant, guest or invitee of any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to engage in wildlife management plans and practices on the Properties to the extent that such practices are permitted by applicable state and federal law. The Declarant may assign these management rights to the Association.

## **ARTICLE 5: MAINTENANCE**

### 5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which shall include, but need not be limited to:

- (i) all Common Area;
- (ii) all landscaping and other flora, parks, pond structures and other water features, and improvements, including any entry features, Private Streets, parking areas, sidewalks, bike and pedestrian pathways/trails, situated upon the Common Area;
- (iii) all furnishings, equipment and other personal property of the Association;
- (iv) any landscaping and other flora, parks, bike and pedestrian pathways/trails, sidewalks, buffers, entry signs and features, structures and improvements within public right-of-ways within or abutting the Properties or upon such other public land adjacent to the Properties as deemed necessary in the discretion of the Board;
- (v) such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or any contract or agreement for maintenance thereof entered into by the Association; and

(vi) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant or Declarant-Related Entity to the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may, as a Common Expense, maintain other property and improvements which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) The Association shall maintain facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members holding sixty-seven percent (67%) of the Class "A" votes in the Association and during the Development Period the Declarant agree in writing to discontinue such operation. Prior to discontinuation of any sewerage treatment services, the Association shall also obtain the consent of Members holding 67% of Class "C" votes in the Association which are exercised by Class "C" Members which have entered into a Cost Sharing Agreement which entitles those Class "C" Members sewerage system use privileges.

(c) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (i) such maintenance responsibility is otherwise assumed or assigned to an Owner or a Neighborhood Association; or (ii) such property is dedicated to any local, state, or federal government or quasi-governmental entity; provided however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the written consent of the Declarant.

(d) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Parcels as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or Persons responsible for, certain portions of the Area of Common Responsibility pursuant to the Governing Documents, any recorded covenants, or any agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Common Expense assessed as a Neighborhood Assessment solely against the Parcels within the Neighborhood(s) to which Exclusive Common Areas are assigned, or a Specific Assessment against the particular Parcels to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(e) The Association shall have the right but not the obligation to maintain the grass and other landscaping on each Unimproved Parcel, including any grass within that portion of the Parcel located between the lot boundary adjacent to the street to the rear property line.

(f) In the event that the Association fails to properly perform its maintenance responsibilities hereunder and to comply with the Community-Wide Standard, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all cost incurred.

5.2 Owner's Responsibility. Each Owner shall maintain his or her Parcel, and all structures, parking areas, sprinkler and irrigation systems, landscaping and other flora, and other improvements comprising the Parcel in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association. Each Owner shall also maintain the driveway and mailbox serving the Parcel and all landscaping located in the right-of-way immediately adjacent to the Owner's Parcel. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Parcel and the Owner in accordance with Section 8.6(c). The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation. Entry under this section shall not constitute a trespass.

Each Owner shall be responsible for all parts of the Private Sewer System exclusively servicing the Parcel regardless of whether such part of the Private Sewer System is located within the Parcel. Such responsibility shall specifically include that portion of the system located between the Parcel and the point of the attachment of the line exclusively servicing the Parcel and the main sewer line generally servicing the Properties and initially maintained by the Association.

5.3 Neighborhood's Responsibility. Upon resolution of the Board of Directors, the Owners of Parcels within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operation, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the cost of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, regardless of ownership or the Person performing the maintenance; provided however, all Neighborhoods which are similarly situated shall be treated the same.

Any Neighborhood Association having responsibility for maintenance within a particular Neighborhood pursuant to additional covenants applicable to such Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Parcels within such Neighborhood as provided in Section 8.6.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for

maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all Governing Documents. Neither the Association, any Owner nor any Neighborhood Association shall be liable for any damage or injury occurring on, or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5 Party Walls and Similar Structures. General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Parcels which serves and/or separates any two (2) adjoining Parcels shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(a) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(b) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal amounts. However, such contribution will not prejudice the right to call for a larger contribution for the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(c) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

5.6 Cost Sharing Agreements. The Association may enter into Cost Sharing Agreements with the owners or operators of portions of the Adjacent Properties:

(a) to obligate the owners or operators of such Adjacent Properties to perform and/or to share in certain costs associated with, the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such Adjacent Properties and the owners within the Properties;

(b) to permit use of any recreational and other facilities located on the Common Areas by the owners or operators of such Adjacent Properties;

(c) to permit use of any recreational and other facilities located on such adjacent Properties by the Owners of all Parcels within specified Neighborhoods;

(d) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such Adjacent Properties, if any, which are used by or benefit jointly the owners or operators of such Adjacent Properties; and/or

(e) to establish rules and regulations regarding the use of area that benefit jointly the owners or operators of such Adjacent Properties and the owners within the Properties.

The owners or operators of such Adjacent Properties shall not be Members of the Association and shall not be entitled to vote on any Association matter unless any such owner qualifies as a Class "C" Member of the Association as set forth in Section 3.2(c) of this Declaration.

The owners or operators of such Adjacent Properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such Adjacent Properties, such payments by the Association shall be deemed to constitute Common Expenses or Neighborhood Expenses of the Association unless the Cost Sharing Agreement provides otherwise. The owners or operators of the Adjacent Properties shall not be subject to the restrictions contained in this Declaration except otherwise specifically provided herein.

## **ARTICLE 6: INSURANCE AND CASUALTY LOSSES**

### **6.1 Association Insurance.**

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage for injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial liability coverage (including primary and any umbrella coverage) shall have a limit of at least One Million Dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best judgment but not less than an amount equal to one-sixth (1/6<sup>th</sup>) of the annual General Assessments on all Parcels plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best judgment, determines advisable, which may include, without limitation, flood insurance.

In addition, the Association may obtain property insurance on the insurable improvements within any Neighborhood in such amounts and with such coverages as the Owners in such Neighborhood may agree upon pursuant to Section 3.3. Any such policies shall provide for a certificate of insurance to be furnished to the Neighborhood Association and to the Owner of each Parcel insured upon request.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a Neighborhood shall be charged to the Owners of Parcels within the benefited Neighborhood as a Neighborhood Assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood(s) benefited unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense and assessed in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Parcels pursuant to Section 8.6.

The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for periodic reviews of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be familiar with insurable replacement costs in the Chattanooga, Tennessee metropolitan area.

All association policies shall provide for a certificate of insurance to be furnished to the Association and to each Member upon request. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1 (a).

(i) All insurance coverage obtained by the Board shall:

(1) be written with a company authorized to do business in the State of Tennessee which satisfies the requirements of the Federal National Mortgage



Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(2) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners of Parcels within the Neighborhood and their Mortgagees, as their interests may appear;

(3) not be brought into contribution with insurance purchased by Owners, Occupants, or their Mortgagees individually;

(4) contain an inflation guard endorsement;

(5) include an agreed amount endorsement, if the policy contains a co-insurance clause; and

(6) an endorsement requiring at least thirty (30) Days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

(ii) In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(1) a waiver of subrogation as to any claims against the Association's Board officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(2) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(3) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of one (1) or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(4) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(5) a cross liability provision; and

(6) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. In the event of any insured only the Board or its duly authorized agent may file and adjust insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant decide within sixty (60) Days after the loss not to repair or reconstruct. If such damage or destruction affects any sewerage treatment plant maintained by the Association, then the Association shall also obtain the approval of Members holding 67% of Class "C" votes in the Association which are exercised by Class "C" Members which have entered into a Cost Sharing Agreement which entitles those Class "C" Members to sewerage system use privileges.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within the sixty (60) Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Parcel.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance. By virtue of taking title to a Parcel, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Parcel, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Parcel is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Parcel Owner thereof pursuant to Section 8.6.

Each Owner further covenants and agrees that in the event of damage or destruction of structures on or comprising his or her Parcel, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner shall clear the Parcel of all debris and ruins and maintain the Parcel in a neat and attractive,

landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall also apply to any Neighborhood Association that owns common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Parcel. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Parcels within such Neighborhood and for clearing and maintaining the Parcels in the event the structures are not rebuilt or reconstructed.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Area, neither the Association, its Board of Directors, its successors or assigns, nor any officer or director or committee member, employee, agent, contractor (including management company, if any) of any of them shall be liable to a Member or a member of a Member's immediate household for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Members or their family members, guests, invitees, agents, servants, contractors or lessees, whether such loss occurs in the Common Area or in individual Parcels.

Each Owner, by virtue of acceptance of title to his or her Parcel, and each other Person having an interest in or right to use any portion of the Properties, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

## **ARTICLE 7: ANNEXATION AND WITHDRAWAL OF PROPERTY**

7.1 Annexation by Declarant. Until thirty (30) years after the recording of this Declaration in the Public Records, Declarant may from time-to-time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require consent of the Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever.

7.2 Annexation by Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members holding a majority of the Class "A" votes of the Association represented at a

meeting duly called for such purpose, and during the Developmental Period, the written consent of the Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration describing property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the president and the secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Developmental Period for the purpose of removing any portion of the Properties from the coverage of this Declaration. Such an amendment shall not require the consent of any person other than the owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall execute a written consent to such withdrawal.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Neighborhood Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the term of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

7.5 Amendment. This Article shall not be amended during the Development Period without prior written consent of Declarant.

## **ARTICLE 8: ASSESSMENTS**

8.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time-to-time. There shall be four (4) types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Parcels; (b) Neighborhood Assessments for Neighborhood Expenses benefiting only Parcels within a particular Neighborhood or Neighborhoods; (c) Special Assessments as described in Section 8.5; and (d) Specific Assessments as described in Section 8.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and other charges, together with interest, late charges, costs of collection, and reasonable attorney's fees, shall be a charge and continuing lien upon each Parcel against which the assessment or charge is made until paid, as more particularly provided in Section 8.7. Each such assessment or charge, together with interest, late charges, costs, and reasonable attorney fees, also shall be the personal obligation of the Person who was the Owner of such Parcel at the time the assessment arose. Upon a transfer of title to a Parcel, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Parcel by exercising the

remedies provided in its Mortgage shall be liable for unpaid assessments which occurred prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer or designee setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title of a Parcel and impose special requirements for Owners with a history of delinquent payments. If the Board so elects, assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the General Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Parcel, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the fifteenth (15<sup>th</sup>) Day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of his or her Parcel, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association or Board.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expense.

8.2 Computation of General Assessments. At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, which may include a contribution to establish a reserve funding in accordance with a budget separately prepared as provided in Section 8.4.

General Assessments shall be levied equally against all Parcels subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including any reserves, provided that the annual General Assessment increase, if any, shall be limited to the greater of a five percent (5%) annual increase or the increase in the Consumer Price Index for the twelve (12) month period ending December 31 of the preceding year using the "All Urban Consumer, U.S. City Average" for "General Summary, All Items" as promulgated by the U.S. Department of Labor and Statistics. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be

generated from any additional Parcels reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost Sharing Agreement.

At its option, the Board may include in the budget for the General Assessment, expenses the Association will incur for maintenance for entry features, or other expenses, which while attributable to particular Neighborhoods, are similar in nature and amount among all the Neighborhoods. The base amount common to all Neighborhood shall be paid as a General Assessment, with expenses in excess of the base amount, if any, to be paid as a Neighborhood Expense and funded through a Neighborhood Assessment.

During the Development Period, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as either a contribution or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years and the treatment of such payments shall be made known to the membership, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least thirty (30) Days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association and, during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within twenty (20) Days after the date of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. In such event or if the budget proves inadequate for any reason, the Board may prepare a revised budget for the remainder of the fiscal year. The Board shall send a copy of the revised budget to each Owner at least thirty (30) days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.3 Computation of Neighborhood Assessments. At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or higher level of services be provided by the Association, and upon approval of Owners in accordance with Section 3.3, any additional costs

shall be added to such budget. Such budget may include a contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense, if any, within the Neighborhood. Neighborhood Expenses shall be allocated equally among all Parcels within the Neighborhood(s) benefited thereby and levied as a Neighborhood Assessment. In determining the total funds to be generated through the levy of Neighborhood Assessments, the Board, in its discretion, may consider other sources available to each Neighborhood, including any surplus or shortfall from prior years and any assessment income expected to be generated from any additional Parcels reasonably anticipated to become subject to assessment prior to the end of the year immediately preceding the fiscal year for which the budget is prepared.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment for the coming year to be delivered to each Owner of a Parcel in the Neighborhood at least thirty (30) Days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by Owners of a Majority of the Parcels in the Neighborhood to which the Neighborhood Assessment applies and, during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten percent (10%) of the Parcels in such Neighborhood. This right to disapprove shall apply only to those line items in the neighborhood budget which are attributable to services requested by the Neighborhood. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the Owners within any Neighborhood disapprove any line item of a Neighborhood budget, the Association shall not be obligated to provide the services to be funded by such line item of the budget. If the Board fails for any reason to determine a Neighborhood budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

All amounts which the Association collects as Neighborhood Assessments shall be expended solely for the benefit of the Neighborhood for which they were collected and shall be accounted for separately from the Association's general funds.

8.4 Reserve Budget. The Board may, in its sole discretion, annually prepare reserve budgets for both general and Neighborhood purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement costs. The Board shall include in the general and Neighborhood budgets reserve amounts sufficient to meet the projected needs of the Association.

8.5 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time-to-time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all Parcels, if such Special Assessment is for Common Expenses, or against the Parcels within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Any Special Assessments shall be allocated equally among all Parcels subject to such Special Assessment. Any Special Assessments shall become effective unless disapproved at a meeting of Members representing at least sixty-seven percent (67%) of the total Class "A" votes allocated to Parcels which will be subject to such Special Assessment and by the Declarant during Development Period. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except

on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within twenty (20) Days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be made payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Parcel or Parcels as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Parcel(s) or Occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time-to-time authorize to be offered to Owners and Occupants (which might include, without limitation, landscape maintenance, garbage collection, pest control service, cable, satellite or similar television service, computer related services, security, utilities, and similar services and facilities), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

(b) to cover costs associated with maintenance, repair, replacement and insurance of any Exclusive Common Area assigned to one (1) or more Parcels;

(c) to cover all costs incurred in bringing the Parcel(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Parcel, their agents, contractors, employees, licensees, invitees or guests; and

(d) To cover the monthly fees for pre-service utility matters of the type described in Section 4.10 (such Specific Assessment to be deemed applicable to a particular Parcel or Parcels until (i) "substantial completion" of the Improvements located on an Improved Parcel and (ii) commencement of utility service for the Improved Parcel with the utility provider whose lines and service are subject to said Section 4.10 agreements).

In addition, fines levied by the Association pursuant to Section 4.3 shall constitute Specific Assessments.

The Association may also levy a Specific Assessment against the Parcels within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Charter, the By-Laws, and rules.

8.7 Lien for Assessments. The Association shall have a lien against each Parcel to secure payment of assessments and other charges, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of Tennessee Law), late charges in such amount as the Board may establish (subject to the limitations of Tennessee Law), costs of collection and reasonable attorney fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.



The Declarant or the Association may bid for the Parcel at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Parcel. While a Parcel is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Parcel shall be charged, in addition to its usual assessment, its pro rata share of the assessment allocated to the Parcel owned by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Parcel shall not affect the assessment lien or relieve such Parcel from the lien for any subsequent assessments. However, the sale or transfer of any Parcel pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Parcel who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Parcel due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels subject to assessment under Section 8.8, including such acquirer, its successors and assigns.

All other persons acquiring liens or encumbrances on any Parcel after this Declaration has been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

8.8 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Parcel on the date which the Parcel is conveyed to a Person other than the Declarant or a Declaration-Related Entity. The first annual General Assessment and Neighborhood Assessment, if any, levied on each Parcel shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Parcel.

8.9 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments and Neighborhood Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10 Exempt Property. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) Any property dedicated or otherwise conveyed to and accepted by any governmental authority or public utility;

(c) Any property that is owned by a charitable nonprofit corporation or public agency whose primary purposes include the acquisition and preservation of open space for public benefit and held by such agency or organization for such recreational and open space purposes;

(d) Property owned by any Neighborhood Association, or by the members of a Neighborhood Association as tenants-in-common, for the common use and enjoyment of all members of the Neighborhood.

8.11 Capitalization of the Association. Upon acquisition of record title to a Parcel by the first Owner thereof other than the Declarant or any Declarant-Related Entity, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equivalent to, not in lieu of, the annual General Assessment established per Parcel for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Parcel to the first Owner. Capital contributions shall be used by the Association in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

8.12 Transfer Fee. Excluding any sales or transfers between and among the Declarant and any Declarant-Related Entities and also excluding the first sale of each Parcel from the Declarant or a Declarant-Related Entity to an Owner other than the Declarant or a Declarant-Related Entity, but including all other sales of all Parcels, a transfer fee shall be paid by or on behalf of the purchaser of each Parcel equal to one-half of one percent (0.5%) of the total purchase price of such Parcel, which transfer fee shall be paid to the Association. This amount shall be collected and disbursed to the Association at the closing of the purchase and sale of each Parcel, except as provided above. Such funds may be used by the Association in its sole discretion and may include without limitation, capital reserves, the cost of Common Area maintenance, community events and similar expenditures. The Association may, but shall not be obligated to, assign the right to collect transfer fees to a tax-exempt organization pursuant to Section 4.13. In the event of non-payment of such transfer fee, the amount due shall bear interest and shall be collectible as an assessment, as set forth in this Article 8. The Association may require the purchasing and/or selling Owner to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of deeds, or other such evidence.

8.13 Contributions by Declarant. In accordance with Section 8.2, the Declarant may support the Association by funding operating deficits during the Development Period. At the sole election of the Declarant, Declarant may recoup from the Association all such payments, which amounts may be paid from the operating account of the Association, or from the working capital contributions collected at the sale of Parcels, but not from capital reserves. Regardless of whether the Declarant recoups any other deficit amounts, it is not the intention of the Declarant to forfeit refundable reserves or deposits paid by Declarant, nor to pay for deficits created by the nonpayment of assessments by other Owners. It is also not the intention of Declarant to pay for expenses which are otherwise covered in the annual budget of the Association, but which, due to the requirement of any advance payment, create temporary or seasonal deficits. Accordingly, Declarant shall be reimbursed for all amounts paid by Declarant in the funding of deficits caused by the nonpayment of assessments by Owners which, if not sooner paid, shall be paid to Declarant at the time the unpaid assessment is collected. In addition, if not sooner paid,

Declarant shall be reimbursed for any refundable deposit upon the Association's receipt of the same.

All deficits shall be collectible by Declarant at any time from the working capital contributions or from excess funds not designated for capital reserves. The Declarant shall have the right to pursue the collection of any unpaid assessments on behalf of the Association, as well as the right to act on behalf of the Association (if necessary) in obtaining refunds of all deposits paid for by Declarant. The Board of Directors, specifically including members of the Board appointed by the Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to evidence the repayment obligation of the Association; provided however, the failure to execute such a note shall in no way diminish such obligation.

8.14 Default Interest Rate; NSF Checks; Late Fees. Except as otherwise provided in the Governing Documents, any assessment levied upon an Owner which is not paid within fifteen (15) Days after the date upon which it is due shall bear interest at the lesser of (a) the rate of eighteen percent (18%) per annum; or (b) the maximum rate of interest permissible under the laws of the State of Tennessee. In addition, if any Owner pays any assessment (General, Neighborhood, Special or Specific) with a check on an account that has insufficient funds ("NSF"), the Board may, in its sole discretion, demand that all future payments be made by certified check or money order along with imposing a reasonable processing charge. Finally, the Association may charge a delinquent Owner an administrative/late fee in an amount determined by the Board for each installment due to the Association which is delinquent. Any payment received by the Association shall be applied to any attorney's fees and other costs of collection, then to any interest accrued on the late installment, then to any administrative late fee and then to the delinquent assessment.

## **ARTICLE 9: ARCHITECTURAL STANDARDS**

9.1 General. No exterior structure or improvements, as described in Section 9.5, shall be placed, erected, installed or made upon any Parcel or adjacent to any Parcel where the purpose of the structure is to service such Parcel except in compliance with this Article, and with the prior written approval of the appropriate reviewing body under Section 9.2, unless exempted from the application and approval requirements pursuant to Section 9.4.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer, unless otherwise approved by the DRB in its sole discretion.

This Article shall not apply to the activities of the Declarant or Declarant-Related Entity, nor to improvements to the Common Area by or on behalf of the Association or to improvements to any Private Amenity. This Article may not be amended during the Development Period without the Declarant's written consent.

9.2 Architectural Review. Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the reviewing bodies described below. Both the criteria and the application form are subject to change in the sole discretion of the DRB. The reviewing bodies shall consist of one (1) or more Persons who may, but are not required to, be Member's of the Association or representatives of Members, and may, but need not, include architects, landscape architects,

engineers or similar professionals, whose compensation, if any, shall be established from time-to-time by the DRB. The reviewing bodies may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. In addition, the reviewing bodies may require deposits while construction is pending on any Parcel to ensure completion without damage to the Properties.

(a) Design Review Board. The DRB shall have exclusive jurisdiction over all construction on any portion of the Properties. Until one hundred percent (100%) of the Properties have been developed and conveyed to Owners other than Builders and the Declarant and initial construction on each Parcel has been completed in accordance with the Design Guidelines, the Declarant retains the right to appoint all members of the DRB who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by the Declarant. Upon the expiration or surrender of such right, the Board shall appoint the members of the DRB, who shall thereafter serve and may be removed in the Board's discretion.

(b) Modifications Committee. The Board of Directors may establish a Modifications Committee ("MC"). The Members of any MC shall be appointed by and shall serve at the discretion of the Board. If established, the MC shall have jurisdiction over modifications, additions, or alterations of Parcels, including existing structures and landscaping, after completion of initial construction on the Parcel. The MC may delegate its authority as to a particular Neighborhood to the Neighborhood Association, if any, so long as the MC has determined that such Neighborhood Association has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. The DRB shall have the right to veto any action taken by the MC or a Neighborhood Association which the DRB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the DRB. Upon expiration of the Declarant's right to appoint the members of the DRB, the MC may be eliminated and its duties assumed by the DRB.

### 9.3 Guidelines and Procedures.

(a) Design Guidelines. The Declarant shall prepare the initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one (1) portion of the Properties to another depending upon the location, unique characteristics, and intended use. For example, by way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Properties adjacent to or visible from any Private Amenity or any lake, pond, river, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the reviewing bodies in considering applications hereunder. The Design Guidelines do not guarantee approval of any application.

The DRB shall adopt the Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend such Design Guidelines. Any amendments to the Design Guidelines shall be applied prospectively only. There shall be no limitation on the scope of amendments to the Design Guidelines except that no amendment shall

require the modification or removal of any structure previously approved by the DRB or the MC once the approved construction or modification has commenced. The DRB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The DRB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the properties.

Any MC may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the DRB. Any architectural guidelines and standards adopted by the MC may be more restrictive than the Design Guidelines, but under no circumstances shall they be inconsistent with the Design Guidelines.

(b) Procedures. Plans and specification showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the appropriate reviewing body for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. In reviewing each submission, the reviewing bodies may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations. In reviewing and acting upon any request for approval, the DRB or MC shall be acting solely in the Declarant's interests and shall owe no duty to any other person. Decisions may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time.

Each application to the DRB shall contain a representation and warranty by the Owner that use of the plans submitted does not violate any copy right associated with the plans. Neither the submission of the plans to the DRB, nor the distribution and review of the plans by the DRB shall be construed as publication in violation of the designer's copyright, if any. Each Owner submitting plans to the DRB shall hold the members of the DRB, the Association and the Declarant harmless and shall indemnify said parties against any and all damages, liabilities, and expenses incurred in connection with the review process of this Declaration.

Notwithstanding the above, the DRB by resolution may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution. Any Owner may remodel, paint or redecorate the interior of structures on his or her Parcel without approval. However, modification to the interior of screened porches, patios, or similar portions of a Parcel visible from outside of the structures on the Parcel shall be subject to approval.

Approval by the DRB shall be effective for a period of one (1) year from the date the approval is given. If work has not commenced within the one (1) year period, the approval shall expire, and no work shall thereafter commence without resubmitting plans to the DRB for re-approval, which may be granted or denied at the sole discretion of the DRB.

9.4 Architect, Builder and General Contractor Approval. In order to ensure that appropriate standards of construction are maintained throughout the Properties, all architects, Builders and general contractors must be approved by the DRB prior to engaging in any construction activities within the Properties. The DRB may implement an approval process utilizing established criteria and requiring the submission of a written application for approval. Approval of any plans may be withheld until such time as the Owner's architect, Builder or contractor has been approved by the DRB. Approval of an architect, Builder or general contractor may be conditioned upon an agreement with the DRB to maintain certain insurance coverages required by the DRB, pay construction deposits to ensure completion of a project without damage to the Properties, and pay fees determined by the DRB, from time-to-time. Both the criteria and the application form are subject to change in the sole discretion of the DRB. Approval of architects, Builders and contractors may not be construed as a recommendation of a specific architect, Builder or contractor by the DRB or the Declarant, nor a guarantee or endorsement of the work such architect, Builder or contractor. The criteria and requirements established by the DRB for approval of architects, Builders and contractors are solely for the Declarant's protection and benefit and are not intended to provide the Owner with any form of guarantee with respect to any approved architect, Builder or contractor. Owner's selection of an architect, Builder or contractor shall be conclusive evidence that the Owner is independently satisfied with any and all concerns Owner may have about the qualifications of such architect, Builder or contractor. Furthermore, Owner waives any and all claims and rights that Owner has or may have now or in the future, against the DRB or the Declarant. Once approved (unless approval is withdrawn by the DRB), an approved architect, Builder or contractor shall not be required to re-submit to the approval process.

9.5 Specific Guidelines and Restrictions.

(a) Exterior Structures and Improvements. Exterior structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading and other site work; initial construction of any dwelling or accessory building; exterior alteration of existing improvements; installation or replacement of hardscape, such as driveways, walkways, or parking areas; mailboxes; basketball hoops; swing sets and similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; docks, piers, or boathouses; gazebos or playhouses; window air-conditioning units or fans; hot tubs; wells; solar panels; antennas; satellite dishes or any other apparatus for the transmission or reception of television, satellite, or other signals of any kind; hedges, walls, dog runs, animal pens, or fences of any kind, including invisible fences; artificial vegetation or sculpture; and planting or removal of landscaping materials. Notwithstanding the foregoing, the Declarant and the Association shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations.

(b) In addition to the foregoing activities requiring prior approval, the following items are strictly regulated, and the reviewing body shall have the right, in its sole discretion, to prohibit or restrict these items within the Properties. Each Owner must strictly comply with the terms of this Section unless approval or waiver in writing is obtained from the appropriate reviewing body. The DRB may, but is not required to, adopt additional specific guidelines as part of the Design Guidelines.

(i) Signs. No sign of any kind shall be erected by an Owner or Occupant without the prior written consent of the appropriate reviewing body, except (1) such signs as may be required by legal proceedings; and (2) not more than (1) professional security sign of such size deemed reasonable by the DRB in its sole discretion. Unless in compliance with this Section, no signs shall be posted or erected by any Owner or Occupant within any portion of the Properties, including the Common Area, any Parcel, any structure or dwelling located on the Common Area or any Parcel (if such sign would be visible from the exterior of such structure or dwelling as determined in the reviewing body's sole discretion) or within any Private Amenity.

Except as provided in Section 13.2 or unless a written variance is granted pursuant to Section 9.8, no "for sale" or "for lease/rent" signs shall be permitted within the Properties. The Declarant and the DRB reserve the right to prohibit other types of signs and to restrict the size, content, color, lettering, design and placement of any approved signs. All signs must be professionally prepared. This provision shall not apply to entry, directional, or other signs installed by the Declarant or its duly authorized agent as may be necessary or convenient for the marketing and development of the Properties.

(ii) Tree Removal. No trees that are more than six (6) inches in diameter at a point two (2) feet above the ground shall be removed without the prior written consent of the appropriate reviewing body; provided however, any trees, regardless of their diameter, that are located within ten (10) feet of a drainage area, a sidewalk, a residence, or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without the prior written consent of the appropriate reviewing body. The appropriate reviewing body may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed.

(iii) Lighting. Exterior lighting visible from the street shall not be permitted except for: (1) approved lighting as originally installed on a Parcel; (2) one (1) approved decorative post light; (3) pathway lighting; (4) street lights in conformity with an established street lighting program for the Properties; (5) seasonal decorative lights during the usual and common season; (6) front house illumination of model homes; or (7) any additional lighting as may be approved by the appropriate reviewing body. All exterior lighting will utilize full cut-off optics.

(iv) Temporary or Detached Structures. Except as may be permitted by the DRB during initial construction, or the MC thereafter, no temporary house, dwelling, garage or outbuilding shall be placed or erected on any Parcel. Except as provided in Section 10.7(b), no mobile home, trailer home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Parcel as a temporary or permanent dwelling..

(v) Accessory Structures. With the prior approval of the DRB, detached accessory structures may be placed on a Parcel to be used for a playhouse, swimming pool, tennis court, tool shed, dog house, garage or other approved use. A garage may also be an attached accessory structure. Such accessory structures shall conform in exterior design and quality to the dwelling on the Parcel. With the exception of a garage that is attached to a dwelling and except as may be provided otherwise by the DRB, an accessory structure placed on a Parcel shall be located only behind the dwelling as such dwelling fronts on the street abutting

such Parcel or in a location approved by the DRB. All accessory structures shall be located within side and rear setback lines as may be required by the DRB or by applicable zoning law.

(vi) Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of Declarant.

(vii) Standard Mailboxes. The DRB reserves the right to approve the style, design, color and location prior to any original installation or replacement of any mailbox. Application shall be made to the DRB prior to installation or replacement of a mailbox. By accepting a deed to a Parcel, each Owner agrees that the DRB may remove any non-approved mailbox in a reasonable manner; all costs for same shall be paid by Owner of such Parcel, and all claims for damages caused by the DRB are waived.

(viii) Minimum Dwelling Size. The Design Guidelines may establish a minimum square footage of enclosed, heated and cooled living space for residential dwellings, which minimum may vary from one area of the Properties to another. Upon written request of an Owner, the DRB may waive the minimum square footage requirement if, in the DRB's sole discretion, the resulting appearance of such residential dwelling will preserve and conform to the overall appearance, scheme, design, value and quality within the Properties.

(ix) Water Facilities. No individual water supply system shall be permitted within the Properties.

(x) Private Sewer Equipment. No sewer equipment may be installed on any Parcel without the prior approval of the DRB. All pumps, electrical systems, tanks and other equipment, if necessary, used in connection with the Private Sewer System must satisfy the specifications set forth in the Design Guidelines including but not limited to standards for pumps as to the manufacturer and model, power, clean-out criteria, and location. The DRB reserves the right to prohibit the use of any equipment and/or vendor that does not meet the minimum requirements of the Design Guidelines, which may change from time-to-time.

(xi) Fences and Hedges. All fences and hedges shall be installed in accordance with the Design Guidelines unless otherwise approved by the DRB.

(xii) Erosion Control. Compliance with any and all applicable state, local or other governmental erosion control statutes, ordinances or regulations shall be the responsibility of the Owner. All plans submitted to the DRB shall comply with such statutes, ordinances or regulations.

9.6 Construction Period. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. The initial construction of all structures must be completed within one (1) year after commencement of construction, unless extended by the DRB in its sole discretion. All other construction shall be completed within the time limits established by the appropriate reviewing body at the time the project is approved by the reviewing body.

For the purposes of this Section:



- Commencement of construction shall mean that (a) all plans for construction have been approved by the DRB; (b) a building permit has been issued for the Parcel by the appropriate jurisdiction; and (c) construction of a structure has physically commenced beyond site preparation.

- Completion of a structure shall be deemed to have occurred upon final inspection as required by any local permitting agency, or, if such an inspection either is not performed or is deemed inadequate by the Declarant, in its sole discretion, upon "substantial completion".

- Substantial completion shall be defined to be the date that the DRB certifies that the improvements are sufficiently complete in accordance with the Governing Documents and any other building specifications of the DRB as such may be established and amended by the DRB from time-to-time.

9.7 No Waiver of Future Approvals. Approval of proposals, plans and specification, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.8 Variance. The DRB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with rules and regulations adopted by the DRB. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the DRB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of a permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.9 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only, and shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and neither the Declarant, the Association, the Board, the DRB nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners.

9.10 Enforcement. The Declarant, any member of the DRB, the MC or the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Parcel to inspect for the purpose of ascertaining whether any structure or improvement is in violation of this Article. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the DRB or MC, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the

nonconforming work. Should an Owner fail to remove or restore the property as required, any authorized agent of the Declarant, the DRB, the MC or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant, the DRB and the MC by any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Parcel and collected as a Specific Assessment pursuant to Section 8.6.

Unless otherwise specified in writing by the DRB or the MC, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Parcel, unless approval to modify any application has been obtained. If, after commencement, any Person fails to diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Parcel and an opportunity to be heard in accordance with the By-Laws, to enter upon the Parcel and remove or complete any incomplete work and to assess all costs incurred against the Parcel and the Owner thereof as a Specific Assessment pursuant to Section 8.6.

Neither the DRB, the MC or any member of the foregoing nor the Association, the Declarant, or their members, officers or directors shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the DRB from the Properties, subject to the notice and hearing procedures contained in the By-Laws.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DRB and MC.

## **ARTICLE 10: USE RESTRICTIONS**

10.1 General. This Article sets out certain use restrictions which must be complied with by all Owners and Occupants of any Parcel. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices for Declarant and/or Builders, and information center and/or sales office for any real estate agent retained by the Declarant to assist in the sale of property described on Exhibits "A" and "B", offices for property manager retained by the Association, business offices for the Declarant or the Association and related parking facilities) consistent with this Declaration and any Supplemental Declaration.

10.2 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time-to-time, without consent of the Members, promulgate, modify or delete rules and regulations applicable to the Properties. Such rules shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, cancelled, or modified in a regular or special meeting by Members holding a Majority of the Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant.

10.3 Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against Owners shall also apply to all Occupants of the Parcel even though Occupants are not specifically mentioned. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not timely paid, then the fine may be levied against the Owner of the Parcel occupied by the Occupant.

10.4 Leasing. Parcels may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing documents. The Owner shall provide the Association with notice of any lease together with such additional information deemed necessary by the Board.

10.5 Residential use. Parcels may be used only for residential purposes of a Single Family and for ancillary business or home office uses. A business or home office use shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Parcel; (b) the activity conforms to all zoning requirements for the Properties; (c) the activity does not involve regular visitation of the Parcel by clients, customers, suppliers, or other invitees or door-to-door solicitation of residents of the Properties; (d) the activity does not increase traffic or include frequent deliveries within the Properties; and (e) the activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

No real estate brokerage firms, real estate sales offices, or any other business directly or indirectly selling and/or managing real property or improvements shall be permitted within the Properties except with the Declarant's prior written approval which may be denied at the Declarant's sole discretion. No other business, trade, or similar activity shall be conducted upon a Parcel without the prior written consent of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required.

The leasing of a Parcel shall not be considered a business or trade within the meaning of this Section. Certain Neighborhoods may be subject to a Supplemental Declaration which sets forth additional provisions regarding leasing. This section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Parcels which it owns within the Properties, including the operation of a timeshare or similar program.

10.6 Garage Sale. No garage sale, moving sale, rummage sale, auction or similar activity shall be conducted upon a Parcel without the prior written consent of the Board and compliance with any rules adopted by the Board.

10.7 Occupancy of Unfinished Parcels. No dwelling erected upon any Parcel shall be occupied in any manner before commencement of construction or with in the course of construction, nor at any time prior to the dwelling being fully completed.

10.8 Vehicles and Parking.

(a) Unless otherwise authorized by the Declarant, parking of the following vehicles within the Properties is restricted: construction vehicles or equipment, recreational vehicles including but not limited to motor homes, mobile homes, golf carts, boats, jet skis and other water craft, trailers, other towed vehicles, motorcycles, mini-bikes, scooters, go-carts, campers, buses, stored vehicles or inoperable vehicles. The foregoing vehicles may be parked only in enclosed garages or other areas not visible from the street or Private Amenities as may be designated by the Board and approved in accordance with Article 9 of the Declaration. "Visibility" shall be determined by the DRB in its sole discretion. Construction vehicles and equipment shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary for construction within a Parcel or the Common Area. In the sole discretion of the Board, limitations may be placed on the parking areas, times for parking and points of entry for all types of vehicles, including construction and commercial vehicles. In addition, in the sole discretion of the Board and/or the Neighborhood Association for a retail/commercial center Neighborhood, limitation may be placed on the parking areas, times for parking and point of entry for any retail/commercial Neighborhood. Any vehicle parked or stored in violation of this provision shall be considered a nuisance and may be removed from the Properties at the Owner's expense. The Declarant and/or the Association may designate certain parking areas within the Properties for recreational vehicles subject to reasonable rules and fees, if any.

(b) Operation of motorized vehicles on pedestrian ways, sidewalks, plazas and trail systems maintained by the Association is prohibited unless specifically permitted in the discretion of the Board. Any use of pedestrian ways, sidewalks, plazas and trail systems maintained by the Association for motorized vehicles shall be subject to local laws and ordinances and any restrictions established by the Board in permitting such use.

(c) Operation of vehicles, whether motorized or not, including, but not limited to, golf carts and bicycles, on the Private Streets during non-daylight hours are to use lighting appropriate to the vehicle.

(d) Service and delivery vehicles may be parked in the Properties during daylight hours for such periods of time as are reasonably necessary to provide service or to make a delivery within the Properties.

(e) All vehicles shall be subject to reasonable rules and regulations as the Board may adopt.

(f) No golf carts, except those owned by a Private Amenity or the Association, shall be permitted on any portion of the Properties.

(g) Nothing contained herein shall interfere with any provision under the Americans with Disabilities Act or any other applicable federal, state or local law, ordinance or regulation.

10.9 Private Streets. The Private Streets shall be subject to the provisions of this Declaration regarding use of Common Area. Additionally, Owners of Parcels and other permitted users of the Private Streets pursuant to Section 2.2 shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the Private Streets by other authorized users of the Private Streets. Prohibited activities shall include without limitation obstruction of any of the Private Streets.

10.10 Common Area, Sidewalks, and Bike and Pedestrian Pathways/Trails.

(a) Owners and Occupants of Parcels, as well as their lessees, invitees, guests, and pets shall refrain from any actions which deter from the enjoyment by other Owners of areas within the Properties designated as Common Area, pedestrian sidewalks, bike and pedestrian pathways/trails, private streets, and lanes. Notwithstanding the fact that certain greenspace such as a part of an applicable trail system may not a part of the Properties, Owners and Occupants of Parcels, their lessees, invitees, guests, and pets shall refrain from any actions which deter from the enjoyment of such areas by other Owners or Occupants. The Owners or Occupants of Parcels shall be solely responsible for the actions of their lessees, invitees, guests and pets. Prohibited activities shall include without limitation, activities which obstruct the Common Area and/or the other greenspace, maintenance of dogs or other pets under conditions which interfere with the use of the specified areas by other Owners, their tenants and invitees, playing of loud radios or musical instruments, holding of large gatherings without advance approval of the Board, loitering, erecting tents, stages or other temporary structures and soliciting. Such activities shall only be permitted for events approved in advance by the Board and otherwise permitted under this Declaration. The Board may promulgate other rules and restrictions for the use of these areas.

(b) Special events held within the Properties by any Person other than the Declarant or a Declarant-Related Entity, including without limitation educational, cultural, entertainment, promotional, sporting or social events expected to draw increased vehicle, bicycle and pedestrian traffic to the Common Area, pedestrian sidewalks, and bike and pedestrian pathways/trails within the Properties shall be approved in advance by the Board. Such approval shall be in the sole discretion of the Board.

(c) Section 4.12 hereof contains other provisions relating to trails.

10.11 Obnoxious, Noxious or Offensive Activity. It shall be the responsibility of each Owner and Occupant to prevent the development of unclean, unhealthy, unsightly, or unkempt conditions on his or her Parcel. No obnoxious, noxious or offensive activity shall be allowed on the Properties, nor shall any use or practice be allowed which is a source of annoyance, embarrassment or discomfort to Owners or their Occupants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Properties, nor shall any improper, unsightly, offensive or unlawful use be made of any Parcel or of the Common Area. All laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Properties shall be observed. Restricted and prohibited activities include without limitation, the following terms and conditions:

(a) The use, enjoyment and occupancy of the Properties shall be in such a manner so as not to cause or produce any of the following effects discernible outside the building

located thereon, or affect the adjoining property or any portion by its volume, duration, pounding beat, frequency or shrillness; smoke, dust, or dirt; unusual fire or explosive hazards; foul, obnoxious or offensive odors or vibration or light.

(b) No use of any speaker, radio, loudspeaker, horn, whistle, bell, siren, amplifier or other sound device shall be audible to Occupants of other Parcels, except alarm devices used exclusively for security purposes. Any siren or device for security purposes shall contain a device or system which causes it to shut off automatically.

(c) Discharge of firearms, firecrackers and other fireworks is prohibited except under a license or permit issued for that purpose. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board shall have no obligation to take action to prevent or stop such discharge.

(d) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as to potentially diminish or destroy the enjoyment of the Properties are prohibited.

(e) Structures, equipment or other items on a Parcel which have become rusty, dilapidated or otherwise fallen into disrepair are prohibited and shall be removed or repaired by the Owner of the Parcel at the request of the Board. If an Owner fails to honor such request, the Board may remove the offending structure, and charge the costs of removal thereof to the Owner as a Specific Assessment.

(f) Funeral parlors, cemeteries, junk yards, stockyards, massage parlors, establishments selling or exchanging obscene or pornographic materials or paraphernalia related to illegal drugs, or in the provision of entertainment featuring topless or nude performers are prohibited.

(g) The reasonable and normal development, construction and sales activities conducted or permitted by the Declarant or Builders shall not be considered a nuisance or a disturbance of the quiet enjoyment of any Owner or Occupant.

#### 10.12 Animals and Pets.

(a) Raising, breeding or keeping of animals, livestock, or poultry of any kind is restricted within the Properties to the keeping of a reasonable number of dogs, cats, or other usual and common household pets. The Board, in its sole discretion, may make further restrictions regarding pets, including without limitation restrictions on the number, size, and types of pets permitted within Parcels.

(b) Pets shall be kept on a leash or otherwise confined in a manner acceptable to the Board, and shall not be permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners or Occupants of Parcels and their employees, lessees, invitees, clients, customers and guests. Pets shall be registered, licensed and inoculated as required by law. The owners of the pet shall be responsible for all of the pet's actions. Pet waste shall be promptly removed and disposed of in proper receptacles. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive to wildlife, the animal shall be removed from the Properties. By way of

explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3 of the Declaration.

(c) Nothing herein contained shall interfere with any provision under the Americans with Disabilities Act or any similar applicable federal, state or local law, ordinance or regulation.

(d) A reasonable number of dogs, cats, and other common household pets may be permitted in a Parcel: (i) if related to the approved specific use of the Parcel. (*i.e.* a grooming service or a retail store selling pet supplies may keep pets within such Parcels); and (ii) in conjunction with the conduct of business in a Parcel, such as the use of animals to provide security for a Parcel or for the temporary keeping of pets within a Parcel by the Owner or Occupant of such Parcel.

By way of explanation and not limitation, the Section may be enforced by exercising self-help rights provided in Section 4.3.

10.13 Storage of Materials, Garbage, Dumping, Etc. All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be placed in appropriate containers at a designated location as directed by the Board from time-to-time and regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash, or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake or any other place within the Properties including, but not limited to, Unimproved Parcels, except that fertilizers may be applied to landscaping on Parcels provided care is taken to minimize runoff. No hazardous materials shall be treated, deposited, stored, disposed of, or used in or on any Parcel or the improvements thereon. "Hazardous materials" shall be defined as materials, substances, gases, or vapors identified as hazardous, toxic or radioactive by any applicable federal, state or local laws, regulations or ordinances.

Each Owner shall maintain its Parcel in a neat and orderly condition throughout initial construction of a residential dwelling and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Properties. Storage of construction materials on the Parcel shall be subject to such conditions, rules, and regulations as may be set forth in the Design Guidelines. Each Owner shall keep roadways, easements, swales, and other portions of the Properties clear of silt, construction materials and trash from its activities at all times. No lumber, metals, bulk materials, refuse, trash, or similar materials shall be kept, stored or allowed to accumulate outside the buildings of any Parcel except during the period of initial construction of improvements to the Parcel without prior written approval by the MC, if any, or the DRB in its sole discretion. Trash and debris during initial construction of a residential dwelling shall be contained in standard size dumpsters or other appropriate receptacles and removed regularly from Parcels and shall not be buried or covered on the Parcel. Any Parcel on which construction is in progress may be policed prior to each weekend, and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed. In addition, Owners shall remove trash and debris from the Parcel upon reasonable notice by Declarant in preparation for special events.

10.14 Combustible Liquid. There shall be no storage of gasoline, propane, heating or other fuels, except for a reasonable amount of fuel that may be stored in containers appropriate

for such purpose on each Parcel for emergency purposes and operation of lawn mowers and similar tools or equipment and except as may be approved in writing by the DRB. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

10.15 Guns. The discharge of firearms on the Properties except as permitted by law for self-defense. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration, but shall have no obligation to exercise self-help to prevent or stop any such discharge.

10.16 Subdivision of Parcel. No Parcel shall be subdivided or its boundary lines changed after a subdivision plat including such Parcel has been approved and filed in the Public Records without the Declarant's prior written consent. In addition, no home shall be subdivided or partitioned to create housing for more than a single family. Declarant, however, hereby expressly reserves the right to replat any Parcel or Parcels which it owns, including without limitation, the subdivision of Parcels by the Declarant into substantially smaller Parcels such that the character of residential product available within a particular portion of the Properties changes significantly. All Owners acknowledge the potential for such a change to occur at any time to the Parcels adjacent to or surrounding the Parcel owned by the Owner. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations, if any.

10.17 Consolidated Parcels. Any Owner of one (1) or more adjacent Parcels may, at the Owner's sole cost and expense, with prior written approval of the controlling governmental authority, the DRB, and during the Development Period, the Declarant, consolidate multiple adjacent Parcels into one (1) Parcel. Once the multiple Parcels are approved by all required parties to become a Consolidated Parcel, and the approved replat has been recorded, the Owner shall have the privilege of constructing improvements on such resulting Consolidated Parcel as if it were one (1) Parcel. Upon recordation of the replat, the Consolidated Parcel shall be considered one (1) Parcel for all purposes including assessments and membership. All costs incurred by the Association because of the consolidation of multiple Parcels shall be levied against the Owner benefiting from such consolidation as a Specific Assessment.

10.18 Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped, improved and maintained so as to permit safe sight across such areas. No fence, wall, hedge or shrub or other potential obstacle shall be placed or permitted to remain where it would cause a traffic or sight problem.

10.19 Drainage and Grading.

(a) Catch basins and drainage areas are for the purpose of natural flow of water only. No improvements, obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

(b) Each Owner shall be responsible for maintaining all drainage areas located on its Parcel. Required maintenance shall include, but not be limited to, maintaining ground



cover in drainage areas and removing any accumulated debris from catch basins and drainage areas.

(c) Each Owner shall be responsible for controlling the natural and man-made water flow from its Parcel. No Owner shall be entitled to overburden the drainage areas or drainage system within any portion of the Properties or any Private Amenities with excessive water flow from its Parcel. Owners shall be responsible for all remedial acts necessary to cure any unreasonable drainage flows from Parcels. Neither the Association nor the Declarant bears any responsibility for remedial actions to any Parcels.

(d) Use of any areas designated as "drainage easement areas" on any recorded subdivision plat of the Properties, shall be subject to strict prohibitions against encroachment of structures into, over or across the drainage easement areas, and the right of the Declarant or Association to enter upon and maintain the drainage easement areas. Such maintenance activities may include disturbance of landscaping pursuant to the terms contained in any declaration of easements, notwithstanding approval of the landscaping as set forth in Article 9.

(e) No Person shall alter the grading of any Parcel without prior written approval pursuant to Article 9 of this Declaration. Notwithstanding the foregoing, the Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. The exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Parcel without the Owner's consent.

(f) All Persons shall comply with any and all applicable erosion control ordinances in construction of improvement on any Parcel and in conducting any activity within non-disturbance buffer zones.

10.20 Irrigation. Owners shall not install irrigation systems which draw upon ground or surface waters nor from any lakes or ponds within the Properties unless such installation is permitted by and installed in accordance with the Design Guidelines. However, the Declarant shall have the right to draw water from such sources within the Properties for any purpose.

10.21 Streams. No streams which run across any Parcel may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board, except that the Declarant shall have such rights as provided in Article 11.

10.22 Lakes and Other Water Bodies. All lakes, ponds, and streams within the Properties, if any, shall be used only in accordance with such rules and regulations as may be adopted and published by the Board. Swimming, boating, fishing, and other active uses of lakes or other bodies of water within the Properties shall be prohibited. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties. Except as designated by the Declarant, no trails or pathways shall be established along the perimeter of any lake or pond. With the exception of any community dock constructed on behalf of the Association, no docks, piers, or gazebos shall be constructed, attached or floated upon or adjacent to any lake.

10.23 Shoreline of Lakes. Owners and Occupants, as well as their families, guests, invitees, and pets, shall be obligated to refrain from any actions which would erode or damage the shoreline of any lake.

10.24 Wetlands. All areas designated on any recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by all appropriate regulatory bodies. Prior to any proposed alteration of a Parcel, the Owner shall determine if any portion thereof lies within a wetland boundary and meets the requirements for designation as a regulatory wetland. Notwithstanding anything contained in this Section, the Declarant, the Association and the successors, assigns, affiliates and designees of each may conduct such activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands.

10.25 Golf Course Areas. Owners and Occupants, as well as their families, guests, and invitees shall refrain from any actions which would distract from the playing qualities of any golf course adjacent to or within the Properties and shall also be responsible to ensure that their pets do not cause such distractions. Such prohibited activities shall include, but shall not be limited to, burning materials where the smoke will cross the golf course property, maintenance and restraint of dogs or other pets under conditions which interfere with golf course play due to loud barking or other actions, playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on the golf course property, picking up balls or similar interference with play, or growing or permitting to grow varieties of grass or other vegetation which the owner of the golf course determines to be inimical to the golf courses grasses or vegetation. In addition, no Person shall, by virtue of this Declaration, have any right to prune or otherwise alter any landscaping located on the golf course property, or use any portion of any golf cart path system, including any portion thereof which may be situated upon Common Area, without the prior written approval of the owner of such golf course. This covenant is for the benefit of any golf course adjacent to or within the Properties and the owner thereof and persons playing golf on said golf courses and shall be enforceable by the owner of such golf courses. These same restrictions shall also apply to any other Private Amenity such as any marina, clubhouse, or recreational areas within the Private Amenities.

10.26 Timesharing. No Parcel shall be made subject to or be operated as a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Parcel rotates among participants in the program on a fixed or floating time schedule over a period of years; provided however, the Declarant may exempt certain Neighborhoods from this prohibition and by Supplemental Declaration create a timesharing, fraction-sharing, or similar program and supplement, create exceptions to, or modify the terms of this Declaration as it applies to such Neighborhoods in order to reflect the different character and intended use of such property.

10.27 Mining. Oil, gas, coal or mineral exploration, drilling, boring, quarrying or mining operations and all construction and equipment incident thereto are prohibited within the Properties.

10.28 Nickajak Lake. Nickajak Lake shall be used only in accordance with the Lake Use Restrictions promulgated by the Declarant, the Association or TVA and rules implemented as a condition of zoning the Properties. Swimming, fishing, boating or other active uses of Nickajak Lake which occur by gaining access to Nickajak Lake from the Properties shall be

strictly governed by the Lake Use Restrictions and may be prohibited altogether in the discretion of the Declarant, the Association or TVA. Notwithstanding the foregoing, the Declarant shall have the right to use Nickajak Lake in its sole discretion for any use permitted by TVA. No Person may use Nickajak Lake in any fashion for irrigation of a Parcel; provided, however, any Owner of a Lakeside Parcel (as such term is defined in Section 10.31 below) may apply to both the DRB and the TVA for permission to install an irrigation system which draws water from Nickajak Lake to irrigate its Parcel. The DRB shall approve such a request for permission in its sole discretion, and any approval granted by the DRB or TVA shall be revocable at any time by either entity in its sole discretion. The Declarant, or any successor Declarant, and the Association and the owner of any Private Amenity shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of Nickajak Lake.

10.29 Watercraft on Nickajak Lake. All watercraft which are brought onto Nickajak Lake through docks or ramps attached to or located on the Properties shall be registered to operate in the State of Tennessee and be registered and approved by the appropriate Private Amenity. The use of such watercraft shall be subject to rules and regulations, including, without limitation, insurance requirements, that the Association may promulgate from time-to-time.

10.30 Use Restrictions Not in Violation of the Americans With Disabilities Act. Nothing contained in this Article 10 or elsewhere within this Declaration shall interfere with any provision under the Americans with Disabilities Act or any similar applicable federal, state or local law, ordinance or regulation.

10.31 Special Provisions for Lakeside Parcels. Owners of a Parcel with boundaries bordering Nickajak Lake ("Lakeside Parcel") shall be restricted and prohibited from attaching to the Properties any facility where boats or any other type of watercraft can be launched, retrieved or moored ("Boat Docks"), unless such activity is permitted by the Lake Use Restrictions. Should the construction of such Boat Docks at the Lakeside Parcel be approved, all plans for construction of boat docks must be approved in writing by the DRB prior to construction, which approval may be withheld by the DRB in its sole discretion. Boat Docks are subject to rules and specifications which may be either established by the Board from time-to-time or set forth in the Design Guidelines. Owners of Lake Parcels shall also comply with rules and restrictions set forth by TVA regarding approval of Boat Docks, use of Nickajak Lake, and other matters, as applicable. Owners shall be responsible for protecting and maintaining the shore line from erosion into Nickajak Lake. If erosion occurs, the Association shall have the right, but not the obligation, to repair the erosion and charge the costs of the same to the Owner as a Specific Assessment. The Owner shall maintain insurance for any permitted privately-owned boat dock and shall indemnify and hold the Declarant and the Association harmless for any damage or cause of action arising from use of the dock. The Association shall be permitted at its sole discretion to require the Owner to maintain insurance for the dock and to request proof of insurance and to be named as an additional insured on any policy.

10.32 TVA Deed Use Restrictions. Owners and Occupants, as well as their families and guests shall refrain from any actions which would violate the use restrictions set forth in the TVA Deed applicable to his/her Parcel. This Section is also intended to provide notification by the Declarant to Owners and Occupants of TVA's rights affecting the Properties under the TVA Deed.

## ARTICLE 11: EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, the Association, the Members, the Owners, and the owners of the Private Amenities, and the successors-in-title.

11.1. Easements of Encroachment. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Parcel, between each Parcel and any adjacent Common Area, between Common Area and any adjacent Private Amenity, and between each Parcel and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed or reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of the Person claiming the benefit of such easement.

### 11.2. Easements for Utilities, Etc.

(a) Declarant reserves, creates establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements for itself during the Development Period, for the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over and under all the Properties (but not through a structure, existing or proposed) to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable, digital or similar television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, streams, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewer, telephone, gas, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, and natural gas supplier the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters, and boxes, as applicable. The Developer may also assign any Private Sewer System to a public or private utility company.

(b) Declarant reserves, creates, establishes, promulgates and declares for itself during the Development Period and its designees non-exclusive, perpetual, reciprocal, appurtenant easements, and the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Parcel resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. Notwithstanding the foregoing, in the event that

the Person exercising the easement is not legally or contractually obligated to repair such damage caused in the course of exercising its easement rights, the Association may repair such damage and assess the costs as set forth in Article 8 of this Declaration. The exercise of these easements shall not extend to permitting entry into the structures on any Parcel, nor shall it unreasonably interfere with the use of any Parcel, and except in an emergency, entry onto any Parcel shall be made only after reasonable notice to the Owner or Occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.3. Easement for Slope Control, Drainage and Waterway Maintenance. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements, for itself, the owner of any Private Amenity and the Association, and their respective representatives, successors and assigns, contractors and agents, over, across, under, through and upon each Parcel for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Parcel which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties and any Private Amenity;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to the Parcel or Common Area;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance or any portion of the Properties or any Private Amenity.

11.4. Easements to Serve Additional Property. The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for itself and its duly authorized successors and assigns, including without limitation the owners of Private Amenities, successors-in-title, agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to the Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, for the posting of signs, and for connecting and installing utilities serving the Additional Property. This easement also includes, but is not limited to, the right of the Declarant to grant TVA a right of ingress and egress over roadways now or hereafter located on the Property described on Exhibits "A" and "B" in consideration to be given by TVA to the Declarant (although Declarant shall have the right, but not the obligation, to assign some or all of such consideration to the Association if Declarant so chooses). Declarant agrees that it and its successors or assigns shall be responsible for any

damage caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property.

11.5. Easement for Entry. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant easements for the Association to enter upon any Parcel for emergency, security, and safety reasons. Such right may be exercised by any member of the Board, the Association's officers, committee members, agents, employees, and managers of the Association, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Parcel shall be only during reasonable hours and after notice to the Owner. This easement includes the right to enter any Parcel to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

11.6. Easements for Maintenance and Enforcement. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the Association to enter all portions of the Properties, including each Parcel, to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Parcel shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense. Entry under this Section shall not constitute a trespass, and prior notice to the Owner shall not be required except as provided in Section 5.2.

The Association also may enter a Parcel to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

11.7. Easement for Walking Trail Access. Declarant hereby grants to the Owners a perpetual, non-exclusive easement over and across any areas designated as "walking trails" or "paths" on any recorded subdivision plat of the Properties. Use of such walking trails or paths shall be governed by reasonable rules and regulations promulgated by the Association.

11.8. Easements for Stream, Lake and Pond Maintenance and Flood Water. Declarant reserves, creates, establishes, promulgates and declares for itself and its successors, assigns, and designees and the Association the nonexclusive, perpetual, appurtenant right and easement, but not the obligation, to enter upon any lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps and irrigations systems in order to provide water for the irrigation of any of the Area of Common Responsibility or any Private Amenity; (b) draw water from such sources for purposes or irrigation; (c) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (d) remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in this Declaration. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of any lake, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves, creates, establishes, promulgates and declares for itself and its successors, assigns and designees, and the Association the non-exclusive, perpetual, appurtenant right and easement of access and encroachment over the Common Area and Parcels (but not the dwellings thereon) adjacent to or within fifty (50) feet of lake beds, ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; (d) disturb existing landscaping; and (e) pile dirt and plant materials. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easements. All affected areas shall be restored to a neat and attractive condition to the extent practical, as soon as reasonably possible after completion of any construction or maintenance activities authorized in this Declaration. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disaster.

Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (a) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (b) to define the limits of any such easements.

11.9. Lateral Support. Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements over every portion of the Common Area, every Parcel, and any improvement which contributes to the lateral support of another portion of the Common Area, of another Parcel, or of a Private Amenity shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

11.10. Easements for Private Amenities. Declarant reserves, creates, establishes, promulgates and declares for the owners of a Private Amenity the following non-exclusive, perpetual, reciprocal, appurtenant easements which shall benefit the Private Amenity.

(a) Every Parcel and the Common Area and the common property of any Neighborhood Association adjacent to any Private Amenity are burdened with the easement permitting golf balls unintentionally to come upon such Common Area, Parcel or common property of a Neighborhood and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood or the exterior portions of a Parcel to retrieve errant golf balls; provided however, if any Parcel is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from any activity relating to a Private Amenity, including but not limited to, any errant golf balls or the exercise of this easement: the Declarant, or any successor Declarant; the Association or its Members (in their capacity as such); the owner(s) of the Private Amenities or their successors, successors-in-title, or assigns; any Builder or contractor (in their capacities as such); the golf course designer or builder; any officer, director, member, manager, or partner of any of the foregoing; or any officer, director, member or manager of any partner of any of the foregoing.

(b) The owner(s) of the Private Amenities, their respective successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the flight of golf balls resulting from inadvertent shots and for the purpose of retrieving golf balls from the Common Area and any Parcel, lying reasonably within range of golf balls hit from any golf course within such Private Amenity.

(c) The owner of any Private Amenity with in or adjacent to any portion of the Properties, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Area reasonably necessary to the operation, maintenance, repair and replacement of its Private Amenity.

(d) Declarant hereby reserves for itself, its successors and assigns and the owner(s) of any Private Amenities over, across and upon each and every Parcel, an easement not to exceed twenty feet (20') as measured from the boundary line of the Parcel that separates such Parcel from any golf course to a line running parallel thereto being located twenty feet (20') into the interior of such Parcel, the exact location of said easement shall be identified on the subdivision plat applicable to said Parcel. Such easement may be used for the purposes of operation and maintenance of any golf course, including, without limitation, installation and maintenance of cart paths. By way of example and not limitation, such easement shall be for the purpose of authorizing entry onto such portions of the Parcel to maintain or landscape the area encumbered by such easement. Such maintenance and landscaping shall include planting of grass, irrigation, fertilizer application, mowing and edging, and removal of any underbrush, trash, debris and trees of less than two (2) inches in diameter.

(e) There is hereby established for the benefit of the owner of any of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel between the entrance to the Properties and the Private Amenities and over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Properties at reasonable times before, during and after special events, tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenities have insufficient parking to accommodate such vehicles. The Private Amenities, their guests, invitees, employees, agents, contractors and designees shall have the right to be admitted through any gate, after receipt of clearance from the Private Amenity, without the payment of a fee or charge for ingress or egress, provided that the number of such persons permitted entrance to the Properties at any one time may be limited or otherwise restricted to the reasonable number of parking spaces available at the Private Amenity in order to avoid congestion and the unauthorized parking of vehicles.

(f) Any portion of the Properties immediately adjacent to the Private Amenities is hereby burdened with a non-exclusive easement in favor of the adjacent Private Amenities for overspray of water from the irrigation system serving the private amenities. Under no circumstances shall the Association or the owner(s) of the Private Amenities be held liable for any damage or injury resulting from such overspray or the exercise of this easement.



(g) The Declarant hereby reserves for itself, its successors and assigns, and may assign to the owner(s) of the Private Amenities, an easement and all rights to draw water from the lakes and ponds within or adjacent to the Properties for purposes of irrigation of the Private Amenities and for access to the right to enter upon the lakes and ponds within or adjacent to the Properties, if any, for installation and maintenance of any irrigation system.

(h) Declarant hereby establishes for the benefit of the owners of any Private Amenity and their employees, agents, contractors, and designees, a right and nonexclusive easement of access over any portion of the Properties which is contiguous to the respective Private Amenity, for the owner of the Private Amenity to enter such portions of the Properties, including each Parcel to perform maintenance. In the event that either an Owner or the Association fails to maintain any portions of the Properties which are contiguous to a Private Amenity in accordance with the requirements of this Declaration, the owner of such Private Amenity may perform the maintenance. The owner of the Private Amenity shall provide the owner of such property with at least thirty (30) days written notice and a reasonable opportunity to cure and correct any deficiency before exercising its right hereunder. Any and all expenses incurred by the owner of the Private Amenity in performing such maintenance shall be paid by the owner of the property within thirty (30) days of its receipt of written demand therefore.

(i) The owner(s) of the Private Amenities shall have easements for erection of a reasonable number of temporary and permanent directional signs (the "Private Amenity Signs") to provide guidance to the public to the Private Amenities ("Private Amenity Sign Easement"). The owner(s) of the Private Amenities shall propose the number, style and locations of the Private Amenity Signs, which proposal shall be subject to the prior written approval of the DRB. The DRB's approval shall not be unreasonably withheld or delayed, and, the DRB may not withhold its consent to the extent that the Private Amenity Signs proposed (i) are of a size and style consistent with Declarant's signage for the Properties or any portion thereof; (ii) do not unreasonably interfere with Declarant's development and marketing of the Properties; (iii) comply with all applicable laws, governmental rules and regulations; and (iv) comply with the Design Guidelines. At minimum, the owner(s) of the Private Amenities shall be entitled to place primary Private Amenity Signs, which shall be fully visible to traffic flowing in both directions along roads accessing the main entrances. Notwithstanding the foregoing, Declarant shall be entitled from time-to-time to request that the owner of the Private Amenity relocate one (1) or more of the Private Amenity Signs to accommodate any changes which may from time-to-time occur in Declarant's development plans for the Properties, and such owner may not withhold or delay consent to the request if Declarant proposes a relocation site of equal quality to the location of the Private Amenity Sign as of that time. The owner of the Private Amenity shall install and maintain all its Private Amenity Signs located in the Private Amenity Sign Easement.

(j) Notwithstanding anything contained herein to the contrary, the easements described hereinabove may not be amended or extinguished without the written consent of the owner(s) of the Private Amenities.

11.11. Easement for Special Events. Declarant reserves, creates, establishes, promulgates and declares for itself, its successors, assigns and designees a perpetual, non-exclusive appurtenant easement over the Common Area for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional or sporting

events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Parcel, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Parcel to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

11.12. Rights to Stormwater Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its designees, including by not limited to the owner of any Private Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Parcel, that Declarant shall retain all such rights. Such right shall include an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.

11.13. Easement for Greenbelt Maintenance.

(a) Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon greenbelts, buffer zones and nondisturbance areas located within the Area of Common Responsibility to remove trash and other debris therefrom and fulfill maintenance responsibilities as provided in the Declaration. The Declarant's rights and easements provided in this Section shall be automatically transferred to the Association at the expiration of the Development prior or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Properties abutting or containing any portion of greenbelt, buffer zone or nondisturbance area to the extent reasonably necessary to exercise their rights under this Section.

(b) Encroachment of structures into, over, or across greenbelts, buffer zones and nondisturbance areas shown on any recorded subdivision plat of the Properties is strictly prohibited. Landscaping in these areas is subject to removal in the reasonable discretion of Declarant in the ordinary course of maintenance of these areas. Any landscaping permitted shall be installed in conformance with Article 9 herein. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easements.

(c) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.14. Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, the Association, their successors or assigns, including without limitation the owner(s) or any Private Amenities, arising out of the exercise or non-exercise or any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

11.15. Easement for Lake Access. Declarant hereby reserves the right but shall not have the obligation to grant to the Owners a Perpetual, non-exclusive easement over and across areas of the Common Area adjacent to Nickajak Lake designated by recorded subdivision plat for the purpose of ingress and egress to Nickajak Lake. Such easement is limited solely to access to the locations, if any, designated and constructed by Declarant and/or the Association and shall not include the right for any individual Owner to construct any structure, walkway or path within the Common Area to facilitate Nickajak Lake access.

11.16. TVA Deed Easements. Declarant hereby reserves, for TVA, any easements specifically reserved by TVA for itself under the TVA Deed as applicable to the Properties.

## **ARTICLE 12: MORTGAGEE PROVISIONS**

The following provisions are for the benefit of the holders, insurers and guarantors of first Mortgages on Parcels in the Properties. The provisions in this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Parcel to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Parcel on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Parcel subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) Days, or any other violation of the Declaration or By-Laws relating to such Parcel or the Owner or Occupant which is not cured within sixty (60) Days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders pursuant to Federal Home Loan Mortgage Corporation requirements.

12.2. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Parcel in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Parcel.

12.4. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) Days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

12.5. Construction of Article 12. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Tennessee law for any of the acts set out in this Article.

### **ARTICLE 13: DECLARANT'S RIGHTS**

13.1. Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth the Governing Documents may be transferred or assigned in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. Upon any such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

13.2. Development and Sales. The Declarant, any Declarant-Related Entity, any designee of the Declarant, and Builders authorized by Declarant may maintain and carry on the Properties such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Parcels, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Area during such activities. Such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area. In the event that any such activity necessitates exclusion of Owners from Common Areas, such activities shall not exceed seven (7) consecutive Days. The Declarant and authorized Builders shall have easements over the Properties for access, ingress and conducting such activities.

In addition, the Declarant and Builders authorized by Declarant may establish within the Properties, including any clubhouse, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Parcels, including, but not limited to, business offices, signs, model units, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in the Declarant's sole discretion. The Declarant and authorized Builders shall have easements over the Properties for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Area by Persons other than Owners without the payment of any use fees.

13.3 Improvements to Common Areas. The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the

purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

13.4 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records. No such instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Charter.

13.5 Right of the Declarant to Disapprove Actions. Until the termination of the Development Period, the Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and the committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders under the Governing Documents, or interfere with the development of, construction on, or marketing of any portion of the Properties, or diminish the level of services being provided by the Association. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board or any committee as may be granted to the Declarant in the Governing Documents.

(a) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address the Declarant has registered with the secretary of the Association, which notice complies with the By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting. The Declarant may waive its right to receive notice in the same manner as provided in the By-Laws.

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee.

(c) No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) The Declarant, acting through any officer, director, agent, or authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to

disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

13.6. Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of: (a) thirty (30) years from the date this Declaration is recorded, or (b) upon recording by the Declarant of a written statement that all sales activity has ceased.

#### **ARTICLE 14: PRIVATE AMENITIES**

14.1. General. Private Amenities shall not be a portion of the Common Area, and neither membership in the Association nor ownership or occupancy of a Parcel shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time-to-time by the respective owners of the Private Amenities. The owners of the Private Amenities shall have the right, from time-to-time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users; and to require the payment of a purchase price, membership contribution, initiation deposit, dues, use charges and other charges for use privileges; and to change eliminate or cease operation of any or all of the facilities; and to reserve use rights; and to terminate use rights altogether, subject to the terms of any written agreements.

14.2. Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, and Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; or (c) the conveyance of any Private Amenity to one (1) or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Neighborhood Association, any Voting Delegate, or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

14.3. View Impairment. Neither the Declarant, the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across any Private Amenity or the Common Area from Parcels will be preserved without impairment. The owners of such

property shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Private Amenities or the Common Area from time-to-time. In addition, the owner of any Private Amenity which includes a golf course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, landscaping, bunkers, fairways and greens, improvements and barriers (both natural and artificial) from time-to-time. Any such additions or changes may diminish or obstruct any view from the Parcel and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view of a Private Amenity or Common Area which the Parcel may enjoy as of the date of the purchase of the Parcel may be impaired or obstructed by the natural growth of the existing landscaping, installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Private Amenity.

14.4. Golf Course. By acceptance of a deed to any Parcel, each Owner acknowledges and agrees that owning property adjacent to a golf course has benefits as well as detriments and that the detriments include: (a) the risk of damage to property or injury to persons and animals from golf balls which are hit onto an Owner's Parcel or other portion of the Properties or arising from the design, construction, operation, maintenance and/or use of the golf course; (b) the entry by golfers onto an Owner's Parcel or other portion of the Properties utilized by the golfer to retrieve golf balls and/or other acts or omissions of persons using the golf course; (c) noise from golfers; (d) overspray of herbicides, fungicides, pesticides, fertilizers and water in connection with the maintenance of the roughs, fairways and greens on the golf course; (e) noise from golf course maintenance and operation equipment (including, without limitation, compressors, blowers, mulches, tractors, utility vehicles and pumps, all of which may be operated at all times of the day and night and/or continuously); (f) odors arising from irrigation and fertilization of the turf situated on the golf course; (g) disturbance and loss of privacy resulting from motorized golf cart traffic, golfers and golf course maintenance personnel; (h) artificial light illuminating from any facilities; (i) the existence of water hazards, ponds, and/or lakes on the golf course; and (j) view restrictions caused by maturation of trees and shrubbery. Additionally each Owner acknowledges that pesticides and chemicals may be applied to the golf course throughout the year and that reclaimed water, treated wastewater or other sources of non-potable water may be used for irrigation of the golf course.

Each Owner hereby assumes such risks of owning property adjacent to a golf course and forever waives and relinquishes, and agrees not to institute any action or suit at law or inequity nor to institute or prosecute, any claim or demand against the Declarant, or any successor Declarant; the Association or its Members (in their capacity as such); the owner(s) of the Private Amenities or their successors-in-title, or assigns; any Builder or contractor (in their capacities as such); the golf course designer or builder; any officer, director, member, manager, or partner of any of the foregoing, or any officer, director, member or manager or any partner of the foregoing for or on account of any damages, loss, or injury either to person or property, or both, resulting directly or indirectly from the design, construction, operation, maintenance and/or use of a golf course. Each Owner and Occupant hereby agrees to take any necessary steps to maintain adequate hazard and other insurance policies to protect such Owner or Occupant and such Owner's or Occupant's family, guests, invitees, agents and employees against all such risks associated with the golf course. Each Owner and Occupant hereby agrees to indemnify and hold harmless all of the above-named Persons against any and all claims by such Owner's or Occupant's family, guests and invitees.

14.5. Cost Sharing Agreements. The Association may enter into a contractual arrangement or Cost Sharing Agreement with the owner of any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Area maintenance in accordance with Section 5.6.

14.6. Architectural Control. Following the termination of the Development Period, neither the Association, nor any committee thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Properties which is contiguous to or within one hundred (100) feet of any Private Amenity without giving the owner of such Private Amenity at least fifteen (15) Days prior written notice of its intent to approve or permit the same together, with copies of the request and all other documents and information finally submitted in such regard. The owner of such Private Amenity shall then have fifteen (15) Days to approve or disapprove the proposal in writing delivered to the appropriate committee or Association, stating in detail the reasons for any disapproval. The failure of the owner of such Private Amenity to respond to the notice within such fifteen (15) Day period shall constitute a waiver of the owner of such Private Amenity's right to object to the matter. If in the reasonable opinion of the owner of the Private amenity, the construction of the modification being reviewed would have material adverse impact on the Private Amenity whether by restriction of view, creation of hazards to persons or otherwise, then the requesting party shall resubmit to the DRB a revised plan to take into account the objection of the owner of such Private Amenity. The review and approval process set forth in this Section shall apply to the resubmitted plans. This Section shall also apply to any work on the Common Area contiguous to any Private Amenity. This Section shall not be applicable during the Development Period.

14.7. Use Restrictions. Upon request of the owner of the Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or Occupant violating such regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

14.8. Limitations of Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenities, no amendment to this Article, and no amendment to derogation of any other provisions of this Declaration benefiting any Private Amenity, may be made without the written approval of the owner(s) of the affected Private Amenity. The foregoing shall not apply, however, to amendments made by the Declarant.

14.9. Jurisdiction and Cooperation. It is Declarant's intention that the Association and the Private Amenities shall cooperate to the maximum extent possible in the operation of the Properties and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to promulgate use restrictions or rules affecting activities on or use of Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

14.10. Club Membership and Other Club Matters

(a) Mandatory Social Membership. Every Owner, other than the Declarant, Declarant-Related Entity, or a Builder, shall be a "Social Member" of the Rarity Golf and Country Club (the "Club"), but shall have the right to upgrade as set forth in Section 15.11



below. There shall be only one (1) Social Membership per Parcel. If a Parcel is owned by more than one (1) Person, all co-Owners shall be subject to the usage rules and requirements established by the Club in the Club's sole discretion from time-to-time. All Owners will be subject to the bylaws, rules, regulations, and charges of the Club and shall be responsible for the payment of Social Membership Dues to the Club. At the closing of a Parcel, each Owner shall be required to remit an initiation deposit applicable to a Social Membership to the Club. Upon closing and payment of such deposit, the Owner's membership shall become effective and the Social Membership shall entitle the Owner and his or her family and guests to Membership privileges at the Club in accordance with the Club's membership program. The Social Membership does not include golfing privileges at the Club. The Owner shall not have the right of reimbursement or refund for initiation fees or deposits related to the Social Membership except in accordance with the Club's membership plan, and the Social Membership is non-transferable except in connection with the sale of the Parcel relating to such Social Membership.

(b) Mandatory Social Membership Dues. Commencing on the date of closing of the Parcel the Club shall be entitled to charge and collect dues directly from each Owner on an annual basis ("Social Membership Dues"), prorated from the date of closing on the purchase of a Parcel. The Social Membership Dues shall be payable by each Owner to the Club without set-off, diminution or abatement for any reason. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to have notice of liability for these Social Membership Dues and to covenant and agree to pay these assessments. All such Social Membership Dues or other charges, together with interest not to exceed the maximum rate allowable by law, late charges of ten percent (10%) per annum or the highest amount allowable by law, whichever is greater, costs of collection, and reasonable attorney's fees shall be the personal obligation of the Owner of such Parcel at the time the Social Membership Dues or other charges arose. Upon a transfer of title to a Parcel, the grantee shall be jointly and severally liable for any Social Membership Dues and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Parcel by exercising the remedies provided in its Mortgage shall be liable for unpaid Social Membership Dues or other charges which accrued prior to such acquisition of title. No Owner shall be exempt from liability for Social Membership Dues by non-use of the Club, abandonment of the Parcel, or any other means, except as may be provided in the Club's membership program. The obligation to pay Social Membership Dues is a separate and independent covenant on the part of each Owner.

(c) Lien for Social Membership Dues. The Club shall have a lien against each Parcel to secure payment of all or any portion of the initiation deposit which was not paid at closing and delinquent Social Membership Dues, as well as interest at a rate to be set by the Club (subject to the maximum interest rate limitations of Tennessee law), costs of collection and reasonable attorneys fees. Such lien shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, (ii) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (iii) the lien(s) of the Association pursuant to Section 8.7 of this Declaration, regardless of the date of recording of such lien(s). The Club's lien may be enforced by suit, judgment, and judicial or non-judicial foreclosure as permitted under Tennessee law.

Notwithstanding anything contained herein to the contrary, as a condition precedent to the Club's obtaining lien rights, and/or enforcement rights pursuant to the terms of this Section, the Club must first provide the Association with twenty (20) Days prior written

notice of the Club's intent to record a lien against a Parcel, and/or proceed with other judicial or non-judicial foreclosure of the lien.

The sale or transfer of any Parcel shall not affect the Club's assessment lien nor relieve such Parcel from the lien for any subsequent Club assessments. A Mortgagee or other purchaser of a Parcel who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for Social Membership Dues due prior to such acquisition of title.

14.11. Upgraded Social Membership. The Club will offer a variety of memberships with more extensive benefits than those of the mandatory Social Membership. Owners may upgrade their mandatory Social Membership pursuant to the membership plan, by-laws, and rules and regulations of the Club, as amended from time-to-time. Any Owner upgrading his or her Social Membership shall receive a credit against the required Social Membership Dues upon the payment of dues related to the upgraded membership category, but shall not be excused from paying Social Membership Dues. If an Owner terminates such upgraded membership, the Social Membership and the obligation to pay Social Membership Dues shall continue and shall not be terminated.

## **ARTICLE 15: GENERAL PROVISIONS**

### 15.1 Duration.

(a) Unless terminated as provided in Section 15.1 (b), this Declaration shall have perpetual duration. If Tennessee law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of ten (10) years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Tennessee law, in which case such law shall control, this Declaration may not be terminated within thirty (30) years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by an instrument signed by Owners of at least seventy-five (75%) of the total Parcels within the Properties and by the Declarant, if the Declarant owns any portion of the Properties, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in the Declaration without the consent of the holder of such easement.

### 15.2 Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration at any time and from time-to-time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Parcels; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal

National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase insure or guarantee Mortgage loans on the Parcels; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Parcel unless the Owner shall consent in writing.

(b) By the Board. The Board shall be authorized to amend this Declaration without the consent of the Members to correct scrivener's errors and other mistakes of fact, provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall presume to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

15.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4. Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Governing Documents through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

15.5. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless Members holding at least eighty percent (80%) of the total Class "A" votes in the Association approve the commencement of such a proceeding. If Voting Delegates have been elected, a Voting Delegate shall not vote in favor of bringing or prosecuting any such proceeding unless at least eighty percent (80%) of the total votes attributable to Parcels in the Neighborhood represented by the Voting Delegate are cast in favor of commencement of such a proceeding. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.6. Non-Merger. Notwithstanding the fact that Declarant is the current owner of the Properties, it is the express intention of Declarant that the easements established in the Declaration are for the benefit of the Properties and Owners shall not merge into the fee simple estate of individual Parcels conveyed by Declarant or its successor, but that the estates of the Declarant and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to the Declaration.

15.7. Grants. The parties hereby declare that the Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants and reservations of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted or reserved in this Declaration.

15.8. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional recorded covenants, restrictions, and declarations applicable to any Neighborhood, and the Association may, but shall not be required to, enforce such additional covenants, conditions and provisions; provided however, in the event of a conflict between or among this Declaration and such covenants, restrictions or declarations, and/or the provisions of any Charter, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Charter, and the use restrictions and rules of the

Association shall prevail over those of any Neighborhood. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants, restrictions and declarations applicable to any portion of the Properties from containing additional covenants, restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.9. Use of the "Rarity Club" Name and Logo. No Person shall use the words "Rarity Club" or "Rarity Club at Lake Nickajack" or the logo for "Rarity Club" or "Rarity Club at Lake Nickajack" or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Rarity Club" in printed or promotional matter where such terms are used solely to specify that particular property is located within Rarity Club, and the Association and any other community association located in Rarity Club, the Declarant, and the owner of any Private Amenity shall each be entitled to use the words "Rarity Club" and/or "Rarity Club at Lake Nickajack" in their names.

15.10. Compliance. Every Owner and occupant of any Parcel shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.11. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to a Parcel shall give the Board at least seven (7) Days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. After the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Parcel, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.12. Exhibits. Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.2. Exhibit "C" is attached for informational purposes and may be amended as provided therein.

**SIGNATURES ON FOLLOWING PAGES**

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 7th day of December, 2006.

NICKAJACK SHORES HOLDINGS, LLC, a Tennessee limited liability company

By: Michael L. Ross  
Michael L. Ross,  
Chief Manager

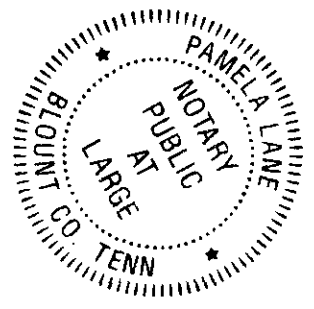
STATE OF TENNESSEE  
COUNTY OF Blount

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Michael L. Ross, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chief Manager of NICKAJACK SHORES HOLDINGS, LLC, the within named Declarant, a Tennessee limited liability company, and that he as such Chief Manager being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such Chief Manager.

Witness my hand and seal, at office in Maryville, Tennessee, this 7th day of December, 2006.

Pamela Lane  
Notary Public

My commission expires 9/9/07

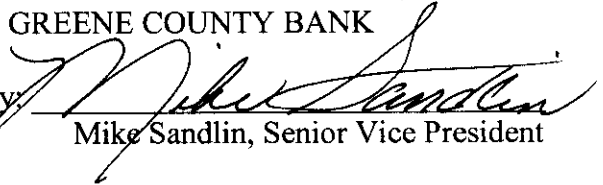


MORTGAGEE CONSENT

The undersigned, AMERICAN FIDELITY BANK, a Greene County Bank Office, which is the beneficiary of that Construction Deed of Trust, Assignment of Rents and Security Agreement of record in Book 373, Page 685, in the Register's Office for Marion County, Tennessee (the "Deed of Trust") hereby consents to the terms of preceding Declaration of Covenants, Restrictions and Easements for Rarity Club at Lake Nickajack (the "Declaration"), and hereby subordinates the lien of the Deed of Trust and the lien of related collateral documents executed and/or filed in connection with the Deed of Trust to the lien of the Declaration.

IN WITNESS WHEREOF, the said AMERICAN FIDELITY BANK, A GREENE COUNTY BANK, hath hereunto caused these presents to be signed by its duly authorized officer, this 5<sup>th</sup> day of December, 2006.

AMERICAN FIDELITY BANK,  
A GREENE COUNTY BANK

By:   
Mike Sandlin, Senior Vice President

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, the undersigned, a Notary Public in and for the aforesaid State and County, personally appeared Mike Sandlin, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Senior Vice President of AMERICAN FIDELITY BANK, A GREENE COUNTY BANK, the within named bargainer, a national banking association, and that he as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the banking corporation by himself as Senior Vice President.

Witness my hand and official seal at office, in Knoxville, Tennessee, this 5<sup>th</sup> day of December, 2006.

  
Notary Public



My Commission Expires: JUNE 5, 2007

EXHIBIT A

Rarity Club at Lake Nickajack – Phase 1

SITUATED in District 2 of Marion County, Tennessee, and being a portion of that tract of land as described in Deed Book 373, at page 668 and being more particularly described as follows:

BEGINNING at a point, being the northern most corner of proposed Lot 1 of Rarity Club at Lake Nickajack, Phase One, said point being located S 40-21-49 W, 6645.90 feet from an existing railroad spike, lying in the middle of R.A. Griffith Highway, a corner to the parent tract; thence, from said POINT OF BEGINNING the following calls: N 80-35-02 E, 77.04 feet to a point; thence, S 83-32-47 E, 156.20 feet to a point; thence, S 03-55-50 E, 80.81 feet to a point; thence, S 14-33-19 E, 396.03 feet to a point; thence, S 39-02-08 E, 901.45 feet to a point; thence, S 59-33-37 E, 119.78 feet to a point; thence, S 30-10-43 W, 125.00 feet to a point; thence, S 59-49-17 E, 162.38 feet to a point; thence, along a curve to the right with a radius of 375.00 feet, an arc distance of 109.20 feet, having a chord of S 51-28-46 E, 108.81 feet to a point; thence, along a curve to the left with a radius of 20.00 feet, an arc distance of 28.63 feet, having a chord of S 84-08-28 E, 26.24 feet to a point; thence, N 54-51-18 E, 211.51 feet to a point; thence, along a curve to the right with a radius of 125.00 feet, an arc distance of 48.87 feet, having a chord of N 66-03-20 E, 48.56 feet to a point; thence, N 77-15-23 E, 120.00 feet to a point; thence, along a curve to the left with a radius of 20.00 feet, an arc distance of 31.42 feet, having a chord of N 32-15-23 E, 28.28 feet to a point; thence, N 77-15-23 E, 50.00 feet to a point; thence, S 12-44-37 E, 15.00 feet to a point; thence, N 77-15-23 E, 125.00 feet to a point; thence, S 12-44-37 E, 550.00 feet to a point; thence, S 13-23-51 E, 159.33 feet to a point; thence, N 66-53-31 E, 185.01 feet to a point; thence, along a curve to the left with a radius of 20.00 feet, an arc distance of 30.91 feet, having a chord of N 22-36-41 E, 27.93 feet to a point; thence, along a curve to the right with a radius of 175.00 feet, an arc distance of 58.18 feet, having a chord of N 12-08-40 W, 57.92 feet to a point; thence, N 02-37-10 W, 744.81 feet to a point; thence, along a curve to the right with a radius of 175.00 feet, an arc distance of 87.85 feet, having a chord of N 11-45-43 E, 86.93 feet to a point; thence, N 26-08-36 E, 282.89 feet to a point; thence, along a curve to the left with a radius of 175.00 feet, an arc distance of 53.20 feet, having a chord of N 17-26-06 E, 52.99 feet to a point; thence, N 08-43-37 E, 103.66 feet to a point; thence, N 58-16-02 W, 293.59 feet to a point; thence, N 14-04-43 W, 394.12 feet to a point; thence, N 21-28-25 E, 174.74 feet to a point; thence, S 68-31-35 E, 148.37 feet to a point; thence, along a curve to the left with a radius of 20.00 feet, an arc distance of 20.95 feet, having a chord of N 00-34-33 W, 20.00 feet to a point; thence, N 30-34-56 W, 29.84 feet to a point; thence, along a curve to the right with a radius of 125.00 feet, an arc distance of 50.38 feet, having a chord of N 19-02-08 W, 50.04 feet to a point; thence, N 07-29-20 W, 91.23 feet to a point; thence, along a curve to the right with a radius of 325.00 feet, an arc distance of 164.29 feet, having a chord of N 06-59-32 E, 162.54 feet to a point; thence, N 21-28-25 E, 49.13 feet to a point; thence, S 68-31-35 E, 58.74 feet to angle iron 21X-138; thence, S 38-29-13 E, 114.89 feet to stamped monument 21X-139; thence, S 07-29-20 E, 154.45 feet to stamped monument 21X-140; thence, S 41-52-19 E, 286.26 feet to angle iron 21X-140A; thence, S 33-02-50 E, 144.11 feet to angle iron 21X-141; thence, S 52-08-45 E, 123.64 feet to angle iron 21X-142; thence, S 31-54-54 W, 328.85 feet to angle iron 21X-143; thence, S 07-06-01 W, 235.18 feet to angle iron 21X-144; thence, S 02-51-11 E, 328.49 feet to stamped monument 21X-145; thence, S 30-06-34 W, 135.71 feet to angle iron 21X-146; thence, S 56-25-14 W, 142.34 feet to angle iron 21X-147; thence, S 31-06-40 W, 182.58 feet to angle iron 21X-148; thence, S 85-50-41-E, 170.72 feet to stamped monument 21X-149; thence, S 39-



36-43 E, 76.51 feet to angle iron 21X-150; thence, S 02-24-38 W, 240.13 feet to angle iron 21X-151; thence, S 39-46-44 W, 110.50 feet to angle iron 21X-152; thence, S 38-24-13 E, 172.91 feet to angle iron 21X-153; thence, S 50-01-51 E, 143.45 feet to stamped monument 21X-154; thence, S 05-28-04 E, 121.11 feet to angle iron 21X-155; thence, S 66-53-31 W, 454.20 feet to angle iron 21X-156; thence, S 72-39-51 W, 362.05 feet to angle iron 21X-157; thence, N 50-11-17 W, 231.31 feet to angle iron 21X-158; thence, N 76-46-02 W, 348.83 feet to stamped monument 21X-159; thence, S 15-43-10 W, 248.77 feet to angle iron 21X-160; thence, S 64-51-23 W, 200.64 feet to angle iron 21X-161; thence, S 03-08-08 E, 279.17 feet to angle iron 21X-162; thence, S 02-57-05 E, 293.66 feet to angle iron 21X-163; thence, S 34-57-49 W, 267.55 feet to angle iron 21X-164; thence, S 31-57-02 E, 473.35 feet to stamped monument 21X-165; thence, S 77-15-56 E, 237.76 feet to stamped monument 21X-166; thence, S 25-30-57 W, 334.08 feet to angle iron 21X-167; thence, S 62-34-40 W, 264.56 feet to angle iron 21X-168; thence, N 42-08-33 W, 122.55 feet to angle iron 21X-169; thence, N 71-36-58 W, 256.10 feet to angle iron 21X-170; thence, S 72-24-30 W, 166.93 feet to angle iron 21X-171; thence, N 29-31-16 W, 393.96 feet to angle iron 21X-172; thence, N 03-08-03 E, 539.18 feet to stamped monument 21X-173; thence, N 37-16-51 W, 203.63 feet to angle iron 21X-174; thence, N 66-35-10 E, 401.57 feet to stamped monument 21X-175; thence, N 08-34-40 E, 266.77 feet to angle iron 21X-176; thence, N 18-27-23 W, 244.67 feet to stamped monument 21X-177; thence, N 27-55-01 E, 263.65 feet to stamped monument 21X-178; thence, N 36-42-51 E, 166.39 feet to angle iron 118F-26; thence, N 36-12-08 E, 127.69 feet to stamped monument 118F-25; thence, N 56-47-21 E, 136.95 feet to angle iron 118F-24; thence, N 47-24-55 E, 211.24 feet to angle iron 118F-23; thence, N 27-08-05 E, 75.58 feet to angle iron 118F-22; thence, S 77-38-06 E, 151.28 feet to a point; thence, along a curve to the left with a radius of 325.00 feet, an arc distance of 255.01 feet, having a chord of N 37-20-34 W, 248.52 feet to a point; thence, N 59-49-17 W, 266.97 feet to a point; thence, along a curve to the right with a radius of 250.00 feet, an arc distance of 90.70 feet, having a chord of N 49-25-43 W, 90.20 feet to a point; thence, N 39-02-08 W, 230.32 feet to a point; thence, along a curve to the left with a radius of 20.00 feet, an arc distance of 31.42 feet, having a chord of N 84-02-08 W, 28.28 feet to a point; thence, N 39-02-08 W, 50.00 feet to a point; thence, S 50-57-52 W, 16.28 feet to a point; thence, along a curve to the left with a radius of 125.00 feet, an arc distance of 20.51 feet, having a chord of S 46-15-49 W, 20.49 feet to a point; thence, S 41-33-47 W, 61.43 feet to a point; thence, N 41-35-40 W, 582.20 feet to a point; thence, N 20-51-51 W, 683.30 feet to a point; thence, N 72-13-52 E, 149.48 feet to the POINT OF BEGINNING, containing 79.398 acres, more or less, as surveyed by Christopher M. Rosser, TN RLS 1929 of STERLING Engineering, Inc., 1020 William Blount Drive, Maryville, TN, 37801.

TOGETHER WITH that roadway area on which is or will be located a 60 foot private roadway to be known as "Rarity Club Parkway" providing access from the above described property to R.A. Griffith Highway, as such area is shown on that plat described in the following paragraph.

BEING THE SAME PROPERTY (all those tracts or parcels of land) lying and being in District 2 of Marion County, Tennessee, to be more particularly described on that certain Final Subdivision Plat for Rarity Club at Lake Nickajack, Phase One, to be recorded in the Register's Office of Marion County, Tennessee, simultaneously with this Declaration, said plat being prepared for Nickajack Shores Holdings, LLC by Christopher Rosser, Tennessee Registered Land Surveyor No. 1929, of Sterling Engineering, Inc. 1020 William Blount Drive, Maryville, Tennessee 37802-8401.

BEING A PART of the property conveyed to Nickajack Shores Holdings, LLC under that Special Warranty Deed dated June 27, 2006, recorded in Deed Book 373, at page 668, in the Register's Office of Marion County, Tennessee.

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## **EXHIBIT "B"**

### Additional Property

All of the property described in and conveyed under the TVA Deed, less and except the real property described on Exhibit "A" hereto, together with any other real property located within twenty-five (25) miles of the perimeter boundary of the real property described on Exhibit "A" hereof.

**EXHIBIT "C"**

**BY-LAWS  
OF  
RARITY CLUB COMMUNITY ASSOCIATION, INC.**

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**BY-LAWS**  
**OF**  
**RARITY CLUB COMMUNITY ASSOCIATION, INC.**

**ARTICLE 1: NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

1.1 Name. The name of the corporation is Rarity Club Community Association, Inc. (the "Association"), a Tennessee nonprofit corporation.

1.2 Principal Office. The initial principal office of the Association shall be located in Blount County, Tennessee, in the office of the Declarant. The Association may have such other offices, either within or outside the State of Tennessee, as the Board of Directors may determine or as the affairs of the Association may require. After the Development Period, the principal office of the Association shall be located in Marion County, Tennessee.

1.3 Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Rarity Club at Lake Nickajack filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

**ARTICLE 2: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

2.1 Membership. The Association shall have three (3) classes of membership, Class "A," Class "B," and Class "C," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as is possible and practical. Meetings may be held by means of telephone conference, videoconference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. If Voting Delegates have been elected, meetings shall be of the Voting Delegates. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4 Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) Days if so directed by

resolution of the Board or upon a petition signed by Members representing at least twenty percent (20%) of the total Class "A" votes in the Association or upon written request of the Declarant.

2.5 Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) Days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member or Voting Delegate may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless a specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) Days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5.

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9 List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Tennessee law.

2.10 Proxies. A Voting Delegate entitled to cast the votes for a Parcel within such delegates' Neighborhood may not assign the right to cast such votes by proxy, but may cast such votes only in person or through such Voting Delegate's designated alternate. Any Member who



is entitled to cast only the vote(s) for such Member's Parcel(s) pursuant to Section 3.4 of the Declaration may cast such vote in person or by proxy. On any matter as to which a Member is entitled to personally cast such vote in Member's Parcel, such vote may be cast in person (if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Tennessee law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be in writing specifying the Parcel(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Parcel for which it was given, or upon receipt of notice by the secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11 Quorum. The presence, in person or by proxy, of Members representing ten percent (10%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association.

If a quorum is present at a duly called or held meeting, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12 Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be signed within sixty (60) Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Tennessee. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) Days after receiving authorization for any action by written consent, the secretary shall give written notice to all Members summarizing the material features of the authorized action.

## ARTICLE 3: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

### A. Composition and Selection.

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Members or residents; provided however, no Owner and resident representing the same Parcel may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's resident's Parcel is more than thirty (30) Days delinquent. A "resident" for the purposes of these By-Laws shall mean any natural person eighteen (18) years of age or older whose residence is, whether it be a principal residence, a secondary/vocation/pleasure residence, or a principal place of residence, is a Parcel within the Properties. In the case of a Member which is not a natural person, any officer, director, partner, member, manager, employee, or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided that no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

### 3.2 Number of Directors.

(a) The Board shall consist of a minimum of three (3) directors, as provided.

(b) The initial Board shall be appointed by the Class "B" Member as provided in Section 3.4 and may be appointed by the Class "B" Member during the Development Period.

(c) During the Development Period, the Class "B" Member may, at its discretion, increase or decrease the number of directors, provided there are never less than three (3) directors.

(d) After termination of the Development Period, the Board may, by resolution, increase or decrease the number of directors, provided there are never less than three (3) directors.

3.3 Directors During the Development Period. Directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Development Period. Directors appointed by or serving as representatives of the Class "B" Member or the Declarant shall be subject to the qualifications for directors set forth in Section 3.1.

### 3.4 Nomination and Election Procedures.

(a) Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors may be made by a nominating committee. The Board, at its discretion, may establish a nominating committee

consisting of a chairperson, who shall be a member of the Board, and three (3) or more Members or representatives of Members. If established, the nominating committee shall be appointed by the Board not less than thirty (30) Days prior to each election to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at the election. A nomination committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.5 below. The nomination committee shall nominate separate slates for the directors, if any, to be elected at large by all Members, and for the directors(s) to be elected by the votes within each Voting Group. In making its nominations, a nomination committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

In lieu of the use of nominating committee, nominations shall also be permitted from the floor at a meeting of the association. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. Directors appointed by serving as representatives of the Class "B" Member or Declarant shall not be subject to these nomination requirements.

(b) Election Procedures. Each Member may cast the vote(s) assigned to his or her Parcel(s). If Voting Delegates have been elected, each Voting Delegate may cast all votes assigned to the Parcel which such Voting Delegate represents for each position to be filled from the slate of candidates on which such Voting Delegate is entitled to vote. There shall be no cumulative voting. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5 Election and Term of Office. Notwithstanding any other provision of these By-Laws:

At the first Association meeting occurring following termination of the Development Period, the Board shall be increased to five directors and an election shall be held. Five (5) directors shall be elected by the Members. If Voting Groups have been established, one (1) director shall be elected by the Members representing each Voting Group and any remaining directorships filled at large by the vote of all Members. Three (3) directors shall serve a term of two (2) years, and two (2) directors shall serve a term of one (1) year, as such directors determine among themselves.

Upon the expiration of the term of office of each director elected by the Members, the Members entitled to elect such director shall elect a successor to serve a term of two (2) years. The directors elected by the Members shall hold office until their respective successors have been elected.

3.6 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the Class "A" Members entitled to fill the directorship holding two-thirds (2/3) of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called

for the purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled fill such directorship to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) Days delinquent (or is the resident of a Parcel that is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members entitled to fill such directorship may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of an elected director or the adoption of a Board resolution increasing the number of directors, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term. Any director that the Board appoints shall be selected from among Members and residents within the Voting Group represented by the director who vacated the position.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

## B. Meetings.

3.7 Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8 Regular Meetings. Regular meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two (2) directors.

3.10 Notice. Notice of a regular meeting shall be communicated to directors not less than four (4) Days prior to the meeting. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and in case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram,

charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, electronic mail, or e-mail shall be deemed communicated when delivered, telephoned, telecopied, electronically mailed, e-mailed or given to the telegraph company.

3.11 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participation in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for a transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, in any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15 Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book or Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote a motion or resolution before the Board, the motion or resolution is considered lost.

3.16 Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Voting Delegates and, if required by law, all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on an Member's behalf by a director. In such case, the president may limit the time any Member may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session, and exclude Members to discuss matters of a sensitive nature.

3.17 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents or Tennessee law do not direct to be done and exercised exclusively by the Voting Delegates or the membership generally.

3.19 Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any

reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

- (f) making and amending rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;
- (i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the costs of all services rendered to the Association;
- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Parcel, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and
- (o) indemnifying a director, officer or DRB or committee member, or former director, officer or DRB or committee member of the Association to the extent such indemnity is required or permitted under Tennessee law or the Governing Documents.

3.20 Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or any Declarant-Related Entity may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.21 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and
- (f) an annual financial report shall be made available to all Members within one hundred twenty (120) Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines.

3.22 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for the fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67%) of the total votes allocated to Parcel prior to borrowing such money.

3.23 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties.

3.24 Enforcement.

- (a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within fifteen (15) Days of the notice; and (iv) a statement that the proposed sanction



shall be imposed as contained in the notice unless a request for a hearing is received within fifteen (15) Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fifteen (15) Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the fifteen (15) Day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(b) Hearing. If a hearing is requested within the allotted fifteen (15) Day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within fifteen (15) Days after the hearing date.

#### **ARTICLE 4: OFFICERS**

4.1 Officers. The officers of the Association shall, at a minimum, be a president and a secretary. The president shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including vice presidents, one or more assistant secretaries, a treasurer, and one or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any

office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to the finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Association and the Board and the authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Execution of Instruments. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by Board resolution.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

## **ARTICLE 5: COMMITTEES**

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Unless otherwise provided by the Board, committee members shall be eligible Members or residents; provided however, no Class "A" Member may have more than one (1) representative on a committee at any time. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these By-Laws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than five (5) Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24 or these By-Laws.

5.3 Neighborhood Committees. In addition to any other committees appointed as provided above, each Neighborhood which has no formal organizational structure or association may elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of

the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board or the Association. Such Neighborhood Committees, if elected, shall consist of three (3) to five (5) Members, as determined by the vote of at least a Majority of the Owners of the Parcels within the Neighborhood.

Neighborhood Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall also be a member of the Neighborhood Committee. The Neighborhood Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Article 3 of these By-Laws. Meetings of a Neighborhood Committee shall be open to all Owners of Parcels in the Neighborhood and their representatives; provided however, a Neighborhood Committee may act by unanimous written consent in lieu of a meeting.

#### **ARTICLE 6: MISCELLANEOUS**

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Charter, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of Tennessee law, the Charter, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Charter, and the By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Parcel, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Parcel: the Declaration, By-Laws, and Charter, any of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board may establish rules with respect to:

(i) notice to be given to the custodian of the records;

- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right to any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member or Voting Delegate, at the address which the Member or Voting Delegate has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Parcel of such Member or Voting Delegate; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

#### 6.6 Amendment.

(a) By Declarant. During the Development Period, the Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision is not compliance with any applicable governmental stature, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Parcel; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the United States Department of Veterans Affairs ("VA"), the United States Department of Housing and Urban Development ("HUD"), the Federal Housing Administration ("FHA"), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), to make, purchase, insure, or guarantee Mortgage loans on the Parcels; or (iv) to satisfy the requirements of any local, state, or federal governmental agency; provided however, any such amendment shall not adversely affect the title to any Parcel unless the Owner shall consent there to in writing. In addition, during the Development Period, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By Board of Directors. The Board shall be authorized to amend this Declaration without the consent of the Members to correct scrivener's errors and other mistakes of fact, provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the Development Period, any such amendments shall require the written consent of the Declarant.

(c) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant. In addition, the approval requirements set forth in Article 13 of the Declaration shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(d) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant, any Declarant-Related Entity, or the Class "B" Member without the written consent of the Declarant, any Declarant-Related Entity, the Class "B" Member, or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.

6.7 Class "C" Members. All rights and obligations of Class "C" Members are set forth in Article 3 the Declaration.

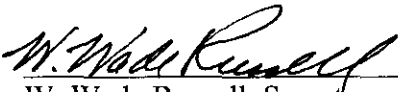
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of Rarity Club Community Association, Inc., a Tennessee corporation;

That the foregoing By-Laws constitute the original By-laws of the Association, as duly adopted at a meeting of the Board of Directors thereof held as of the 30<sup>th</sup> day of November 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the 30<sup>th</sup> day of November, 2006.

  
\_\_\_\_\_  
W. Wade Russell, Secretary

Instrument Prepared By:  
William H Worley  
420 Edgewater Way  
Jasper Tennessee 37347

**FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR RARITY CLUB AT LAKE NICKAJACK AS SUPPLEMENTED**

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR RARITY CLUB AT LAKE NICKAJACK  
(this "First Amendment") is made and entered into the 30<sup>TH</sup> day of December 2015  
by William H. Worley, as the Declarant.

**WITNESSETH**

WHEREAS, Nickajack Shores Holding, LLC, a Tennessee limited liability  
company, recorded that certain Declaration on Covenants, Conditions and Restrictions  
for Rarity Club at Lake Nick jack ("Declaration") dated December 7, 2006 and recorded  
December 8, 2006 in Marion County Tennessee Register of Deeds office in Book 380,  
Pages 1013-1114.

Exhibit 1 - Assignment of Declaration of Covenants and Restrictions for Rarity Club at  
Nickajack.

WHEREAS, William H. Worley, acquired all right, title and interest of real  
property subject to the Declaration, pursuant to Receiver's Quit Claim (Marion County,  
Tennessee) dated 12/30/15 and recorded in the Register of Deed's office for  
Marion County, Tennessee \_\_\_\_\_ in Deed Book 476, Pages 312, and thereby  
became the Declarant (as such term in the Declaration), and

WHEREAS, William H. Worley, as the Declarant, desires to amend the  
declaration as further set forth herein.

NOW THEREFORE, pursuant to Section 15.2(a) of the Declaration,  
William H. Worley, hereby amends the Declarations as follows:

1. **Definitions** - Any terms not expressly defined herein shall have the meaning  
ascribed to the in the Declaration.
2. **Declarant** - Section 1.15 of the Declaration is hereby amended to provide that  
William H. Worley is the Declarant. William H. Worley and/or successor(s),  
successor(s) in-title, or assigns does not have to hold title to any portion of the property  
described on Exhibit's "A" or "B" to be the Declarant. The Declarant is not and shall not  
be obligated or liable for any legal or financial responsibilities of the prior predecessor  
because of the acquisition of the Declarant Rights and will be held harmless for any  
actions.

3. **Right of the Declarant to Disapprove Action** - Section 13.5 of the Declaration; Until the termination of the Development, the Declarant shall have the right to disapprove any action, policy, or program for the Association, the Board, any Committee or any Property Owner, which is in the sole judgement of the Declarant and would tend to impair the rights of the Declarant. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove any actions of the Association, the Board, any Committee or any Property Owner as may be granted to the Declarant in the Governing Documents. No action, policy, or program shall be effective or implemented if the Declarant exercises its right to disapprove

4. **Memberships** - Section 14.10 of the Declaration, the owner shall have no right of reimbursement or refund for initiation fees or membership deposits.

Notwithstanding, the foregoing memberships obtained through remittance of initiation deposit was not escrowed or accounted for by William Worley's predecessor and is not available for benefit of the Club.

WHEREAS, the end of the Development Period has not yet occurred, and the Declarant may unilaterally amend the Declaration of Covenants, Conditions, Restrictions, and Bylaws for Rarity Club for any purpose.

5. **Miscellaneous** - The Master Declaration and the Bylaws, as previously amended and as supplemented by this Amendment, are to remain in full force and effect and are to be deemed superseded by this Amendment only to the limit and extent necessary to implement the terms hereto. In all other cases and for all purposes, the Master Declaration and the Bylaws as supplemented by this Amendment, shall respectively be construed and treated as a single instrument. Notwithstanding in the event of any conflicts between the terms of the Master Declaration, which are referenced in this Amendment and terms of the Bylaws referenced in this Amendment, shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. **Effect of Amendment** - All other terms, conditions, agreements and covenants of the Declaration, except as specifically modified or amended, herein, shall remain in full force and effect, the parties hereto ratifying and confirming the same.

IN WITNESS WHEREOF, the Declarant, William H. Worley, has duly executed the First Amendment to Declaration of Covenants, Conditions, and Restrictions for Rarity Club at Lake Nickajack as of the day and year first above written.

BK/PG: 476/318-321  
15004785

4 PGS:AL-AMENDED RESTRICTIONS	
DAVID BATCH: 58168	12/30/2015 - 03:31 PM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	20.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	22.00

STATE OF TENNESSEE, MARION COUNTY  
DEBBIE PITTMAN  
REGISTER OF DEEDS



WHEREAS, the end of the Development Period has not yet occurred, and the Declarant may unilaterally amend the Declaration of Covenants, Conditions, Restrictions and By Laws for Rarity Club at Lake Nickajack for any purpose.

5. Effect of Amendment - All other terms, conditions, agreements and covenants of the Declaration, except as specifically modified or amended, herein, shall remain in full force and effect, the parties hereto ratifying and confirming the same.

IN WITNESS WHEREOF, the Declarant, William H. Worley, has duly executed the Second Amendment to Declaration of Covenants, Conditions, and Restrictions of Rarity Club at Lake Nickajack of the day and year first above written.

DECLARANT:

William H. Worley  
~~A Tennessee limited liability company~~ WAW

By: William H. Worley

Signature Page

First Amendment to Declaration of Covenants, Conditions, and Restrictions for  
Rarity Club at Lake Nickajack

**DECLARANT:**  
William H. Worley

By: *William H. Worley*

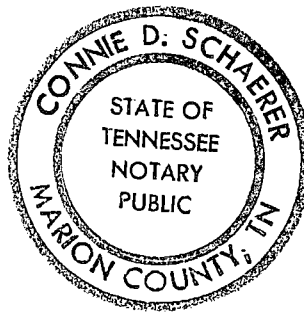
STATE OF TENNESSEE  
COUNTY OF Marion

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, personally appeared William H. Worley with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath, acknowledged himself to be William H. Worley, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name.

Witness my hand, at office, this 30<sup>th</sup> day of December, 2015.

*Connie D. Schaefer*  
Notary Public

My Commission Expires: 11/17/2018



**Signature Page**  
**First Amendment to Declaration of Covenants, Conditions and Restrictions**  
**For Rarity Club at Lake Nickajack as Supplemented**

Instrument Prepared By:  
William H Worley  
420 Edgewater Way  
Jasper Tennessee 37347

**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR RARITY CLUB AT LAKE NICKAJACK AS SUPPLEMENTED**

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RARITY CLUB AT LAKE NICKAJACK (this "Second Amendment") is made and entered into the 26<sup>th</sup> day of February 2016 by William H. Worley, as the Declarant.

**WITNESSETH**

WHEREAS, Nickajack Shores Holding, LLC, a Tennessee limited liability company, recorded that certain Declaration on Covenants, Conditions and Restrictions for Rarity Club at Lake Nick jack ("Declaration") dated December 7, 2006 and recorded December 8, 2006 in Marion County Tennessee Register of Deeds office in Book 380, Pages 1013-1114.

Exhibit 1 - Assignment of Covenants and Restrictions for Rarity Club at Nickajack.

WHEREAS, William H. Worley, acquired all right, title and interest of real property subject to the Declaration, pursuant to Receiver's Quit Claim (Marion County, Tennessee) dated 12 | 30 | 15 and recorded in the Register of Deed's office for Marion County, Tennessee \_\_\_\_\_ in Deed Book 476, Pages 312, and thereby became the Declarant (as such term in the Declaration), and

WHEREAS, William H. Worley, as the Declarant, desires to amend the declaration as further set forth herein.

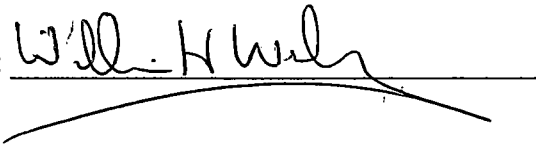
1. **The Second Amendment** to the Declaration of Covenants, Conditions, and Restrictions for Rarity Club at Lake Nickajack is a supplement to Article 9 Architectural Standards. See attached **Exhibit I** and **Exhibit II**.
2. **Effect of Amendment** - All other terms, conditions, agreements and covenants of the Declaration, except as specifically modified or amended, herein, shall remain in full force and effect, the parties hereto ratifying and confirming the same.

WHEREAS, the end of the Development Period has not yet occurred, and the Declarant may unilaterally amend the Declaration of Covenants, Conditions, Restrictions and By Laws for Rarity Club at Lake Nickajack for any purpose.

IN WITNESS WHEREOF, the Declarant, William H. Worley, has duly executed the Second Amendment to Declaration of Covenants, Conditions, and Restrictions of Rarity Club at Lake Nickajack of the day and year first above written.

DECLARANT

William H. Worley

By: 

Signature Page  
Second Amendment to Declaration of Covenants, Conditions, and Restrictions for  
Rarity Club at Lake Nickajack

<b>BK/PG: 478/696-703</b>	
<b>16001052</b>	
8 PGS:AL-AMENDMENT	
DAVID BATCH: 59124	04/04/2016 - 09:51 AM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	40.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	42.00

STATE OF TENNESSEE, MARION COUNTY  
**DEBBIE PITTMAN**  
REGISTER OF DEEDS

**DECLARANT:**

William H. Worley

By: *William H. Worley*

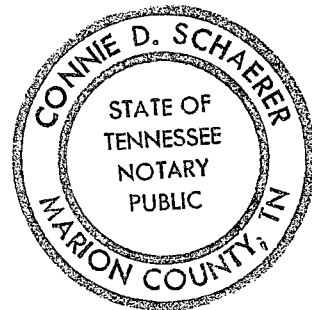
STATE OF TENNESSEE  
COUNTY OF Marion

Before me, the undersigned, a Notary Public in and for the state and county aforesaid, personally appeared William H. Worley with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath, acknowledged himself to be William H. Worley, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name.

Witness my hand, at office, this 4<sup>th</sup> day of April, 2016.

*Connie D. Schaefer*  
Notary Public

My Commission Expires: 11/17/2018



Signature Page  
Second Amendment to Declaration of Covenants, Conditions and Restrictions  
For Rarity Club at Lake Nickajack as Supplemented

# Exhibit I

## APPLICATION TO BECOME AN Approved Rarity Club Builder

Please Print Clearly!

Full legal name of company: \_\_\_\_\_

Type of organization:  sole proprietorship  Partnership  Corporation \_\_\_\_\_

Federal Tax Identification Number: \_\_\_\_\_

Name(s) and title(s) of owners, partners and officers:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Cell# \_\_\_\_\_

Business mailing address: \_\_\_\_\_  
\_\_\_\_\_

Business phone number: \_\_\_\_\_

Primary email address \_\_\_\_\_

Who will be the primary contact for your company during construction?

Name \_\_\_\_\_ Cell# \_\_\_\_\_

List all contractor licenses along with your maximum dollar limit (attach copies of all):

Description	Number	Maximum Dollar Limit
_____	_____	\$ _____
_____	_____	\$ _____

Primary Insurance Agent for liability and worker compensation:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City-State-Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

For the past two years, list the following information about your company:

<u>Year</u>	<u># of Homes Built</u>	<u>Average Home Price</u>
_____	_____	\$ _____
_____	_____	\$ _____

List your primary bank and financial references:

Institution Name	Primary Contact	Phone Number
_____	_____	_____
_____	_____	_____
_____	_____	_____

List your primary subcontractors:

Name	Contact Person	Phone Number
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

This form is only an application. Only builders who have been approved in advance by Rarity Club's Design Review Board may construct any structure within the Rarity Club Community. Such approval is at the sole discretion of the Rarity Club Design Review Board and such approval may be withheld for any reason. You will be notified if your application is approved. The Rarity Club Design Review Board may withdraw your approval at anytime, however you will be allowed to complete any projects you have already started.

Approved builders must, at least {{days prior to beginning each construction project, submit various forms and documents including but not limited to: copies of all current licenses and their renewals; certificates of liability, builder's risk and workman's compensation insurance.

All Lot Owner plans must be submitted along with applicable fees and deposits, and then must be approved in writing by the Rarity Club Design Review Board BEFORE any person can apply for a building permit and before any construction can begin.

It is the Builder's responsibility to read all covenants, restrictions and design guidelines, which will be updated and amended from time to time.

YOU HEREBY AGREE THAT YOU AND YOUR SUBCONTRACTORS WILL ADHERE TO THE ALLOWABLE WORK HOURS AS DESCRIBED Below:

Monday thru Saturday 7:00a.m. To 5:00 p.m. Sundays per special requests.

It is your responsibility to tell your employees and subs of allowable work hours in Rarity Club and see that they comply.

By your signature below you agree to be bound by the conditions and restrictions in the recorded Declaration of Covenants, Conditions & Restrictions, the Design Guidelines and the decisions and direction of Rarity Club's Design and Review Board.

Signature of owner, officer or general partner of Builder:

X \_\_\_\_\_ Date: \_\_\_\_\_

Print name: \_\_\_\_\_ Title: \_\_\_\_\_

# Exhibit II

## Design Review Board Checklist

Lot# \_\_\_\_\_  
Date \_\_\_\_\_

Name \_\_\_\_\_ Phone \_\_\_\_\_

Contractor \_\_\_\_\_ Phone \_\_\_\_\_

Lender \_\_\_\_\_ Phone \_\_\_\_\_

### Preliminary Application

Design documents required for Preliminary Design Review may be conceptual in nature, utilizing sketches and illustrations, but each item must be included.

	Received	Reviewed	Approved
Top graphic Survey			
Site Plan			
Floor Plan			
Elevations			
Roof Plan			

Construction Deposit: \_\_\_\_\_ Design Review Fee: \_\_\_\_\_ Total: \_\_\_\_\_  
 Make check payable to The Rarity Club Community Association  
 Check# \_\_\_\_\_ Date \_\_\_\_\_

### Final Design Review Application

Submit 1WO complete sets of design documents.

	Received	Reviewed	Approved
Site Plan			
lot Grading Plan			
Floor Plan			
Building Sections			
Foundation Plan			
Exterior Elevations			
Roof Plan			
Pool Plan			
Retaining Wall \ Plan			
Monumental Design			
Exterior Finish Schedule			
Exterior Color Schedule			
Exterior Lighting Schedule			
Builder Application			
Builder Agreement			
Utility Connection Fees			

### Job Site Meeting

Silt Fence Required?
Driveway Curb Cut
Erosion Control Measures
Building Permit Post
Site clean-up and Work Guidelines

Landscape Plan \_\_\_\_\_

Certificate of Approval to Begin Construction issued \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_





**Lot Owner Information For The  
Rarity Club at Nickajack**

**Please Print**

Lot Number \_\_\_\_\_

Street Address \_\_\_\_\_

Lot Owner Name/s: \_\_\_\_\_

\_\_\_\_\_

Current Address: \_\_\_\_\_

\_\_\_\_\_

Home Phone Number: \_\_\_\_\_

Cell Number: \_\_\_\_\_ Name: \_\_\_\_\_

Cell Number: \_\_\_\_\_ Name: \_\_\_\_\_

Email: \_\_\_\_\_

Email: \_\_\_\_\_